



# TEE LAND

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

## Unaudited Second Quarter Financial Statement and Dividend Announcement for the Period Ended 30 November 2014

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) %
	Second Quarter Ended			Half Year Ended		
	30/11/2014	30/11/2013		30/11/2014	30/11/2013	
<b>Revenue</b>	15,122	2,441	519.5	21,557	16,014	34.6
<b>Cost of sales</b>	(11,277)	(1,373)	721.3	(15,909)	(13,321)	19.4
<b>Gross profit</b>	3,845	1,068	260.0	5,648	2,693	109.7
Other operating income	399	584	(31.7)	1,221	921	32.6
Administrative expenses	(2,418)	(1,378)	75.5	(4,348)	(3,035)	43.3
Other operating expenses	(172)	-	N.M.	(234)	(753)	(68.9)
Share of results of associates	1,804	1,686	7.0	4,246	2,936	44.6
Finance costs	(357)	(191)	86.9	(568)	(277)	105.1
<b>Profit before tax</b>	3,101	1,769	75.3	5,965	2,485	140.0
Income tax expense	(650)	(132)	392.4	(830)	(270)	207.4
<b>Profit for the period</b>	<b>2,451</b>	<b>1,637</b>	<b>49.7</b>	<b>5,135</b>	<b>2,215</b>	<b>131.8</b>
Profit attributable to:						
Owners of the Company	2,415	1,654	46.0	5,114	2,232	129.1
Non-controlling interests	36	(17)	N.M.	21	(17)	N.M.
	<b>2,451</b>	<b>1,637</b>	<b>49.7</b>	<b>5,135</b>	<b>2,215</b>	<b>131.8</b>

### 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) %
	Second Quarter Ended			Half Year Ended		
	30/11/2014	30/11/2013		30/11/2014	30/11/2013	
Profit for the period	2,451	1,637	49.7	5,135	2,215	131.8
Other comprehensive income for the period:						
Currency translation differences	143	(120)	N.M.	224	(392)	N.M.
<b>Total comprehensive income for the period</b>	<b>2,594</b>	<b>1,517</b>	<b>71.0</b>	<b>5,359</b>	<b>1,823</b>	<b>194.0</b>

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)
	Second Quarter Ended			Half Year Ended		
	30/11/2014	30/11/2013	%	30/11/2014	30/11/2013	%
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	2,557	1,534	66.7	5,335	1,840	189.9
Non-controlling interests	37	(17)	N.M.	24	(17)	N.M.
	<b>2,594</b>	<b>1,517</b>	<b>71.0</b>	<b>5,359</b>	<b>1,823</b>	<b>194.0</b>

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

	The Group S\$'000		Increase/ (Decrease)	The Group S\$'000		Increase/ (Decrease)
	Second Quarter Ended			Half Year Ended		
	30/11/2014	30/11/2013	%	30/11/2014	30/11/2013	%
A Other operating income:						
Interest income	551	400	37.8	1,120	776	44.3
Foreign currency exchange adjustment (loss) gain	(232)	114	N.M.	-	16	N.M.
Financial guarantee income	41	36	13.9	41	72	(43.1)
Others	39	34	14.7	60	57	5.3
	<b>399</b>	<b>584</b>	<b>(31.7)</b>	<b>1,221</b>	<b>921</b>	<b>32.6</b>
B Finance costs:						
Bank borrowings	357	191	86.9	568	277	105.1
	<b>357</b>	<b>191</b>	<b>86.9</b>	<b>568</b>	<b>277</b>	<b>105.1</b>
C Amortisation of issuance costs on term notes	30	-	N.M.	30	-	N.M.
D Depreciation of property, plant and equipment	100	20	400.0	199	28	610.7
E Foreign currency exchange adjustment loss	172	-	N.M.	234	317	(26.2)
F Adjustment for under (over) provision of income tax in respect of prior years	79	(82)	N.M.	79	(82)	N.M.

N.M.-not meaningful

**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	
	30/11/2014	31/05/2014	30/11/2014	31/05/2014
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	34,147	25,884	13,628	562
Trade receivables	17,627	16,685	-	-
Other receivables	14,729	10,280	141,398	124,524
Current portion of loans receivable from associates	25,814	19,361	12,370	10,326
Development properties	158,817	157,938	-	-
Completed property held by sale	-	1,216	-	-
<b>Total current assets</b>	<b>251,134</b>	<b>231,364</b>	<b>167,396</b>	<b>135,412</b>
<b>Non-current assets</b>				
Investment in associates	26,615	21,966	-	-
Investment in subsidiaries	-	-	18,528	18,478
Property, plant and equipment	16,639	12,087	-	-
Investment properties	37,922	10,120	-	-
Deferred tax assets	130	96	-	-
Other receivables	10,059	11,111	-	-
Loans receivable from associates	20,552	28,652	-	-
<b>Total non-current assets</b>	<b>111,917</b>	<b>84,032</b>	<b>18,528</b>	<b>18,478</b>
<b>Total assets</b>	<b>363,051</b>	<b>315,396</b>	<b>185,924</b>	<b>153,890</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans	11,499	13,358	-	-
Trade payables	11,503	5,369	-	-
Other payables	25,430	22,375	11,671	6,949
Current portion of finance lease	12	12	-	-
Current portion of long-term bank loans	7,186	21,307	-	-
Current portion of financial guarantee liabilities	82	-	817	743
Income tax payable	1,030	92	-	-
<b>Total current liabilities</b>	<b>56,742</b>	<b>62,513</b>	<b>12,488</b>	<b>7,692</b>
<b>Non-current liabilities</b>				
Finance lease	78	86	-	-
Long-term loan	4,050	4,050	-	-
Deferred tax liabilities	798	1,043	-	-
Long-term bank loans	119,989	98,056	-	-
Term notes	29,487	-	29,487	-
Financial guarantee liabilities	252	-	1,666	1,662
<b>Total non-current liabilities</b>	<b>154,654</b>	<b>103,235</b>	<b>31,153</b>	<b>1,662</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	142,238	142,238	142,238	142,238
Currency translation reserve	(633)	(854)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated profits	14,074	12,312	45	2,298
Equity attributable to owners of the Company	149,704	147,721	142,283	144,536
Non-controlling interests	1,951	1,927	-	-
<b>Total equity</b>	<b>151,655</b>	<b>149,648</b>	<b>142,283</b>	<b>144,536</b>
<b>Total liabilities and equity</b>	<b>363,051</b>	<b>315,396</b>	<b>185,924</b>	<b>153,890</b>

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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 30/11/2014</u>		The Group S\$'000 <u>As at 31/05/2014</u>	
Secured	18,697	Unsecured	-
		Secured	34,677
		Unsecured	-

#### Amount repayable after one year

The Group S\$'000 <u>As at 30/11/2014</u>		The Group S\$'000 <u>As at 31/05/2014</u>	
Secured	120,067	Unsecured	29,487
		Secured	98,142
		Unsecured	-

#### Details of any collateral

The total secured borrowings are represented:

- Obligations 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, property under construction, investment properties and corporate guarantee from the holding company.

Note: These borrowings exclude the long-term loan of \$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	
	Second Quarter Ended		Half Year Ended	
	30/11/2014	30/11/2013	30/11/2014	30/11/2013
<b>Operating activities</b>				
Profit before tax	3,101	1,769	5,965	2,485
Adjustments for:				
Share of results of associates	(1,804)	(1,686)	(4,246)	(2,936)
Depreciation of property and equipment	100	20	199	28
Amortisation of financial guarantee liabilities	(41)	(36)	(41)	(72)
Amortisation of issuance costs on term notes	30	-	30	-
Interest income	(551)	(400)	(1,120)	(776)
Interest expense	357	191	568	277
Operating cash flows before movements in working capital	1,192	(142)	1,355	(994)
Trade receivables	(7,027)	(1,058)	(942)	(3,451)
Other receivables	(2,694)	4,708	(2,289)	(1,323)
Development properties	3,262	(5,013)	498	1,727
Completed property held by sale	-	-	1,216	-
Trade payables	6,142	(1,713)	6,134	(1,010)
Other payables	(4,654)	445	3,140	(13,185)
Cash (used in) from operations	(3,779)	(2,773)	9,112	(18,236)
Interest paid	(910)	(687)	(1,918)	(1,299)
Income tax paid	(159)	(75)	(171)	(174)
Net cash (used in) from operating activities	(4,848)	(3,535)	7,023	(19,709)

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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	
	Second Quarter Ended		Half Year Ended	
	30/11/2014	30/11/2013	30/11/2014	30/11/2013
<b>Investing activities</b>				
Purchase of property, plant and equipment	(3,448)	(328)	(4,699)	(9,837)
Investment properties	(803)	(8,071)	(29,387)	(8,071)
Investment in associates	-	(784)	-	(784)
Repayment of loans receivables from associates	5,453	454	9,986	1,884
Loans receivable from associates	(6,532)	(6,553)	(8,339)	(14,961)
Interest received	7	163	12	176
Net cash used in investing activities	(5,323)	(15,119)	(32,427)	(31,593)
<b>Financing activities</b>				
Drawdown of bank loans	2,000	140	7,000	4,693
Repayment of bank loans	(8,758)	-	(8,859)	(3,000)
Drawdown of long-term bank loans	8,565	2,303	27,165	9,980
Repayment of long-term bank loans	(8,936)	(2,457)	(19,353)	(9,611)
Repayment of obligation under finance lease	(5)	-	(8)	-
Proceeds from issuance of term notes	29,457	-	29,457	-
Proceeds on issue of shares	-	-	-	62,100
Payment of share issue expenses	-	-	-	(2,831)
Dividends paid	(3,352)	(4,469)	(3,352)	(4,469)
Net cash from (used in) financing activities	18,971	(4,483)	32,050	56,862
Net increase (decrease) in cash and cash equivalents	8,800	(23,137)	6,646	5,560
Cash and cash equivalents at beginning of period	23,707	57,768	25,884	29,057
Effect of foreign exchange rate changes	1,640	(11)	1,617	3
<b>Cash and cash equivalents at end of period (Note A)</b>	<b>34,147</b>	<b>34,620</b>	<b>34,147</b>	<b>34,620</b>

#### Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Second Quarter Ended		Half Year Ended	
	30/11/2014	30/11/2013	30/11/2014	30/11/2013
Cash at banks	18,416	11,107	18,416	11,107
Cash on hand	-	1	-	1
Fixed deposits	2	6,011	2	6,011
Projects accounts (see Note below):				
Cash at banks	7,708	12,495	7,708	12,495
Fixed deposit	8,021	5,006	8,021	5,006
<b>Total cash and cash equivalents</b>	<b>34,147</b>	<b>34,620</b>	<b>34,147</b>	<b>34,620</b>

Note:

Projects 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
<b>The Group</b>								
<b>Balance at 31/05/2014</b>	142,238	(854)	(6)	(5,969)	12,312	147,721	1,927	149,648
Total comprehensive income for the period	-	221	-	-	5,114	5,335	24	5,359
Dividends paid	-	-	-	-	(3,352)	(3,352)	-	(3,352)
<b>Balance at 30/11/2014</b>	<b>142,238</b>	<b>(633)</b>	<b>(6)</b>	<b>(5,969)</b>	<b>14,074</b>	<b>149,704</b>	<b>1,951</b>	<b>151,655</b>
<b>Previous Corresponding Period</b>								
<b>Balance at 31/05/2013</b>	82,969	(165)	(6)	(5,969)	7,764	84,593	1,905	86,498
Total comprehensive income for the period	-	(392)	-	-	2,232	1,840	(17)	1,823
Issue of shares	62,100	-	-	-	-	62,100	-	62,100
Share issue expenses	(2,831)	-	-	-	-	(2,831)	-	(2,831)
Dividends paid	-	-	-	-	(4,469)	(4,469)	-	(4,469)
<b>Balance at 30/11/2013</b>	<b>142,238</b>	<b>(557)</b>	<b>(6)</b>	<b>(5,969)</b>	<b>5,527</b>	<b>141,233</b>	<b>1,888</b>	<b>143,121</b>

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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
<b>The Company</b>			
<b>Balance at 31/05/2014</b>	142,238	2,298	144,536
Total comprehensive income for the period	-	1,099	1,099
Dividends paid	-	(3,352)	(3,352)
<b>Balance at 30/11/2014</b>	<b>142,238</b>	<b>45</b>	<b>142,283</b>
<b>Previous Corresponding Period</b>			
<b>Balance at 31/05/2013</b>	82,969	4,557	87,526
Total comprehensive income for the period	-	2,154	2,154
Issue of shares	62,100	-	62,100
Share issue expenses	(2,831)	-	(2,831)
Dividends paid	-	(4,469)	(4,469)
<b>Balance at 31/11/2013</b>	<b>142,238</b>	<b>2,242</b>	<b>144,480</b>

- 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 31/08/2014 and 30/11/2014	446,876,000	142,238

During the quarter ended 30 November 2014, there were no changes in the share capital of the Company.

As at 30/11/2013 and 30/11/2014, 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	
	30/11/2014	31/05/2014
Total number of issued shares	446,876,000	446,876,000

- 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.

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**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 2014.

**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	
Second Quarter Ended		Half Year Ended	
30/11/2014	30/11/2013	30/11/2014	30/11/2013
0.54	0.37	1.14	0.50
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 30/11/2014.

**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 30/11/2014	As at 31/05/2014
33.5	33.1
31.8	32.3



- 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 for FY2015 second quarter (September 2014 to November 2014) ("FY2015 Q2") increased by S\$12.7 million or 519.5% to S\$15.1 million compared to the previous corresponding period in FY2014 ("FY2014 Q2") of S\$2.4 million. The higher revenue in FY2015 Q2 was due mainly to higher progressive revenue recognised for Aura 83 compared to progressive revenue recognised for The Peak @ Cairnhill I in FY2014 Q2.

Revenue for FY2015 first half year (June 2014 to November 2014) ("FY2015 1H") increased by S\$5.6 million or 34.6% to S\$21.6 million compared to S\$16.0 million in the previous first half year ("FY2014 1H"). This was due mainly to higher progressive revenue recognised for Aura 83 as explained above.

Cost of sales for FY2015 Q2 correspondingly increased by S\$9.9 million (721.3%), from S\$1.4 million in FY2014 Q2 to S\$11.3 million in FY2015 Q2. Gross margin decreased from 43.8% in FY2014 Q2 to 25.4% in FY2015 Q2 due mainly to higher margin from progressive revenue recognised for development project in FY2014 Q2 compared to FY2015 Q2.

Cost of sales for FY2015 1H also correspondingly increased from S\$13.3 million in FY2014 1H to S\$15.9 million in FY2015 1H. Gross margin improved from 16.8% in FY2014 1H to 26.2% in FY2015 1H. This was due mainly to better margin development projects ongoing in FY2015 1H compared to FY2014 1H.

Other operating income for FY2015 Q2 decreased by 31.7%, from S\$0.6 million in FY2014 Q2 to S\$0.4 million in FY2015 Q2 due mainly to exchange gain recognised in FY2014 Q2.

Other operating income for FY2015 1H increased by 32.6%, from S\$0.9 million in FY2014 1H to S\$1.2 million in FY2015 1H due mainly to higher interest income recognised in FY2015 1H.

Administrative expenses for FY2015 Q2 increased by S\$1.0 million (75.5%), from S\$1.4 million in FY2014 Q2 to S\$2.4 million in FY2015 Q2 due mainly to higher staff costs, professional fees, depreciation and marketing expenses incurred in FY2015 Q2. The depreciation and marketing expenses were mainly incurred in relation to our Malaysian development project.

Administrative expenses for FY2015 1H similarly increased, from S\$3.0 million in FY2014 1H to S\$4.3 million in FY2015 1H. This increase was also due mainly to higher staff costs, professional fees, depreciation and marketing expenses incurred as mentioned above.

Other operating expenses for FY2015 Q2 of S\$0.2 million was mainly due to exchange loss recognised from the weakening of Malaysian Ringgit, New Zealand and Australian Dollars against Singapore Dollar.

Other operating expenses for FY2015 1H decreased by 68.9%, from S\$0.8 million in FY2014 1H to S\$0.2 million in FY2015 1H due mainly to IPO expenses incurred in FY2014 1H.

Share of results of associates for FY2015 Q2 improved by 7.0%, from S\$1.7 million in FY2014 Q2 to S\$1.8 million in FY2015 Q2 due mainly to increased contribution from our Singapore associates as construction of development projects progressed.

Share of results of associates for FY2015 1H increased by 44.6%, from S\$2.9 million in FY2014 1H to S\$4.2 million in FY2015 1H due mainly to the same reason as mentioned above.

Finance costs for FY2015 Q2 increased from S\$0.2 million in FY2014 Q2 to S\$0.4 million in FY2015 Q2, due mainly to new loans taken in FY2015, in particular the Medium Term Notes of S\$30.0 million raised in October 2014.

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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)**

Similarly, the finance costs for FY2015 1H also increased, from S\$0.3 million in FY2014 1H to S\$0.6 million in FY2015 1H due mainly to the same reasons mentioned above.

As a result of the above, profit before tax for FY2015 Q2 improved by S\$1.3 million (75.3%), from S\$1.8 million in FY2014 Q2 to S\$3.1 million in FY2015 Q2. Similarly, profit before tax for FY2015 1H increased by S\$3.5 million (140.0%), from S\$2.5 million in FY2014 1H to S\$6.0 million in FY2015 1H.

Because of the higher profit before tax, the tax expense has also increased compared to the corresponding periods.

Overall, profit after tax for FY2015 Q2 increased by 49.7%, from S\$1.6 million in FY2014 Q2 to S\$2.5 million in FY2015 Q2. Profit after tax for FY2015 1H increased by 131.8%, from S\$2.2 million in FY2014 1H to S\$5.1 million in FY2015 1H.

### **Statement of Financial Position**

Cash and bank balances increased from S\$25.9 million as at 31 May 2014 to S\$34.1 million as at 30 November 2014. This was due mainly to the net proceeds received from the Medium Term Notes in October 2014 and funds used mainly in investing activities in FY2015 1H (acquisition of a hotel in Australia, progress payment of construction cost for the corporate building and deposit placed for investment properties in Bangkok) and the payment of dividends in November 2014.

Other receivables (current and non-current) increased from S\$21.4 million as at 31 May 2014 to S\$24.8 million as at 30 November 2014 due mainly to increase in loan interest receivable from associates and deposit placed for investment properties (apartments) in Bangkok.

Investment in associates increased from S\$22.0 million as at 31 May 2014 to S\$26.6 million as at 30 November 2014 due mainly to share of profits from associated companies.

Property, plant and equipment increased from S\$12.1 million as at 31 May 2014 to S\$16.6 million as at 30 November 2014 due mainly to progress payment of construction cost for the corporate building at 25 Bukit Batok Street 22.

Investment properties increased from S\$10.1 million as at 31 May 2014 to S\$37.9 million as at 30 November 2014 due mainly to the acquisition of a hotel in Sydney, Australia.

Bank loans decreased from S\$13.4 million as at 31 May 2014 to S\$11.5 million as at 30 November 2014 due mainly to the net decrease in loan for the New Zealand property, which was converted to a long term bank loan.

Trade payables increased from S\$5.4 million as at 31 May 2014 to S\$11.5 million as at 30 November 2014 due mainly to construction costs for ongoing development projects and the corporate building.

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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)**

Other payables increased from S\$22.4 million as at 31 May 2014 to S\$25.4 million as at 30 November 2014 due mainly to advances from joint venture partners.

The term notes of S\$29.5 million as at 30 November 2014 was for Tranche 1 (\$30 million) of the Medium Term Notes Programme raised in October 2014, offset by note issuance cost.

Financial guarantee liabilities of S\$0.3 million as at 30 November 2014 was for corporate guarantee given for a joint venture development project.

### **Statement of Cash Flows**

#### **Operating activities**

The Group utilised cash of S\$4.8 million for operating activities in FY2015 Q2 due mainly to the increase in receivables, offset to some extent by the net increase in payables and decrease in development properties.

For FY2015 1H, net cash of S\$7.0 million was generated from operating activities. This was mainly due to the increase in trade payables.

#### **Investing activities**

Net cash used in investing activities was S\$5.3 million for FY2015 Q2 due mainly to the purchase of property, plant and equipment arising from construction cost incurred for the corporate building, and net increase in loans to associates.

Net cash used in investing activities for FY2015 1H was S\$32.4 million, mainly due to acquisition of the hotel in Sydney.

#### **Financing activities**

Net cash generated from financing activities for FY2015 Q2 was S\$19.0 million due mainly to the net proceeds received from the issuance of term notes, offset by net repayment of loans and payment of dividends.

For FY2015 1H, net cash generated from financing activities was S\$32.1 million due mainly to the net proceeds received from the issuance of term notes and net drawdown of bank loans, partially offset by the payment of dividends.

As a result of the above cash flow activities, there was a net increase in cash and cash equivalents of S\$8.8 million in FY2015 Q2 and S\$6.6 million in FY2015 1H, bringing the total cash and cash equivalents amount to S\$34.1 million as at 30 November 2014.

- 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 FY2015 Q2 are in line with the commentary in Paragraph 10 of the quarterly result announcement for FY2015 Q1 made on 1 October 2014.

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**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 Singapore government has indicated that the cooling measures will not be lifted anytime soon. Therefore, the Group does not expect any improvement in the Singapore property market. Across the causeway, the tightening debt policies of Bank Negara, together with the cooling measures imposed by the Malaysian government, have slowed property sales, achieving the desired results of the policy makers. This is not expected to change in the next 12 months. In Thailand, with improving sentiment and a recovering private sector, there were signs of recovery in the property market, and this trend is expected to continue. For New Zealand and Australia, the property markets are expected to be stable.

Going forward, the Group remains cautious and mindful of developments in countries where it has presence and ongoing investments. The Group continues to take a long term view and will capitalise on opportunities in these countries as and when they arise.

**11 Dividend**

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

Any dividend declared for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.44 cents per ordinary share
Tax Rate	Tax exempt (One-Tier)

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

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

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.5 cents per ordinary share
Tax Rate	Tax exempt (One-Tier)

**(c) Date payable**

To be announced at a later date.

**(d) Books closure date**

To be announced at a later date.

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

Not applicable.

**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**

There was no interested person transaction for the financial period under review, arising from the IPT general mandate obtained on 25 September 2014.

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**14 General-Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the state use**

<b>Use of proceeds</b>	<b>Amount allocated as disclosed in Prospectus (S\$ million)</b>	<b>Total amount utilised as at 31 December 2014 (S\$ million)</b>	<b>Balance Amount (S\$ million)</b>
Fund expansion by way of new property, development projects, joint ventures, acquisitions, investments and others	26.0	(26.0)	-
Repayment of loans and advances to TEE International Limited, our controlling shareholder	15.0	(15.0)	-
Repayment of bank loans	6.0	(6.0)	-
Working capital purposes <sup>1</sup>	10.8	(10.8)	-
<b>Total</b>	<b>57.8</b>	<b>(57.8)</b>	<b>-</b>

1. Start-up expenses for our operations in New Zealand (S\$0.5 million)  
Expenses incurred for our development projects in Singapore (S\$0.9 million)  
Expenses incurred for our development project in Malaysia (S\$1.3 million)  
Expenses incurred for our joint development at The Peak @ Cairnhill I and The Peak @ Cairnhill II (S\$0.5 million)  
Loans for our Thailand development projects (S\$3.6 million)  
Loans to our associates for our joint venture development projects (S\$0.8 million)  
Partial deposit and expenses incurred for the acquisition of the hotel in Sydney (S\$0.6 million)  
Administrative expenses incurred from our operations in Singapore (S\$2.6 million)

The use of proceeds is in accordance with the stated use as disclosed in the IPO prospectus.

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

We, Phua Cher Chew and Boon Choon Kiat, 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 second quarter ended 30 November 2014 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

Boon Choon Kiat  
Finance Director  
and Executive Director

Dated 12 January 2015

*SAC Capital Private Limited was the issue manager for the initial public offer of TEE Land Limited (the "Company"). This announcement has been prepared and released by the Company.*