



TEE LAND

TEE Land Limited
Incorporated in the Republic of Singapore
Company Registration No: 201230851R

Unaudited Third Quarter Financial Statement and Dividend Announcement for the Period Ended 29 February 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	29/02/2016	28/02/2015	29/02/2016	28/02/2015		
Revenue	9,198	8,357	10.1	22,392	29,914	(25.1)
Cost of sales	(5,959)	(6,291)	(5.3)	(13,672)	(22,200)	(38.4)
Gross profit	3,239	2,066	56.8	8,720	7,714	13.0
Other operating income	608	566	7.4	1,561	1,787	(12.6)
Selling and distribution costs	(751)	(1,570)	(52.2)	(1,672)	(2,304)	(27.4)
Administrative expenses	(3,283)	(1,620)	102.7	(8,848)	(5,057)	75.0
Other operating expenses	-	(865)	N.M.	(581)	(1,099)	(47.1)
Share of results of associates	2,716	3,050	(11.0)	8,115	7,349	10.4
Finance costs	(1,243)	(652)	90.6	(3,562)	(1,220)	192.0
Profit before tax	1,286	975	31.9	3,733	7,170	(47.9)
Income tax expense	(154)	(178)	(13.5)	(194)	(1,017)	(80.9)
Profit for the period	1,132	797	42.0	3,539	6,153	(42.5)
Profit attributable to:						
Owners of the Company	1,345	810	66.0	3,734	6,145	(39.2)
Non-controlling interests	(213)	(13)	N.M.	(195)	8	N.M.
	1,132	797	42.0	3,539	6,153	(42.5)

1(a)(ii) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	29/02/2016	28/02/2015	29/02/2016	28/02/2015		
Profit for the period	1,132	797	42.0	3,539	6,153	(42.5)
Other comprehensive income for the period:						
Currency translation differences	(378)	178	N.M.	(1,197)	402	N.M.
Total comprehensive income for the period	754	975	(22.7)	2,342	6,555	(64.3)

N.M.-not meaningful

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1(a)(ii) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	29/02/2016	28/02/2015		29/02/2016	28/02/2015	
Total comprehensive income attributable to:						
Owners of the Company	1,168	986	18.5	2,822	6,542	(56.9)
Non-controlling interests	(414)	(11)	N.M.	(480)	13	N.M.
	754	975	(22.7)	2,342	6,555	(64.3)

1(a)(iii) Notes to the income statement

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	29/02/2016	28/02/2015		29/02/2016	28/02/2015	
A Other operating income:						
Interest income	312	522	(40.2)	1,005	1,642	(38.8)
Foreign currency exchange adjustment gain	163	-	N.M.	-	-	N.M.
Financial guarantee income	95	20	375.0	252	61	313.1
Liquidated damages received	-	-	N.M.	180	-	N.M.
Others	38	24	58.3	124	84	47.6
	608	566	7.4	1,561	1,787	(12.6)
B Finance costs:						
Loan interests	757	171	342.7	2,098	552	280.1
Term notes interest	486	481	1.0	1,464	668	119.2
	1,243	652	90.6	3,562	1,220	192.0
C Amortisation of issuance costs on term notes	45	45	N.M.	136	75	81.3
D Amortisation of deferred sales commission expenses	156	155	0.6	379	508	(25.4)
E Amortisation of show flat expenses	183	16	N.M.	467	47	893.6
F Depreciation of property, plant and equipment	790	101	682.2	2,251	300	650.3
G Foreign currency exchange adjustment loss	-	865	N.M.	581	1,099	(47.1)
H Adjustment for under provision of income tax in respect of prior years	-	-	N.M.	16	79	(79.7)

Note:

Restatements have been made to the prior corresponding periods (third quarter and nine months ended 28/02/2015) due to the change in accounting policy on sales commissions by the Group and its associates, which was adopted by the Group in the fourth quarter of financial year 2015.

N.M.-not meaningful

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group S\$'000		The Company S\$'000	
	29/02/2016	31/05/2015	29/02/2016	31/05/2015
ASSETS				
Current assets				
Cash and bank balances	16,808	18,618	573	4,564
Trade receivables	12,211	37,824	-	-
Other receivables	16,167	16,963	155,782	164,300
Loans receivable from associates	13,248	15,759	2,950	4,462
Inventories	19	18	-	-
Development properties	149,024	122,658	-	-
Completed property held for sale	14,973	14,973	-	-
Total current assets	222,450	226,813	159,305	173,326
Non-current assets				
Investment in associates	46,603	36,066	-	-
Investment in subsidiaries	-	-	20,180	18,799
Property, plant and equipment	91,049	79,152	-	-
Investment properties	11,708	12,036	-	-
Deferred tax assets	1,676	1,332	-	-
Other receivables	11,428	10,475	-	-
Loans receivable from associates	16,086	19,216	-	-
Total non-current assets	178,550	158,277	20,180	18,799
Total assets	401,000	385,090	179,485	192,125
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	1,982	11,499	483	-
Trade payables	11,247	8,600	-	-
Other payables	25,887	20,493	2,659	14,086
Finance lease	11	12	-	-
Long-term bank loans	14,541	45,254	-	-
Financial guarantee liabilities	382	280	1,228	1,235
Income tax payable	3,947	1,289	-	-
Total current liabilities	57,997	87,427	4,370	15,321
Non-current liabilities				
Finance lease	54	69	-	-
Long-term loan	4,050	4,050	-	-
Deferred tax liabilities	92	2,012	-	-
Long-term bank loans	139,203	94,305	-	-
Term notes	29,713	29,577	29,713	29,577
Financial guarantee liabilities	726	568	2,172	2,335
Total non-current liabilities	173,838	130,581	31,885	31,912
Capital, reserves and non-controlling interests				
Share capital	142,238	142,238	142,238	142,238
Currency translation reserve	(1,645)	(733)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated profits	21,437	20,429	992	2,654
Equity attributable to owners of the Company	156,055	155,959	143,230	144,892
Non-controlling interests	13,110	11,123	-	-
Total equity	169,165	167,082	143,230	144,892
Total liabilities and equity	401,000	385,090	179,485	192,125

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1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

The Group S\$'000 <u>As at 29/02/2016</u>		The Group S\$'000 <u>As at 31/05/2015</u>	
Secured	Unsecured	Secured	Unsecured
16,534	-	56,765	-

Amount repayable after one year

The Group S\$'000 <u>As at 29/02/2016</u>		The Group S\$'000 <u>As at 31/05/2015</u>	
Secured	Unsecured	Secured	Unsecured
139,257	29,713	94,374	29,577

Details of any collateral

The total secured borrowings are represented:

- Obligation under finance lease secured on the motor vehicle of the Group; and
- Bank loans and long-term bank loans secured by legal mortgages over the Group's development properties, properties, investment properties and corporate guarantee from the holding company.

Note: These borrowings exclude the long-term loan of S\$4,050,000 due to joint developer.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	29/02/2016	28/02/2015	29/02/2016	28/02/2015
Operating activities				
Profit before tax	1,286	975	3,733	7,170
Adjustments for:				
Share of results of associates	(2,716)	(3,050)	(8,115)	(7,349)
Depreciation of property, plant and equipment	790	101	2,251	300
Amortisation of financial guarantee liabilities	(95)	(20)	(252)	(61)
Amortisation of issuance costs on term notes	45	45	136	75
Amortisation of deferred sales commission expenses	156	155	379	508
Amortisation of show flat expenses	183	16	467	47
Interest income	(312)	(522)	(1,005)	(1,642)
Interest expense	1,243	652	3,562	1,220
Operating cash flows before movements in working capital	580	(1,648)	1,156	268
Trade receivables	(1,602)	2,022	25,613	1,080
Other receivables	(1,341)	(4,221)	(3,606)	(7,071)
Inventories	1	-	(1)	-
Development properties	(10,404)	(506)	(25,861)	(8)
Completed property held for sale	-	-	-	1,216
Trade payables	(3,399)	(360)	2,647	5,774
Other payables	2,077	1,649	5,512	4,789
Cash (used in) from operations	(14,088)	(3,064)	5,460	6,048
Interest paid	(1,482)	(858)	(5,138)	(2,776)
Income tax paid	(42)	(213)	(115)	(384)
Income tax refund	-	-	280	-
Net cash (used in) from operating activities	(15,612)	(4,135)	487	2,888

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	29/02/2016	28/02/2015	29/02/2016	28/02/2015
Investing activities				
Purchase of property, plant and equipment	(2,386)	(3,592)	(15,658)	(8,291)
Investment properties	346	(1,966)	-	(31,353)
Investment in associates	-	-	(2,722)	-
Repayment of loans receivable from associates	4,613	6,149	9,262	16,135
Loans receivable from associates	-	(80)	(3,639)	(8,419)
Interest received	1,116	381	3,608	393
Net cash from (used in) investing activities	3,689	892	(9,149)	(31,535)
Financing activities				
Drawdown of bank loans	-	-	483	7,000
Repayment of bank loans	-	-	(10,000)	(8,859)
Drawdown of long-term bank loans	14,799	4,698	27,169	31,863
Repayment of long-term bank loans	(1,284)	(8,259)	(10,969)	(27,612)
Increase fixed deposit pledged	(1,422)	-	(1,422)	-
Repayment of obligation under finance lease	(3)	(4)	(16)	(12)
Proceeds from issuance of term notes	-	-	-	29,457
Capital injection by non-controlling interest	501	-	2,467	-
Dividends paid	-	(1,966)	(2,726)	(5,318)
Net cash from (used in) financing activities	12,591	(5,531)	4,986	26,519
Net increase (decrease) in cash and cash equivalents	668	(8,774)	(3,676)	(2,128)
Cash and cash equivalents at beginning of period	12,699	34,147	18,003	25,884
Effect of foreign exchange rate changes	1,404	(57)	444	1,560
Cash and cash equivalents at end of period (Note A)	14,771	25,316	14,771	25,316

Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	29/02/2016	28/2/2015	29/02/2016	28/2/2015
Cash at banks	9,322	8,505	9,322	8,505
Cash on hand	1	8	1	8
Fixed deposits	280	2,617	280	2,617
Projects accounts (see Note below):				
Cash at banks	5,168	6,163	5,168	6,163
Fixed deposit	-	8,023	-	8,023
Total cash and cash equivalents per statement of cash flow	14,771	25,316	14,771	25,316
Add: Encumbered bank deposit	2,037	-	2,037	-
Total cash and bank balances	16,808	25,316	16,808	25,316

As at 29 February 2016, the Group has bank deposit of \$2,037,000 placed with a bank in Vietnam as security for banking facilities.

Note:

Project accounts are subject to restrictions under the Housing Developers (Project Account) Rules (1997 Ed). Withdrawals from these projects accounts are restricted to payments for project expenditure incurred until the completion of the project.

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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share capital	Currency translation reserve	Capital reserve	Merger reserve	Accumulated profits	Equity attributable to owners of the company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group								
Balance at 31/05/2015	142,238	(733)	(6)	(5,969)	20,429	155,959	11,123	167,082
Total comprehensive income for the period	-	(912)	-	-	3,734	2,822	(480)	2,342
Capital injection by non-controlling interests	-	-	-	-	-	-	2,467	2,467
Dividends paid	-	-	-	-	(2,726)	(2,726)	-	(2,726)
Balance at 29/02/2016	142,238	(1,645)	(6)	(5,969)	21,437	156,055	13,110	169,165
Previous Corresponding Period								
Balance at 31/05/2014	142,238	(854)	(6)	(5,969)	12,312	147,721	1,927	149,648
Prior year adjustment	-	-	-	-	2,348	2,348	-	2,348
Balance as at 31/05/2014 as restated	142,238	(854)	(6)	(5,969)	14,660	150,069	1,927	151,996
Total comprehensive income for the period	-	397	-	-	6,145	6,542	13	6,555
Dividends paid	-	-	-	-	(5,318)	(5,318)	-	(5,318)
Balance at 28/02/2015	142,238	(457)	(6)	(5,969)	15,487	151,293	1,940	153,233

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- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)

	Share capital	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000
<u>The Company</u>			
Balance at 31/05/2015	142,238	2,654	144,892
Total comprehensive income for the period	-	1,064	1,064
Dividends paid	-	(2,726)	(2,726)
Balance at 28/02/2016	142,238	992	143,230
<u>Previous Corresponding Period</u>			
Balance at 31/05/2014	142,238	2,298	144,536
Total comprehensive income for the period	-	2,891	2,891
Dividends paid	-	(5,138)	(5,138)
Balance at 28/02/2015	142,238	51	142,289

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

	The Company	
	No of shares	Capital S\$'000
Balance at 29/02/2016 and 30/11/2015	446,876,000	142,238

During the quarter ended 29/02/2016, there were no changes in the share capital of the Company.

As at 29/02/2016 and 28/02/2015, there were no shares held as treasury shares and outstanding convertibles.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	The Group and the Company	
	29/02/2016	31/05/2015
Total number of issued shares	446,876,000	446,876,000

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1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

The Company does not have treasury shares during or as at the end of the current financial period reported on.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures presented have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted for the audited financial statements for the financial year ended 31 May 2015.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share ("EPS") of the Group based on net profit attributable to owners of the Company:

(i) Based on the number of shares (cents)

(ii) On a fully diluted basis (cents)

(iii) Number of shares ('000)

The Group		The Group	
Third Quarter Ended		Nine Months Ended	
29/02/2016	28/02/2015	29/02/2016	28/02/2015
0.30	0.18	0.84	1.38
N.A.	N.A.	N.A.	N.A.
446,876	446,876	446,876	446,876

The Company does not have any dilutive instruments as at 29/02/2016.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) current financial period reported on; and (b) immediately preceding financial year

The Group
The Company

Cents	
As at 29/02/2016	As at 31/05/2015
34.9	34.9
32.1	32.4

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- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Income Statement

Revenue in FY2016 third quarter ("Q3") (December 2015 to February 2016) increased by S\$0.8 million (10.1%) from S\$8.4 million in FY2015 Q3 to S\$9.2 million in FY2016 Q3. This was due mainly to revenue from our two Australian hotels and rental income from certain area of our corporate building in FY2016 Q3, offset to some extent by lower progressive revenue recognised for development projects in FY2016 Q3 as compared to FY2015 Q3.

Revenue for FY2016 nine months ("9M") (June 2015 to February 2016) decreased by S\$7.5 million (25.1%) from S\$29.9 million in FY2015 9M to S\$22.4 million in FY2016 9M. This was mainly due to lower progressive revenue recognized from development projects in FY2016 9M as compared to FY2015 9M, offset to some extent by revenue from our two Australian hotels and rental income from certain area of our corporate building in FY2016 9M.

Cost of sales for FY2016 Q3 decreased by S\$0.3 million (5.3%) from S\$6.3 million in FY2015 Q3 to S\$6.0 million in FY2016 Q3 despite an increase in revenue for FY2016 Q3. This was due mainly to higher revenue contributions from hotel operations and rental income in FY2016 Q3. As a result, gross margin increased from 24.7% in FY2015 Q3 to 35.2% in FY2016 Q3.

Cost of sales for FY2016 9M decreased by S\$8.5 million (38.4%) from S\$22.2 million in FY2015 9M to S\$13.7 million in FY2016 9M in line with the decrease in revenue. Gross margin improved from 25.8% in FY2015 9M to 38.9% in FY2016 9M. This was due mainly to higher revenue contributions from hotel operations and rental income, with higher gross margin in FY2016 9M.

Other operating income for FY2016 9M decreased by S\$0.2 million (12.6%) from S\$1.8 million in FY2015 9M to S\$1.6 million in FY2016 9M due mainly to lower interest income from associated companies.

Selling and distribution expenses for FY2016 Q3 decreased by S\$0.8 million (52.2%) from S\$1.6 million in FY2015 Q3 to S\$0.8 million in FY2016 Q3, due mainly to higher marketing expenses for our Malaysian project, Third Avenue in FY2015 Q3. This was also the main reason selling and distribution expenses for FY2016 9M decreased by S\$0.6 million (27.4%) from S\$2.3 million in FY2015 9M to S\$1.7 million in FY2016 9M.

Administrative expenses in FY2016 Q3 increased by S\$1.7 million (102.7%) from S\$1.6 million in FY2015 Q3 to S\$3.3 million in FY2016 Q3 due mainly to administrative expenses (including depreciation) for our hotel operations, depreciation for our corporate building and higher staff cost in FY2016 Q3. The administrative expenses (including depreciation) for our hotel operations and depreciation for our corporate building are also the main reasons administrative expenses in FY2016 9M increased by S\$3.7 million (75.0%) from S\$5.1 million in FY2015 9M to S\$8.8 million in FY2016 9M. As a result, depreciation expense increased from S\$0.1 million in FY2015 Q3 to S\$0.8 million in FY2016 Q3, and from S\$0.3 million in FY2015 9M to S\$2.3 million in FY2016 9M.

Other operating expenses for FY2016 Q3 decreased by S\$0.9 million, from S\$0.9 million in FY2015 Q3 to nil in FY2016 Q3 due to the decrease in unrealised foreign exchange loss, resulting from the strengthening of both the Malaysian Ringgit and Australian Dollar against the Singapore Dollar in FY2016 Q3.

Other operating expenses for FY2016 9M decreased by S\$0.5 million, from S\$1.1 million in FY2015 9M to S\$0.6 million in FY2016 9M due mainly to unrealised foreign exchange loss arising from the depreciation of the Australian Dollar against the Singapore Dollar in FY2015 9M.

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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Continued)**

Income Statement (Continued)

Share of results of associates for FY2016 Q3 decreased by S\$0.4 million, from S\$3.1 million in FY2015 Q3 to S\$2.7 million in FY2016 Q3 due mainly to lower contribution from our associates in Singapore for FY2016 Q3, as two of the projects obtained their Temporary Occupation Permit in FY2016 Q2.

Share of results of associates for FY2016 9M increased by S\$0.8 million, from S\$7.3 million in FY2015 9M to S\$8.1 million in FY2016 9M due mainly to stronger contribution from our Thai associate in FY2016 9M.

Finance costs for FY2016 Q3 increased by S\$0.5 million, from S\$0.7 million in FY2015 Q3 to S\$1.2 million in FY2016 Q3, due mainly to the Australian hotel loan interests in FY2016 Q3.

Finance costs for FY2016 9M increased by S\$2.4 million, from S\$1.2 million in FY2015 9M to S\$3.6 million in FY2016 9M due mainly to interests for the two Australian hotel loans and the Medium Term Notes in FY2016 9M.

As a result of the above, profit before tax for FY2016 Q3 increased by S\$0.3 million, from S\$1.0 million in FY2015 Q3 to S\$1.3 million in FY2016 Q3. However, profit before tax for FY2016 9M decreased by S\$3.5 million, from S\$7.2 million in FY2015 9M to S\$3.7 million in FY2016 9M.

Tax expense for FY2016 Q3 decreased marginally from S\$0.18 million in FY2015 Q3 to S\$0.15 million in FY2016 Q3, despite a slight increase in profit before tax in FY2016 Q3. This was due mainly to the recognition of deferred tax assets for certain loss making subsidiaries in FY2016 Q3. Similarly, the tax expense for FY2016 9M was much lower also mainly because of the recognition of deferred tax assets for certain loss making subsidiaries.

Overall, profit after tax for FY2016 Q3 increased by 42.0%, from S\$0.8 million in FY2015 Q3 to S\$1.1 million in FY2016 Q3. However, profit after tax for FY2016 9M decreased by 42.5%, from S\$6.2 million in FY2015 9M to S\$3.5 million in FY2016 9M.

Statement of Financial Position

Trade receivables decreased from S\$37.8 million as at 31 May 2015 to S\$12.2 million as at 29 February 2016 due mainly to higher collections compared to revenue in FY2016 9M.

Loans receivable from associates in total (current and non-current) decreased from S\$35.0 million as at 31 May 2015 to S\$29.3 million as at 29 February 2016. This was due mainly to repayment of loans by associates.

Development properties increased from S\$122.7 million as at 31 May 2015 to S\$149.0 million as at 29 February 2016 due mainly to progressive capitalization of construction and development costs as construction of our development properties progressed.

Investment in associates increased from S\$36.1 million as at 31 May 2015 to S\$46.6 million as at 29 February 2016 due mainly to increase in investment in our Thai associated company, Chewathai Public Company Limited, and share of profits from associated companies.

Property, plant and equipment increased from S\$79.2 million as at 31 May 2015 to S\$91.0 million as at 29 February 2016 due mainly to the acquisition of the 11th floor, penthouse and four commercial units of Larmont Hotel Building and Corporate Suites in Sydney, Australia.

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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Continued)**

Statement of Financial Position (Continued)

Deferred tax assets increased from S\$1.3 million as at 31 May 2015 to S\$1.7 million as at 29 February 2016 due mainly to the recognition of deferred tax assets by certain loss making subsidiaries.

Bank loans decreased from S\$11.5 million as at 31 May 2015 to S\$2.0 million as at 29 February 2016 due mainly to repayment of loan for Aura 83 development property project.

Trade payables increased from S\$8.6 million as at 31 May 2015 to S\$11.2 million as at 29 February 2016 due mainly to construction and development costs incurred for ongoing development projects.

Other payables increased from S\$20.5 million as at 31 May 2015 to S\$25.9 million as at 29 February 2016 due mainly to increase in development cost incurred relating to a joint development of an ongoing property development and deposits received for sale of land in Vietnam.

Long-term bank loans (current and non-current) increased from S\$139.6 million as at 31 May 2015 to S\$153.7 million as at 29 February 2016 mainly due to loan drawdown for development property projects and acquisition of the 11th floor and penthouse of Larmont Hotel Building and Corporate Suites.

Financial guarantee liabilities in total (current and non-current) increased from S\$0.8 million as at 31 May 2015 to S\$1.1 million as at 29 February 2016, due to additional corporate guarantees given for joint venture development projects.

Income tax payable increased from S\$1.3 million as at 31 May 2015 to S\$3.9 million as at 29 February 2016, mainly due to the completion of Aura 83 as revenue from sales of development properties is only taxable upon completion of the project, and tax payable for the Malaysian development project as tax in Malaysia is payable progressively in advance. The completion of development property, Aura 83 is also the main reason for deferred tax liabilities to reduce from S\$2.0 million as at 31 May 2015 to S\$0.1 million as at 29 February 2016.

Statement of Cash Flows

Operating activities

The Group utilised cash of S\$15.6 million for operating activities in FY2016 Q3 due mainly to the increase in development properties and decrease in trade payables.

For FY2016 9M, a net cash of S\$0.5 million was generated from operating activities. This was due mainly to the net decrease in receivables and increase in payables, offset to some extent by the increase in development properties.

Investing activities

Net cash of S\$3.7 million was generated from investing activities in FY2016 Q3 due mainly to repayment of loans and interests by associates, offset to some extent by the purchase of property, plant and equipment (the commercial units in Larmont Building).

Net cash of S\$9.1 million was used in investing activities for FY2016 9M, mainly due to purchase of property, plant and equipment, offset to some extent by the net repayment of loans receivable from associates.

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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Continued)**

Statement of Cash Flows (Continued)

Financing activities

Net cash generated from financing activities for FY2016 Q3 was S\$12.6 million, due mainly to the drawdown of long-term bank loans for development properties and acquisition of property, plant and equipment.

For FY2016 9M, net cash of S\$5.0 million was generated from financing activities. This was due mainly to the net drawdown of bank loans for development properties.

As a result of the above cash flow activities, there was a net increase in cash and cash equivalents of S\$0.7 million for FY2016 Q3 and a net decrease of S\$3.7 million for FY2016 9M, thereby bringing the total cash and cash equivalents amount to S\$14.8 million (excluding encumbered bank deposit) as at 29 February 2016.

- 9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The actual results for FY2016 Q3 are in line with the commentary in Paragraph 10 of the quarterly result announcement for FY2016 Q2 made on 12 January 2016.

- 10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group does not foresee any changes in the expectation of trends and competitive conditions as stated in our last quarter's results announcement. As the cooling measures are not expected to be lifted in the near future, the property markets in Singapore and Malaysia are expected to continue to remain challenging. Despite the challenges, our Third Avenue development project in Malaysia is 70% sold for the residential units and construction is 20% completed. We have also achieved 50% sales for the residential units at our new development project in Singapore, 183 LONGHAUS. The Thai property market is expected to remain relatively stable.

Australia's tourism is expected to continue to grow, and this will have a positive impact on the hotel industry in Australia. In New Zealand, demand for workers' accommodation will continue to remain stable as the recovery and redevelopment works in Christchurch are still ongoing.

- 11 **Dividend**

(a) **Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

(b) **Corresponding Period of the immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) **Date payable**

Not applicable.

(d) **Books closure date**

Not applicable.

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12 If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the financial period ended 29 February 2016.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

Summary of Interested Person Transaction for financial period ended 29 February 2016

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
PBT Engineering Sdn Bhd (a wholly-owned subsidiary of TEE International Limited)	-	S\$11,828,000
TEE Projects Solutions Sdn Bhd (a wholly-owned subsidiary of TEE International Limited)	-	S\$306,000

NEGATIVE ASSURANCE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, Phua Cher Chew and Saw Chin Choo, being two Directors of TEE Land Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter and nine months ended 29 February 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Phua Cher Chew
Chief Executive Officer
and Executive Director

Saw Chin Choo
Non-Executive Director

Dated 5 April 2016