



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 28 February 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) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2014	28/02/2013	28/02/2014	28/02/2013		
Revenue	15,650	7,465	109.6	31,664	14,250	122.2
Cost of sales	(11,777)	(6,163)	91.1	(25,098)	(11,296)	122.2
Gross profit	3,873	1,302	197.5	6,566	2,954	122.3
Other operating income	830	504	64.7	1,751	1,414	23.8
Administrative expenses	(1,159)	(854)	35.7	(4,194)	(2,516)	66.7
Other operating expenses	(310)	(58)	434.5	(1,063)	(140)	659.3
Share of results of associates	923	(105)	N.M.	3,859	(90)	N.M.
Finance costs	(110)	(29)	279.3	(387)	(33)	N.M.
Profit before tax	4,047	760	432.5	6,532	1,589	311.1
Income tax expense	(594)	(149)	298.7	(864)	(312)	176.9
Profit for the period	3,453	611	465.1	5,668	1,277	343.9
Profit attributable to:						
Owners of the Company	3,446	635	442.7	5,678	1,305	335.1
Non-controlling interests	7	(24)	N.M.	(10)	(28)	(64.3)
	3,453	611	465.1	5,668	1,277	343.9

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		
	28/02/2014	28/02/2013	28/02/2014	28/02/2013		
Profit for the period	3,453	611	465.1	5,668	1,277	343.9
Other comprehensive income:						
Currency translation differences	(24)	223	N.M.	(416)	147	N.M.
Other comprehensive income for the period	(24)	223	N.M.	(416)	147	N.M.
Total comprehensive income for the period	3,429	834	311.2	5,252	1,424	268.8

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		
	28/02/2014	28/02/2013	28/02/2014	28/02/2013		
Total comprehensive income attributable to:						
Owners of the Company	3,422	858	298.8	5,262	1,452	262.4
Non-controlling interests	7	(24)	N.M.	(10)	(28)	(64.3)
	3,429	834	311.2	5,252	1,424	268.8

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		
	28/02/2014	28/02/2013	28/02/2014	28/02/2013		
A Other operating income:						
Interest income	647	456	41.9	1,423	1,276	11.5
Foreign currency exchange adjustment gain	117	1	N.M.	133	3	N.M.
Financial guarantee income	37	36	2.8	109	109	-
Others	29	11	163.6	86	26	230.8
	830	504	64.7	1,751	1,414	23.8
B Finance costs:						
Bank borrowings	110	29	279.3	387	33	N.M.
	110	29	279.3	387	33	N.M.
C Depreciation of property and equipment	15	7	114.3	43	15	186.7
D Foreign currency exchange adjustment loss	310	56	453.6	627	140	347.9
E Adjustment for under/(over) provision of income tax in respect of prior years	-	17	N.M.	(82)	17	N.M.

COMPARATIVE STATEMENTS

Pursuant to the Restructuring Exercise in respect of the Company's IPO as disclosed in the prospectus dated 29 May 2013, the Company entered into the restructuring agreement dated 22 February 2013 with the ultimate holding company to acquire the property development businesses of the ultimate holding company.

The consolidated financial statements incorporated the financial statements of the Company and its subsidiaries which had been prepared using the principles of merger accounting and on the assumption that the re-organisation of entities under common control has been effected as at the beginning of the earliest period presented in these consolidated financial statements.

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	
	28/02/2014	31/05/2013	28/02/2014	31/05/2013
ASSETS				
Current assets				
Cash and bank balances	24,989	29,057	4,737	3,108
Trade receivables	12,128	10,261	-	-
Other receivables	7,880	4,539	113,620	85,244
Current portion of loans receivable from associates	19,711	7,394	10,799	-
Development properties	127,190	112,843	-	-
Total current assets	191,898	164,094	129,156	88,352
Non-current assets				
Investment in associates	17,192	12,597	-	-
Investment in subsidiaries	-	-	16,808	15,969
Property and equipment	10,048	119	-	-
Investment property	8,708	-	-	-
Deferred tax assets	311	400	-	-
Other receivables	6,309	8,028	-	-
Loans receivable from associates	27,912	25,554	-	-
Total non-current assets	70,480	46,698	16,808	15,969
Total assets	262,378	210,792	145,964	104,321
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	9,360	7,500	-	3,000
Trade payables	4,280	4,472	-	-
Other payables	13,744	24,629	639	13,571
Current portion of long-term bank loans	1,862	10,162	-	-
Current portion of financial guarantee liabilities	36	145	340	42
Income tax payable	120	424	-	-
Total current liabilities	29,402	47,332	979	16,613
Non-current liabilities				
Long-term loan	4,050	4,050	-	-
Deferred tax liabilities	1,029	244	-	-
Long-term bank loans	81,347	72,668	-	-
Financial guarantee liabilities	-	-	577	182
Total non-current liabilities	86,426	76,962	577	182
Capital, reserves and non-controlling interests				
Share capital	142,238	82,969	142,238	82,969
Currency translation reserve	(581)	(165)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated profits	8,973	7,764	2,170	4,557
Equity attributable to owners of the Company	144,655	84,593	144,408	87,526
Non-controlling interests	1,895	1,905	-	-
Total equity	146,550	86,498	144,408	87,526
Total liabilities and equity	262,378	210,792	145,964	104,321

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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 28/02/2014</u>		The Group S\$'000 <u>As at 31/05/2013</u>	
Secured	Unsecured	Secured	Unsecured
11,222	-	14,662	3,000

Amount repayable after one year

The Group S\$'000 <u>As at 28/02/2014</u>		The Group S\$'000 <u>As at 31/05/2013</u>	
Secured	Unsecured	Secured	Unsecured
81,347	-	72,668	-

Details of any collateral

The total secured borrowings are represented by bank loans and long-term bank loans which are secured by legal mortgages over the Group's development properties, property and corporate guarantee from the ultimate 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	
	28/02/2014	28/02/2013	28/02/2014	28/02/2013
Operating activities				
Profit before tax	4,047	760	6,532	1,589
Adjustments for:				
Share of results of associates	(923)	105	(3,859)	90
Depreciation of property and equipment	15	7	43	15
Amortisation of financial guarantee liabilities	(37)	(36)	(109)	(109)
Interest income	(647)	(456)	(1,423)	(1,276)
Interest expense	110	29	387	33
Operating cash flows before movements in working capital	2,565	409	1,571	342
Trade receivables	1,584	(1,843)	(1,867)	(3,790)
Other receivables	936	3,657	(387)	1,434
Development properties	(14,715)	4,602	(12,988)	(24,943)
Trade payables	818	899	(192)	652
Other payables	1,882	2,136	(11,303)	9,835
Cash (used in) from operations	(6,930)	9,860	(25,166)	(16,470)
Interest paid	(406)	(278)	(1,705)	(1,036)
Income tax paid	(120)	(100)	(294)	(538)
Net cash (used in) from operating activities	(7,456)	9,482	(27,165)	(18,044)

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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	
	28/02/2014	28/02/2013	28/02/2014	28/02/2013
Investing activities				
Acquisition of non-controlling interests in subsidiary	-	-	-	(8)
Purchase of property and equipment	(136)	(6)	(9,973)	(133)
Investment property	(637)	-	(8,708)	-
Investment in associates	-	-	(784)	(454)
Loans receivable from associates	(1,598)	(3,023)	(14,675)	(2,074)
Interest received	12	16	188	551
Net cash used in investing activities	(2,359)	(3,013)	(33,952)	(2,118)
Financing activities				
Drawdown of bank loans	167	1,500	4,860	4,500
Repayment of bank loans	-	-	(3,000)	-
Drawdown of long-term bank loans	650	86	10,630	22,980
Repayment of long-term bank loans	(640)	-	(10,251)	-
Capital contribution from non-controlling interests	-	1,941	-	1,941
Proceeds on issue of shares	-	-	62,100	1,000
Payment of share issue expenses	-	-	(2,831)	-
Dividends paid	-	-	(4,469)	-
Net cash from financing activities	177	3,527	57,039	30,421
Net (decrease) increase in cash and cash equivalents	(9,638)	9,996	(4,078)	10,259
Cash and cash equivalents at beginning of period	34,620	8,776	29,057	8,513
Effect of foreign exchange rate changes	7	(12)	10	(12)
Cash and cash equivalents at end of period (Note A)	24,989	18,760	24,989	18,760

Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2014	28/02/2013	28/02/2014	28/02/2013
Cash at banks	6,210	1,454	6,210	1,454
Cash on hand	1	-	1	-
Projects accounts (see Note below):				
Cash at banks	13,770	17,306	13,770	17,306
Fixed deposit	5,008	-	5,008	-
Total cash and cash equivalents	24,989	18,760	24,989	18,760

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
The Group								
Balance at 31/05/2013	82,969	(165)	(6)	(5,969)	7,764	84,593	1,905	86,498
Total comprehensive income for the period	-	(416)	-	-	5,678	5,262	(10)	5,252
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)
Balance at 28/02/2014	142,238	(581)	(6)	(5,969)	8,973	144,655	1,895	146,550
Previous Corresponding Period								
Balance at 31/05/2012	9,000	(355)	-	-	5,736	14,381	(6)	14,375
Total comprehensive income for the period	-	147	-	-	1,305	1,452	(28)	1,424
Effect of acquiring part of non-controlling interests in a subsidiary	-	-	(6)	-	-	(6)	(2)	(8)
Issue of shares	1,000	-	-	-	-	1,000	-	1,000
Capital contribution from non-controlling interests	-	-	-	-	-	-	1,941	1,941
Balance at 28/02/2013	10,000	(208)	(6)	-	7,041	16,827	1,905	18,732

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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 S\$'000	Accumulated profits S\$'000	Total S\$'000
The Company			
Balance at 31/05/2013	82,969	4,557	87,526
Total comprehensive income for the period	-	2,082	2,082
Issue of shares pursuant to initial public offering ("IPO")	62,100	-	62,100
Share issue expenses	(2,831)	-	(2,831)
Dividends paid	-	(4,469)	(4,469)
Balance at 28/02/2014	142,238	2,170	144,408
Previous Corresponding Period			
Balance at 31/05/2012	-	-	-
Issue of shares at date of incorporation, 18 December 2012	*	-	*
Issue of shares as payment of purchase consideration	15,969	-	15,969
Total comprehensive income for the period	-	-	-
Balance at 28/02/2013	15,969	-	15,969

* Denotes amount less than S\$ 1,000.

- 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 30/11/2013 and 28/02/2014	446,876,000	142,238

During the quarter ended 28 February 2014, there were no changes in the share capital of the Company.

As at 28/02/2014, 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	
	28/02/2014	31/05/2013
Total number of issued shares	446,876,000	331,876,000

On 6 June 2013, the Company issued additional 115,000,000 new ordinary shares pursuant to the listing of the Company raising gross proceeds of S\$62,100,000. As a result, the post-Invitation share capital of the Company was 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

Other than the adoption of certain revisions to various existing Financial Reporting Standards ("FRS"), the new FRS and Interpretations of FRS ("INT FRS") that are mandatory for the financial year beginning on 1 June 2013, 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 2013.

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

The adoption of the various revised FRS, new FRS and INT FRS effective for the financial year commencing on 1 June 2013 does not have a material financial effect on the Group and the Company.

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 weighted average number of shares (cents)
- (ii) On a fully diluted basis (cents)
 - Weighted average number of shares ('000)

The Group		The Group	
Third Quarter Ended		Nine Months Ended	
28/02/2014	28/02/2013	28/02/2014	28/02/2013
0.77	0.14	1.27	0.29
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 28/02/2014.

For comparison purposes, EPS for respective period has been computed based on the profit attributable to owners of the Company and the post-Invitation share capital of 446,876,000 shares.

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- 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**

	Cents	
	As at 28/02/2014	As at 31/05/2013
The Group	32.4	18.9
The Company	32.3	19.6

For comparison purposes, our net asset value per share as at 28/02/2014 and 31/05/2013 have been computed based on the equity attributable to owners of the Company and the post-Invitation share capital of 446,876,000 shares.

- 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 FY2014 third quarter ("Q3") (December 2013 to February 2014) increased by S\$8.2 million (109.6%) from S\$7.5 million in FY2013 Q3 to S\$15.7 million in FY2014 Q3. This was due mainly to higher progressive revenue recognized for The Peak @ Cairnhill I, progressive revenue recognized for new development in FY2014, namely 91 Marshall and Aura 83, and rental income earned from the "Workotel" development in New Zealand. Revenue in FY2014 Q3 was reduced to some extent by progressive revenue from 448@East Coast recognized in FY2013 Q3 but not in FY2014 Q3 as the development obtained its Temporary Occupation Permit ("TOP") in FY2013.

Revenue for FY2014 nine months ("9M") (June 2013 to February 2014) increased by S\$17.4 million (122.2%) from S\$14.3 million in FY2013 9M to S\$31.7 million in FY2014 9M. This was mainly due to revenue recognized from the development at 91 Marshall and Aura 83, which had not commenced construction in FY2013 9M, and rental income earned from the "Workotel" development in New Zealand. Similarly, revenue in FY2014 9M was reduced to some extent mainly due to the absence of recognition of progressive revenue from 448@East Coast which has obtained its TOP in FY2013.

Cost of sales for FY2014 Q3 increased by S\$5.6 million (91.1%) from S\$6.2 million in FY2013 Q3 to S\$11.8 million in FY2014 Q3 in line with the increase in revenue. Gross margin improved from 17.4% in FY2013 Q3 to 24.7% in FY2014 Q3. The increase in gross margin in FY2014 Q3 was due mainly to revenue from 448@East Coast recognized in FY2013 Q3 but not in FY2014 Q3 as explained above, as the gross margin for this development was lower. The rental income from "Workotel" in New Zealand further enhanced the gross margin in FY2014 Q3.

Cost of sales for FY2014 9M increased by S\$13.8 million (122.2%) from S\$11.3 million in FY2013 9M to S\$25.1 million in FY2014 9M in line with the increase in revenue. Gross margin remained unchanged at 20.7% for both FY2014 9M and FY2013 9M.

Other operating income for FY2014 Q3 increased by S\$0.3 million (64.7%) from S\$0.5 million in FY2013 Q3 to S\$0.8 million in FY2014 Q3 due mainly to higher interest income received and unrealized foreign exchange gain from the appreciation of New Zealand Dollar against the Singapore Dollar. Similarly, other operating income for FY2014 9M increased by S\$0.4 million (23.8%) from S\$1.4 million in FY2013 9M to S\$1.8 million in FY2014 9M for the same reasons.

Administrative expenses in FY2014 Q3 increased by S\$0.3 million (35.7%) from S\$0.9 million in FY2013 Q3 to S\$1.2 million in FY2014 Q3 due mainly to higher staff costs in line with our expanding property development activities. Administrative expenses for FY2014 9M increased by S\$1.7 million (66.7%) from S\$2.5 million in FY2013 9M to S\$4.2 million in FY2014 9M due mainly to higher staff costs, professional fees and travel expenses in line with our continued expanding property development activities post-IPO.

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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)

Other operating expenses for FY2014 Q3 increased by S\$0.2 million, from S\$0.1 million in FY2013 Q3 to S\$0.3 million in FY2014 Q3 due mainly to unrealized foreign exchange loss that resulted from the depreciation of the Malaysian Ringgit and the Thai Baht against the Singapore Dollar. Other operating expenses for FY2014 9M increased by S\$1.0 million, from S\$0.1 million in FY2013 9M to S\$1.1 million in FY2014 9M due mainly to unrealised foreign exchange loss and IPO expenses that were incurred as a result of the successful listing of TEE Land Limited on the SGX-ST in June 2013.

Share of results of associates for FY2014 Q3 improved by S\$1.0 million, from share of losses of S\$0.1 million in FY2013 Q3 to a share of profits of S\$0.9 million in FY2014 Q3, due mainly to positive results generated by our Singapore associates as construction progressed as well as completion and transfer of units to owners of our associate's projects in Thailand during the quarter. This was also the reason for the share of results of associates for FY2014 9M which increased by S\$4.0 million, from a share of losses of S\$0.1 million in FY2013 9M to a share of profits of S\$3.9 million in FY2014 9M. There was no significant revenue contribution from Singapore and Thailand associates in the first nine months of the previous year.

Finance costs for FY2014 Q3 increased by S\$0.08 million, from S\$0.03 million in FY2013 Q3 to S\$0.11 million in FY2014 Q3, due mainly to bank borrowing for our New Zealand project. This was also the main reason finance costs for FY2014 9M increased by S\$0.36 million, from S\$0.03 million in FY2013 9M to S\$0.39 million in FY2014 9M.

As a result of the above, profit before tax for FY2014 Q3 improved by S\$3.2 million, from S\$0.8 million in FY2013 Q3 to S\$4.0 million in FY2014 Q3. Similarly, profit before tax for FY2014 9M improved by S\$4.9 million, from S\$1.6 million in FY2013 9M to S\$6.5 million in FY2014 9M.

Because of the higher profit before tax, the tax expense for FY2014 Q3 and FY2014 9M have also increased compared to the corresponding periods.

Statement of Financial Position

Cash and bank balances decreased from S\$29.1 million as at 31 May 2013 to S\$25.0 million as at 28 February 2014. This was due largely to the net proceeds received from the successful IPO on 6 June 2013 and utilization of funds for repayment of loan due to the ultimate holding company, TEE International Limited, loans granted to associated companies for the purchase of lands both in Thailand and Singapore, increase in property development, purchase of a building in Singapore and development of an investment property in New Zealand. The Group also paid its maiden dividend which was paid out to shareholders in October 2013.

Trade receivables increased from S\$10.3 million as at 31 May 2013 to S\$12.1 million as at 28 February 2014 due mainly to progressive billings to owners for our development at 91 Marshall and The Peak @ Cairnhill I in line with the progress in construction. This increase was partially offset by a decrease in trade receivables from our project at 448@ East Coast which obtained its TOP as a result of subsequent receipts after 31 May 2013.

Other receivables in total (current and non-current) increased from S\$12.6 million as at 31 May 2013 to S\$14.2 million as at 28 February 2014 due mainly to increase in associated company receivables as a result of interest charged, and tax receivables mainly as a result of GST refundable for the acquisition of a 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)

Loans made to associates in total (current and non-current) increased from S\$32.9 million as at 31 May 2013 to S\$47.6 million as at 28 February 2014. These loans were used for funding the acquisition of lands in Bangkok by our associated company in Thailand. The lands purchased included industrial plots in Amata City as well as residential sites at Bang Pho and Cross Point. Loan was also made to our associated company based in Singapore to fund capital requirements in relation to the acquisition of 160 Changi Road.

Development properties increased from S\$112.8 million as at 31 May 2013 to S\$127.2 million as at 28 February 2014. This represents a net increase of S\$14.4 million due mainly to purchase of land both in Singapore and Malaysia, and the progressive capitalization of construction and development costs as construction of our development properties progressed. This was reduced by the recognition of cost of sales in line with the progressive recognition of revenue from 91 Marshall.

Investment in associates increased from S\$12.6 million as at 31 May 2013 to S\$17.2 million as at 28 February 2014 due mainly to contributions derived from associated companies in Singapore and Thailand as well as increase in investments in these associates.

Property and equipment increased from S\$0.1 million as at 31 May 2013 to S\$10.0 million as at 28 February 2014 due to the acquisition of a building at 25 Bukit Batok Street 22.

Investment property of S\$8.7 million as at 28 February 2014 was due to the purchase and development of an investment property, namely the "Workotel" project in Christchurch, New Zealand.

Bank loans increased from S\$7.5 million as at 31 May 2013 to S\$9.4 million as at 28 February 2014 due to the net increase of the Group drawing down its working capital loan facility to finance its New Zealand project.

Other payables decreased from S\$24.6 million as at 31 May 2013 to S\$13.7 million as at 28 February 2014 largely as a result of the repayment of loan to the ultimate holding company, TEE International Limited from the proceeds received from its IPO in June 2013.

Current portion of long-term bank loans decreased from S\$10.2 million as at 31 May 2013 to S\$1.9 million as at 28 February 2014 mainly due to the settlement of loans for the substantially completed and the fully sold property development at 448@East Coast which obtained its TOP in May 2013.

Long-term bank loans increased from S\$72.7 million as at 31 May 2013 to S\$81.3 million as at 28 February 2014 mainly due to additional loan drawdowns to complete the acquisition of the building at 25 Bukit Batok Street 22, Singapore and to pay development costs relating to Twelve Residences and The Peak @ Cairnhill I.

Statement of Cash Flows

Operating activities

The Group utilised cash of S\$7.5 million for operating activities for FY2014 Q3 due mainly to the acquisition of lands and progressive capitalization of construction and development costs for development properties of S\$14.7 million. This was offset to some extent by higher profit generated of S\$4.0 million, decrease in trade receivables (S\$1.6 million) and increase in other payables (S\$1.9 million).

For FY2014 9M, net cash of S\$27.2 million was utilized for operating activities due mainly to increase in development properties (S\$13.0 million), decrease in other payables mainly because of repayment of loan to the ultimate holding company, TEE International Limited (S\$11.3 million), increase in trade receivables (S\$1.9 million) and interest paid (S\$1.7 million).

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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)

Investing activities

Net cash of S\$2.4 million was used in investing activities for FY2014 Q3 due mainly to increase in loans to associated company in Thailand (S\$1.6 million) and increase in investment property (S\$0.6 million).

Net cash used in investing activities for FY2014 9M was S\$34.0 million due mainly to the purchase of a building at 25 Bukit Batok Street 22 (S\$10.0 million) and the acquisition and development of the investment property known as "Workotel" in Christchurch, New Zealand (S\$8.7 million). Loans were also extended to the associated company in Thailand for the acquisition of 2 plots of lands in Bangkok, Thailand (S\$10.2 million). Similarly, loans were also granted to the associated company in Singapore to complete the purchase of the property at 160 Changi Road and to fund development activities (S\$4.5 million).

Financing activities

Net cash generated from financing activities for FY2014 9M was S\$57.0 million due mainly to the net proceeds received from the IPO partially netted off with repayment of existing bank loans and drawdown of certain project loan facilities as well as payment of the Group's maiden dividends.

As a result of the above cash flow activities, there was a net decrease in cash and cash equivalents of S\$9.6 million and S\$4.1 million respectively for FY2014 Q3 and FY2014 9M, thereby bringing the total cash and cash equivalents amount to S\$25.0 million as at 28 February 2014.

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

No forecast or prospect statement has been previously disclosed to shareholders.

- 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 has contracted sales of S\$53.6 million for its on-going residential property development projects in Singapore (excluding joint venture projects).

In Thailand, the Group's associates have also contracted sales of approximately S\$9.7 million for their on-going residential property development projects. The Group has completed the acquisition of 2 plots of land in Bangkok, Thailand and entered into a sale and purchase agreement to acquire a plot of land in Klang, Selangor, Malaysia.

In the upcoming quarter, the Group has planned a number of property launches in Singapore and Malaysia.

Going forward, the Board of Directors and Management remain cautious as the environment in Singapore and the region is still challenging. The Group will continue to factor into account these developments in assessing the Group's ongoing investments. In the meantime, the Group continues to take a long term view of these investments.

Nonetheless, we continue to see growth opportunities, particularly in the ASEAN region and will seek to capitalise on those opportunities.

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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.

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 28 February 2014.

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

The Group does not have an IPT mandate.

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

Use of proceeds	Amount allocated as disclosed in Prospectus (S\$ million)	Total amount utilised as at 2 April 2014 (S\$ million)	Balance Amount (S\$ million)
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	(14.7)	0.3
Repayment of bank loans	6.0	(3.6)	2.4
Working capital purposes ¹	10.8	(3.6)	7.2
Total	57.8	(47.9)	9.9

1. S\$0.5 million has been used for start-up expenses for our operations in New Zealand, S\$0.5 million is used for expenses incurred for our development at Twelve Residences, S\$0.5 million for expenses incurred for our joint development at The Peak @ Cairnhill I and The Peak @ Cairnhill II, the remaining S\$2.1 million being administrative expenses incurred from our operations in Singapore.

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

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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 third quarter ended 28 February 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 8 April 2014

*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.*