



# TEE LAND

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

## Unaudited First Quarter Financial Statement and Dividend Announcement for the Period Ended 31 August 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) %
	First Quarter Ended 31/08/2014	First Quarter Ended 31/08/2013	
<b>Revenue</b>	6,435	13,573	(52.6)
<b>Cost of sales</b>	(4,632)	(11,948)	(61.2)
<b>Gross profit</b>	1,803	1,625	11.0
Other operating income	822	438	87.7
Administrative expenses	(1,930)	(1,657)	16.5
Other operating expenses	(62)	(854)	(92.7)
Share of results of associates	2,442	1,250	95.4
Finance costs	(211)	(86)	145.3
<b>Profit before tax</b>	2,864	716	300.0
Income tax expense	(180)	(138)	30.4
<b>Profit for the period</b>	<b>2,684</b>	<b>578</b>	<b>364.4</b>
<b>Profit attributable to:</b>			
Owners of the company	2,699	578	367.0
Non-controlling interests	(15)	-	N.M.
	<b>2,684</b>	<b>578</b>	<b>364.4</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) %
	First Quarter Ended 31/08/2014	First Quarter Ended 31/08/2013	
Profit for the period	2,684	578	364.4
Other comprehensive income:			
Currency translation differences	81	(272)	N.M.
Other comprehensive income for the period	81	(272)	N.M.
<b>Total comprehensive income for the period</b>	<b>2,765</b>	<b>306</b>	<b>803.6</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the company	2,778	306	807.8
Non-controlling interests	(13)	-	N.M.
	<b>2,765</b>	<b>306</b>	<b>803.6</b>

N.M.-not meaningful

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

	The Group S\$'000		Increase/ (Decrease) %
	First Quarter Ended 31/08/2014	First Quarter Ended 31/08/2013	
A Other operating income:			
Interest income	569	376	51.3
Foreign currency exchange adjustment gain	232	3	N.M.
Financial guarantee income	-	36	N.M.
Others	21	23	(8.7)
	822	438	87.7
B Finance costs:			
Bank borrowings	211	86	145.3
	211	86	145.3
C Depreciation of property, plant and equipment	99	8	N.M.
D Foreign currency exchange adjustment loss	62	418	(85.2)

## 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	
	31/08/2014	31/05/2014	31/08/2014	31/05/2014
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	23,707	25,884	1,371	562
Trade receivables	10,600	16,685	-	-
Other receivables	11,491	10,280	131,160	124,524
Current portion of loans receivable from associates	18,515	19,361	9,154	10,326
Development properties	161,440	157,938	-	-
Completed property held for sale	-	1,216	-	-
Total current assets	225,753	231,364	141,685	135,412
<b>Non-current assets</b>				
Investment in associates	24,497	21,966	-	-
Investment in subsidiaries	-	-	18,478	18,478
Property, plant and equipment	13,291	12,087	-	-
Investment properties	38,704	10,120	-	-
Deferred tax assets	107	96	-	-
Other receivables	10,059	11,111	-	-
Loans receivable from associates	26,772	28,652	-	-
Total non-current assets	113,430	84,032	18,478	18,478
<b>Total assets</b>	<b>339,183</b>	<b>315,396</b>	<b>160,163</b>	<b>153,890</b>

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 (Continued)

	The Group S\$'000		The Company S\$'000	
	31/08/2014	31/05/2014	31/08/2014	31/05/2014
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans	18,257	13,358	-	-
Trade payables	5,361	5,369	-	-
Other payables	30,146	22,375	13,502	6,949
Current portion of finance lease	13	12	-	-
Current portion of long-term bank loans	11,714	21,307	-	-
Current portion of financial guarantee liabilities	-	-	703	743
Income tax payable	398	92	-	-
Total current liabilities	65,889	62,513	14,205	7,692
<b>Non-current liabilities</b>				
Finance lease	82	86	-	-
Long-term loan	4,050	4,050	-	-
Deferred tax liabilities	917	1,043	-	-
Long-term bank loans	115,832	98,056	-	-
Financial guarantee liability	-	-	1,496	1,662
Total non-current liabilities	120,881	103,235	1,496	1,662
<b>Capital, reserves and non-controlling interests</b>				
Share capital	142,238	142,238	142,238	142,238
Currency translation reserve	(775)	(854)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated profits	15,011	12,312	2,224	2,298
Equity attributable to owners of the company	150,499	147,721	144,462	144,536
Non-controlling interests	1,914	1,927	-	-
Net equity	152,413	149,648	144,462	144,536
<b>Total liabilities and equity</b>	<b>339,183</b>	<b>315,396</b>	<b>160,163</b>	<b>153,890</b>

### 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 As at 31/08/2014		The Group S\$'000 As at 31/05/2014				
Secured	29,984	Unsecured	Secured	34,677	Unsecured	-

#### Amount repayable after one year

The Group S\$'000 As at 31/08/2014		The Group S\$'000 As at 31/05/2014				
Secured	115,914	Unsecured	Secured	98,142	Unsecured	-

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### Details of any collateral

The total secured borrowings are represented:

- (i) Obligations under finance lease secured on the motor vehicle of the Group; and
- (ii) 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: Exclude 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	
	First Quarter Ended	
	31/08/2014	31/08/2013
<b>Operating activities</b>		
Profit before tax	2,864	716
Adjustments for:		
Share of results of associates	(2,442)	(1,250)
Depreciation of property, plant and equipment	99	8
Amortisation of financial guarantee liabilities	-	(36)
Interest income	(569)	(376)
Interest expense	211	86
Operating cash flows before movements in working capital	163	(852)
Trade receivables	6,085	(2,393)
Other receivables	405	(6,031)
Development properties	(2,764)	6,740
Completed property held by sale	1,216	-
Trade payables	(8)	703
Other payables	7,794	(13,630)
Cash generated from (used in) operations	12,891	(15,463)
Interest paid	(1,008)	(612)
Income tax paid	(12)	(99)
Net cash generated from (used in) operating activities	11,871	(16,174)
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,251)	(9,509)
Investment properties	(28,584)	-
Repayment of loans receivables from associates	4,533	1,430
Loans receivable from associates	(1,807)	(8,408)
Interest received	5	13
Net cash used in investing activities	(27,104)	(16,474)
<b>Financing activities</b>		
Drawdown of bank loans	5,000	4,553
Repayment of bank loans	(101)	(3,000)
Drawdown of long-term bank loans	18,600	7,677
Repayment of long-term bank loans	(10,417)	(7,154)
Repayment of obligation under finance leases	(3)	-
Proceeds on issue of shares	-	62,100
Payment of share issue expenses	-	(2,831)
Net cash from financing activities	13,079	61,345
Net (decrease) increase in cash and cash equivalents	(2,154)	28,697
Cash and cash equivalents at beginning of the period	25,884	29,057
Effect of foreign exchange rate changes	(23)	14
<b>Cash and cash equivalents at end of the period (Note A)</b>	<b>23,707</b>	<b>57,768</b>

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### Note A: Cash and cash equivalents

	The Group S\$'000	
	31/08/2014	31/08/2013
Cash at banks	4,508	25,681
Cash on hand	1	-
Fixed deposits	2	10,000
Project accounts(see Note below):		
Cash at banks	11,180	17,087
Fixed deposits	8,016	5,000
<b>Total cash and cash equivalents</b>	<b>23,707</b>	<b>57,768</b>

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.

## TEE Land Limited

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	-	79	-	-	2,699	2,778	(13)	2,765
<b>Balance at 31/08/2014</b>	<b>142,238</b>	<b>(775)</b>	<b>(6)</b>	<b>(5,969)</b>	<b>15,011</b>	<b>150,499</b>	<b>1,914</b>	<b>152,413</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	-	(272)	-	-	578	306	-	306
Issue of shares	62,100	-	-	-	-	62,100	-	62,100
Share issue expenses	(2,831)	-	-	-	-	(2,831)	-	(2,831)
<b>Balance at 31/08/2013</b>	<b>142,238</b>	<b>(437)</b>	<b>(6)</b>	<b>(5,969)</b>	<b>8,342</b>	<b>144,168</b>	<b>1,905</b>	<b>146,073</b>

## TEE Land Limited

- 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
<b>The Company</b>			
<b>Balance at 31/05/2014</b>	142,238	2,298	144,536
Total comprehensive loss for the period	-	(74)	(74)
<b>Balance at 31/08/2014</b>	<b>142,238</b>	<b>2,224</b>	<b>144,462</b>
<b>Previous Corresponding Period</b>			
<b>Balance at 31/05/2013</b>	82,969	4,557	87,526
Total comprehensive loss for the period	-	(1,143)	(1,143)
Issue of shares	62,100	-	62,100
Share issue expenses	(2,831)	-	(2,831)
<b>Balance at 31/08/2013</b>	<b>142,238</b>	<b>3,414</b>	<b>145,652</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

Balance at 31/05/2014 and 31/08/2014

The Company	
No of shares	Capital S\$'000
446,876,000	142,238

During the quarter ended 31 August 2014, there were no changes in the share capital of the Company.

As at 31/08/2014 and 31/08/2013, 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	
	31/08/2014	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 as compared to the most recent audited annual financial statements ended 31/05/2014.

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

The Group	
First Quarter Ended	
31/08/2014	31/08/2013
0.60	0.13
N.A.	N.A.
446,876	446,876

The Company does not have any dilutive instruments as at 31/08/2014.

- 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 31/08/2014	As at 31/05/2014
33.7	33.1
32.3	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 first quarter (June to August 2014) ("FY2015 Q1") decreased by S\$7.2 million or 52.6% to S\$6.4 million compared to the previous corresponding period in FY2014 ("FY2014 Q1") of S\$13.6 million. The lower revenue recognised in FY2015 Q1 was mainly because of 91 Marshall which was completed in the last quarter of FY2014.

Cost of sales correspondingly decreased by S\$7.3 million or 61.2% in FY2015 Q1, from S\$11.9 million in FY2014 Q1 to S\$4.6 million in FY2015 Q1. Gross margin improved from 12.0% in FY2014 Q1 to 28.0% in FY2015 Q1. The higher gross margin in FY2015 Q1 was due mainly to higher revenue recognised from Aura 83 and The Peak @ Cairnhill 1, and rental income from Workotel.

Other operating income increased by S\$0.4 million (87.7%), from S\$0.4 million in FY2014 Q1 to S\$0.8 million in FY2015 Q1. This was due mainly to higher interest income received and unrealized exchange gain from the strengthening of the Malaysian Ringgit in FY2015 Q1.

Administrative expenses increased by S\$0.2 million (16.5%), from S\$1.7 million in FY2014 Q1 to S\$1.9 million in FY2015 Q1 due mainly to higher professional fees incurred in FY2015 Q1.

Other operating expenses decreased by S\$0.8 million (92.7%), from S\$0.9 million in FY2014 Q1 to S\$0.1 million in FY2015 Q1 due mainly to IPO expenses and unrealised foreign exchange loss incurred in FY2014 Q1.

Share of results of associates improved by S\$1.1 million (95.4%), from S\$1.3 million in FY2014 Q1 to S\$2.4 million in FY2015 Q1 due mainly to increased contribution from our Singapore associates as construction progressed.

Finance costs increased by S\$0.1 million (145.3%), from S\$0.1 million in FY2014 Q1 to S\$0.2 million in FY2015 Q1 due mainly to bank borrowings for the acquisition of our New Zealand property and working capital.

The Group recorded a profit before tax of S\$2.9 million in FY2015 Q1 compared to S\$0.7 million in FY2014 Q1.

Overall, profit after tax for FY2015 Q1 increased significantly by 364.4%, from S\$0.6 million in FY2014 Q1 to S\$2.7 million in FY2015 Q1.

### **Statement of Financial Position**

Trade receivables decreased from S\$16.7 million as at 31 May 2014 to S\$10.6 million as at 31 August 2014 due mainly to higher collections and lower revenue in FY2015 Q1.

Completed property held for sale of S\$1.2 million as at 31 May 2014 was in respect of 91 Marshall. The remaining units were fully sold in FY2015 Q1, hence explaining the nil balance at period end.

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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)**

Investment in associates increased from S\$22.0 million as at 31 May 2014 to S\$24.5 million as at 31 August 2014 due mainly to share of results of associates in FY2015 Q1.

Property, plant and equipment increased from S\$12.1 million as at 31 May 2014 to S\$13.3 million as at 31 August 2014 due mainly to additional work carried out on the building at 25 Bukit Batok Street 22. The building is currently undergoing rebuilding work.

Investment properties increased from S\$10.1 million as at 31 May 2014 to S\$38.7 million as at 31 August 2014 due mainly to the acquisition of a hotel in Sydney. The Group revalues its investment properties on an annual basis at financial year end.

Bank loans increased from S\$13.4 million as at 31 May 2014 to S\$18.3 million as at 31 August 2014 due mainly to drawing down of working capital loan facility to finance the acquisition of the Sydney hotel.

Other payables increased from S\$22.4 million as at 31 May 2014 to S\$30.1 million as at 31 August 2014 largely as a result of advances from joint venture partners.

Long-term bank loans (current and non-current) increased from S\$119.4 million as at 31 May 2014 to S\$127.5 million as at 31 August 2014 due mainly to the net drawdown of loan for the acquisition of the Sydney hotel.

### **Statement of Cash Flows**

#### **Operating activities**

The Group generated cash of S\$11.9 million from operating activities in FY2015 Q1 due mainly to decrease in trade receivables and increase in other payables.

#### **Investing activities**

Net cash of S\$27.1 million was used in investing activities in FY2015 Q1 due mainly to the acquisition of the hotel in Sydney.

#### **Financing activities**

Net cash of S\$13.1 million was generated from financing activities in FY2015 Q1 due mainly to the drawdown of bank loans, offset by the repayment of existing bank loans.

As a result, there was a net decrease in cash and cash equivalents of S\$2.2 million, thereby bringing the total cash and cash equivalents amount to S\$23.7 million as at 31 August 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 Q1 are in line with the commentary in Paragraph 10 of the full year result announcement for FY2014 made on 21 July 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 Group expects the property market in Singapore to remain muted and challenging. Property market in Malaysia is expected to slow down, following anti-speculation measures implemented. In Thailand, demand has gradually returned to the property market, with increasing property launches and take-up rate expected. The New Zealand and Australia property markets are expected to remain relatively stable.

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

**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 interim dividend has been declared or recommended in the current reporting period.

**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**

Not applicable for FY2015 Q1 as the IPT general mandate was obtained only on 25 September 2014.

## TEE Land Limited

### 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 26 September 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	(6.0)	-
Working capital purposes <sup>1</sup>	10.8	(10.8)	-
<b>Total</b>	<b>57.8</b>	<b>(57.5)</b>	<b>0.3</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 first quarter ended 31 August 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 1 October 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.*