



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 2015

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 | | |
| | 28/02/2015 | 28/02/2014 | 28/02/2015 | 28/02/2014 | | |
| Revenue | 8,357 | 15,650 | (46.6) | 29,914 | 31,664 | (5.5) |
| Cost of sales | (6,291) | (11,777) | (46.6) | (22,200) | (25,098) | (11.5) |
| Gross profit | 2,066 | 3,873 | (46.7) | 7,714 | 6,566 | 17.5 |
| Other operating income | 566 | 830 | (31.8) | 1,787 | 1,751 | 2.1 |
| Administrative expenses | (2,575) | (1,159) | 122.2 | (6,923) | (4,194) | 65.1 |
| Other operating expenses | (865) | (310) | 179.0 | (1,099) | (1,063) | 3.4 |
| Share of results of associates | 2,896 | 923 | 213.8 | 7,142 | 3,859 | 85.1 |
| Finance costs | (652) | (110) | 492.7 | (1,220) | (387) | 215.2 |
| Profit before tax | 1,436 | 4,047 | (64.5) | 7,401 | 6,532 | 13.3 |
| Income tax expense | (262) | (594) | (55.9) | (1,092) | (864) | 26.4 |
| Profit for the period | 1,174 | 3,453 | (66.0) | 6,309 | 5,668 | 11.3 |
| Profit attributable to: | | | | | | |
| Owners of the Company | 1,187 | 3,446 | (65.6) | 6,301 | 5,678 | 11.0 |
| Non-controlling interests | (13) | 7 | N.M. | 8 | (10) | N.M. |
| | 1,174 | 3,453 | (66.0) | 6,309 | 5,668 | 11.3 |

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 | | |
| | 28/02/2015 | 28/02/2014 | 28/02/2015 | 28/02/2014 | | |
| Profit for the period | 1,174 | 3,453 | (66.0) | 6,309 | 5,668 | 11.3 |
| Other comprehensive income for the period: | | | | | | |
| Currency translation differences | 178 | (24) | N.M. | 402 | (416) | N.M. |
| Total comprehensive income for the period | 1,352 | 3,429 | (60.6) | 6,711 | 5,252 | 27.8 |

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 | | |
| | 28/02/2015 | 28/02/2014 | 28/02/2015 | 28/02/2014 | | |
| Total comprehensive income attributable to: | | | | | | |
| Owners of the Company | 1,363 | 3,422 | (60.2) | 6,698 | 5,262 | 27.3 |
| Non-controlling interests | (11) | 7 | N.M. | 13 | (10) | N.M. |
| | 1,352 | 3,429 | (60.6) | 6,711 | 5,252 | 27.8 |

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 | | |
| | 28/02/2015 | 28/02/2014 | 28/02/2015 | 28/02/2014 | | |
| A Other operating income: | | | | | | |
| Interest income | 522 | 647 | (19.3) | 1,642 | 1,423 | 15.4 |
| Foreign currency exchange adjustment gain | - | 117 | N.M. | - | 133 | N.M. |
| Financial guarantee income | 20 | 37 | (45.9) | 61 | 109 | (44.0) |
| Others | 24 | 29 | (17.2) | 84 | 86 | (2.3) |
| | 566 | 830 | (31.8) | 1,787 | 1,751 | 2.1 |
| B Finance costs: | | | | | | |
| Bank borrowings | 171 | 110 | 55.5 | 552 | 387 | 42.6 |
| Term notes interest | 481 | - | N.M. | 668 | - | N.M. |
| | 652 | 110 | 492.7 | 1,220 | 387 | 215.2 |
| C Amortisation of issuance costs on term notes | 45 | - | N.M. | 75 | - | N.M. |
| D Depreciation of property, plant and equipment | 101 | 15 | 573.3 | 300 | 43 | 597.7 |
| E Foreign currency exchange adjustment loss | 865 | 310 | 179.0 | 1,099 | 627 | 75.3 |
| F Adjustment for under (over) provision of income tax in respect of prior years | - | - | N.M. | 79 | (82) | N.M. |

N.M.-not meaningful

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

| | The Group S\$'000 | | The Company S\$'000 | |
|--|----------------------|----------------|------------------------|----------------|
| | 28/02/2015 | 31/05/2014 | 28/02/2015 | 31/05/2014 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and bank balances | 25,316 | 25,884 | 6,054 | 562 |
| Trade receivables | 15,605 | 16,685 | - | - |
| Other receivables | 19,535 | 10,280 | 153,798 | 124,524 |
| Current portion of loans receivable from associates | 19,745 | 19,361 | 9,856 | 10,326 |
| Development properties | 160,013 | 157,938 | - | - |
| Completed property held for sale | - | 1,216 | - | - |
| Total current assets | 240,214 | 231,364 | 169,708 | 135,412 |
| Non-current assets | | | | |
| Investment in associates | 29,712 | 21,966 | - | - |
| Investment in subsidiaries | - | - | 18,528 | 18,478 |
| Property, plant and equipment | 20,133 | 12,087 | - | - |
| Investment properties | 39,955 | 10,120 | - | - |
| Deferred tax assets | 160 | 96 | - | - |
| Other receivables | 10,059 | 11,111 | - | - |
| Loans receivable from associates | 20,552 | 28,652 | - | - |
| Total non-current assets | 120,571 | 84,032 | 18,528 | 18,478 |
| Total assets | 360,785 | 315,396 | 188,236 | 153,890 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities | | | | |
| Bank loans | 11,499 | 13,358 | - | - |
| Trade payables | 11,143 | 5,369 | - | - |
| Other payables | 27,600 | 22,375 | 14,146 | 6,949 |
| Current portion of finance lease | 12 | 12 | - | - |
| Current portion of long-term bank loans | 32,426 | 21,307 | - | - |
| Current portion of financial guarantee liabilities | 82 | - | 801 | 743 |
| Income tax payable | 811 | 92 | - | - |
| Total current liabilities | 83,573 | 62,513 | 14,947 | 7,692 |
| Non-current liabilities | | | | |
| Finance lease | 74 | 86 | - | - |
| Long-term loan | 4,050 | 4,050 | - | - |
| Deferred tax liabilities | 1,096 | 1,043 | - | - |
| Long-term bank loans | 91,188 | 98,056 | - | - |
| Term notes | 29,532 | - | 29,532 | - |
| Financial guarantee liabilities | 231 | - | 1,468 | 1,662 |
| Total non-current liabilities | 126,171 | 103,235 | 31,000 | 1,662 |
| Capital, reserves and non-controlling interests | | | | |
| Share capital | 142,238 | 142,238 | 142,238 | 142,238 |
| Currency translation reserve | (457) | (854) | - | - |
| Merger reserve | (5,969) | (5,969) | - | - |
| Capital reserve | (6) | (6) | - | - |
| Accumulated profits | 13,295 | 12,312 | 51 | 2,298 |
| Equity attributable to owners of the Company | 149,101 | 147,721 | 142,289 | 144,536 |
| Non-controlling interests | 1,940 | 1,927 | - | - |
| Total equity | 151,041 | 149,648 | 142,289 | 144,536 |
| Total liabilities and equity | 360,785 | 315,396 | 188,236 | 153,890 |

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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 28/02/2015</u> | | The Group S\$'000 <u>As at 31/05/2014</u> | |
|---|-----------|---|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 43,937 | - | 34,677 | - |

Amount repayable after one year

| The Group S\$'000 <u>As at 28/02/2015</u> | | The Group S\$'000 <u>As at 31/05/2014</u> | |
|---|-----------|---|-----------|
| Secured | Unsecured | Secured | Unsecured |
| 91,262 | 29,532 | 98,142 | - |

Details of any collateral

- (i) Obligation under finance lease's is secured on the motor vehicle of the Group; and
- (ii) Bank loans and long-term bank loans are 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 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 | |
| | 28/02/2015 | 28/02/2014 | 28/02/2015 | 28/02/2014 |
| Operating activities | | | | |
| Profit before tax | 1,436 | 4,047 | 7,401 | 6,532 |
| Adjustments for: | | | | |
| Share of results of associates | (2,896) | (923) | (7,142) | (3,859) |
| Depreciation of property, plant and equipment | 101 | 15 | 300 | 43 |
| Amortisation of financial guarantee liabilities | (20) | (37) | (61) | (109) |
| Amortisation of issuance costs on term notes | 45 | - | 75 | - |
| Interest income | (522) | (647) | (1,642) | (1,423) |
| Interest expense | 652 | 110 | 1,220 | 387 |
| Operating cash flows before movements in working capital | (1,204) | 2,565 | 151 | 1,571 |
| Trade receivables | 2,022 | 1,584 | 1,080 | (1,867) |
| Other receivables | (4,665) | 936 | (6,954) | (387) |
| Development properties | (506) | (14,715) | (8) | (12,988) |
| Completed property held for sale | - | - | 1,216 | - |
| Trade payables | (360) | 818 | 5,774 | (192) |
| Other payables | 1,649 | 1,882 | 4,789 | (11,303) |
| Cash (used in) from operations | (3,064) | (6,930) | 6,048 | (25,166) |
| Interest paid | (858) | (406) | (2,776) | (1,705) |
| Income tax paid | (213) | (120) | (384) | (294) |
| Net cash (used in) from operating activities | (4,135) | (7,456) | 2,888 | (27,165) |

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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 | |
| | 28/02/2015 | 28/02/2014 | 28/02/2015 | 28/02/2014 |
| Investing activities | | | | |
| Purchase of property, plant and equipment | (3,592) | (136) | (8,291) | (9,973) |
| Investment properties | (1,966) | (637) | (31,353) | (8,708) |
| Investment in associates | - | - | - | (784) |
| Repayment of loans receivable from associates | 6,149 | 98 | 16,135 | 1,982 |
| Loans receivable from associates | (80) | (1,696) | (8,419) | (16,657) |
| Interest received | 381 | 12 | 393 | 188 |
| Net cash from (used in) investing activities | 892 | (2,359) | (31,535) | (33,952) |
| Financing activities | | | | |
| Drawdown of bank loans | - | 167 | 7,000 | 4,860 |
| Repayment of bank loans | - | - | (8,859) | (3,000) |
| Drawdown of long-term bank loans | 4,698 | 650 | 31,863 | 10,630 |
| Repayment of long-term bank loans | (8,259) | (640) | (27,612) | (10,251) |
| Repayment of obligation under finance lease | (4) | - | (12) | - |
| Proceeds from issuance of term notes | - | - | 29,457 | - |
| Proceeds on issue of shares | - | - | - | 62,100 |
| Payment of share issue expenses | - | - | - | (2,831) |
| Dividends paid | (1,966) | - | (5,318) | (4,469) |
| Net cash (used in) from financing activities | (5,531) | 177 | 26,519 | 57,039 |
| Net decrease in cash and cash equivalents | (8,774) | (9,638) | (2,128) | (4,078) |
| Cash and cash equivalents at beginning of period | 34,147 | 34,620 | 25,884 | 29,057 |
| Effect of foreign exchange rate changes | (57) | 7 | 1,560 | 10 |
| Cash and cash equivalents at end of period (Note A) | 25,316 | 24,989 | 25,316 | 24,989 |

Note A: Cash and cash equivalents

| | The Group S\$'000 | | The Group S\$'000 | |
|--|----------------------|---------------|----------------------|---------------|
| | Third Quarter Ended | | Nine Months Ended | |
| | 28/02/2015 | 28/02/2014 | 28/02/2015 | 28/02/2014 |
| Cash at banks | 8,505 | 6,210 | 8,505 | 6,210 |
| Cash on hand | 8 | 1 | 8 | 1 |
| Fixed deposits | 2,617 | - | 2,617 | - |
| Project accounts (see Note below): | | | | |
| Cash at banks | 6,163 | 13,770 | 6,163 | 13,770 |
| Fixed deposits | 8,023 | 5,008 | 8,023 | 5,008 |
| Total cash and cash equivalents | 25,316 | 24,989 | 25,316 | 24,989 |

Note:

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

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

| | Share capital | Currency translation reserve | Capital reserve | Merger reserve | Accumulated profits | Equity attributable to owners of the company | Non-controlling interests | Total |
|---|----------------|------------------------------|-----------------|----------------|---------------------|--|---------------------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| The Group | | | | | | | | |
| Balance at 31/05/2014 | 142,238 | (854) | (6) | (5,969) | 12,312 | 147,721 | 1,927 | 149,648 |
| Total comprehensive income for the period | - | 397 | - | - | 6,301 | 6,698 | 13 | 6,711 |
| Dividends paid | - | - | - | - | (5,318) | (5,318) | - | (5,318) |
| Balance at 28/02/2015 | 142,238 | (457) | (6) | (5,969) | 13,295 | 149,101 | 1,940 | 151,041 |
| Previous Corresponding Period | | | | | | | | |
| 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 |

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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 |
|---|--------------------------|--------------------------------|------------------|
| <u>The Company</u> | | | |
| Balance at 31/05/2014 | 142,238 | 2,298 | 144,536 |
| Total comprehensive income for the period | - | 2,891 | 2,891 |
| Dividends paid | - | (5,138) | (5,138) |
| Balance at 28/02/2015 | 142,238 | 51 | 142,289 |
| <u>Previous Corresponding Period</u> | | | |
| 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 |

- 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 30/11/2014 and 28/02/2015 | 446,876,000 | 142,238 |

During the quarter ended 28/02/2015, there were no changes in the share capital of the Company.

As at 28/02/2014 and 28/02/2015, there were no shares held as treasury shares and outstanding convertibles.

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

| | The Group and the Company | |
|-------------------------------|---------------------------|-------------|
| | 28/02/2015 | 31/05/2014 |
| Total number of issued shares | 446,876,000 | 446,876,000 |

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

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

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

The figures presented have not been audited or reviewed.

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

Not applicable.

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

Except as disclosed in item 5 below, 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

In the current financial period, the Group adopted all the new and revised FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 June 2014. The adoption of these new or revised FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods/years.

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

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

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

(ii) On a fully diluted basis (cents)

(iii) Number of shares ('000)

| The Group | | The Group | |
|---------------------|------------|-------------------|------------|
| Third Quarter Ended | | Nine Months Ended | |
| 28/02/2015 | 28/02/2014 | 28/02/2015 | 28/02/2014 |
| 0.27 | 0.77 | 1.41 | 1.27 |
| 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 28/02/2015.

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 28/02/2015 | As at 31/05/2014 |
| 33.4 | 33.1 |
| 31.8 | 32.3 |

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

Income Statement

Revenue in FY2015 third quarter ("Q3") (December 2014 to February 2015) decreased by S\$7.3 million (46.6%) from S\$15.7 million in FY2014 Q3 to S\$8.4 million in FY2015 Q3. This was due mainly to progressive revenue recognized for only one development project in FY2015 Q3 compared to three development projects in FY2014 Q3.

Revenue for FY2015 nine months ("9M") (June 2014 to February 2015) decreased by S\$1.8 million (5.5%) from S\$31.7 million in FY2014 9M to S\$29.9 million in FY2015 9M. This was mainly due to progressive revenue recognized from substantially one development project in FY2015 9M, compared to three development projects in FY2014 9M.

Cost of sales for FY2015 Q3 decreased by S\$5.5 million (46.6%) from S\$11.8 million in FY2014 Q3 to S\$6.3 million in FY2015 Q3 in line with the decrease in revenue. Gross margin for both FY2015 Q3 and FY2014 Q3 remained unchanged at 24.7%.

Cost of sales for FY2015 9M decreased by S\$2.9 million (11.5%) from S\$25.1 million in FY2014 9M to S\$22.2 million in FY2015 9M in line with the decrease in revenue. Gross margin improved from 20.7% in FY2014 9M to 25.8% in FY2015 9M. This was due mainly to better margin development projects ongoing in FY2015 9M compared to FY2014 9M.

Other operating income for FY2015 Q3 decreased by S\$0.2 million (31.8%) from S\$0.8 million in FY2014 Q3 to S\$0.6 million in FY2015 Q3 due mainly to unrealized foreign exchange gain and higher interest income in FY2014 Q3.

Administrative expenses in FY2015 Q3 increased by S\$1.4 million (122.2%) from S\$1.2 million in FY2014 Q3 to S\$2.6 million in FY2015 Q3 due mainly to higher marketing expenses, depreciation (both mainly for our Malaysian property development project), staff costs and professional fees. These likewise accounted for the significant increase in administrative expenses for FY2015 9M, which increased by S\$2.7 million (65.1%) from S\$4.2 million in FY2014 9M to S\$6.9 million in FY2015 9M.

Other operating expenses for FY2015 Q3 increased by S\$0.6 million, from S\$0.3 million in FY2014 Q3 to S\$0.9 million in FY2015 Q3 due mainly to unrealized foreign exchange loss arising from the depreciation of the Australian Dollar against the Singapore Dollar.

Share of results of associates for FY2015 Q3 improved by S\$2.0 million, from S\$0.9 million in FY2014 Q3 to S\$2.9 million in FY2015 Q3 due mainly to positive contribution from our associates as construction of development projects progressed.

Share of results of associates for FY2015 9M increased by S\$3.2 million, from S\$3.9 million in FY2014 9M to S\$7.1 million in FY2015 9M due mainly to the same reason mentioned above.

Finance costs for FY2015 Q3 increased by S\$0.6 million, from S\$0.1 million in FY2014 Q3 to S\$0.7 million in FY2015 Q3, due mainly to the Medium Term Notes ("MTN") of S\$30.0 million raised in October 2014.

Similarly, the finance costs for FY2015 9M increased, from S\$0.4 million in FY2014 9M to S\$1.2 million in FY2015 9M due mainly to the same reason mentioned above.

As a result of the above, profit before tax for FY2015 Q3 decreased by S\$2.6 million, from S\$4.0 million in FY2014 Q3 to S\$1.4 million in FY2015 Q3. However, profit before tax for FY2015 9M improved by S\$0.9 million, from S\$6.5 million in FY2014 9M to S\$7.4 million in FY2015 9M.

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

Income Statement (Continued)

The tax expense for FY2015 Q3 and FY2015 9M decreased and increased respectively, compared to the corresponding periods because of the decrease and increase in the respective profit before tax.

Overall, profit after tax for FY2015 Q3 decreased by 66.0%, from S\$3.5 million in FY2014 Q3 to S\$1.2 million in FY2015 Q3. Profit after tax for FY2015 9M increased by 11.3%, from S\$5.7 million in FY2014 9M to S\$6.3 million in FY2015 9M.

Statement of Financial Position

Other receivables in total (current and non-current) increased from S\$21.4 million as at 31 May 2014 to S\$29.6 million as at 28 February 2015 due mainly to deposit placed for a hotel in Australia and increase in loan interest receivable from associates.

Loans receivable from associates in total (current and non-current) decreased from S\$48.0 million as at 31 May 2014 to S\$40.3 million as at 28 February 2015. This was due mainly to repayment of loans by associates.

Investment in associates increased from S\$22.0 million as at 31 May 2014 to S\$29.7 million as at 28 February 2015 due mainly to share of profits from associates.

Property, plant and equipment increased from S\$12.1 million as at 31 May 2014 to S\$20.1 million as at 28 February 2015 due mainly to progress payments 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\$40.0 million as at 28 February 2015. This was due mainly to the acquisition of a hotel in Sydney, a guest house in New Zealand and three condominium units in Bangkok. The investment properties will be revalued at fair value based on independent professional valuation at financial year-end in accordance with the Group's accounting policy.

Bank loans decreased from S\$13.4 million as at 31 May 2014 to S\$11.5 million as at 28 February 2015 due mainly to the repayment of a New Zealand loan and re-finance as a long-term loan (S\$5.9 million), offset by an increase in new borrowing of S\$4.0 million.

Trade payables increased from S\$5.4 million as at 31 May 2014 to S\$11.1 million as at 28 February 2015 due mainly to construction costs for the corporate building and ongoing development projects.

Other payables increased from S\$22.4 million as at 31 May 2014 to S\$27.6 million as at 28 February 2015 largely due to monies received from partners for the acquisition of a hotel in Sydney and booking fees received for the Malaysian development project.

The term notes of S\$29.5 million as at 28 February 2015 was for Tranche 1 (S\$30 million) of the MTN Programme raised in October 2014, offset by the issuance cost.

Financial guarantee liabilities in total (current and non-current) of S\$0.3 million as at 28 February 2015 was for corporate guarantee given for a joint venture development project.

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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

Operating activities

The Group utilised cash of S\$4.1 million for operating activities in FY2015 Q3 due mainly to the increase in other receivables.

For FY2015 9M, a net cash of S\$2.9 million was generated from operating activities. This was due mainly to the increase in payables, offset to some extent by the increase in other receivables.

Investing activities

Net cash of S\$0.9 million was generated from investing activities in FY2015 Q3 due mainly to repayment of loans by associates, offset to some extent by increase in property, plant and equipment (progress payments for construction of corporate building), and investment properties (payment for condominium units in Bangkok).

Net cash used in investing activities for FY2015 9M was S\$31.5 million, mainly due to increase in investment properties.

Financing activities

Net cash used in financing activities for FY2015 Q3 was S\$5.5 million, due mainly to net repayment of long-term loans and payment of dividends.

For FY2015 9M, net cash of S\$26.5 million was generated from financing activities. This was due mainly to the net proceeds received from the issuance of term notes and net drawdown of long-term bank loans, offset to some extent by the payment of dividends.

As a result of the above cash flow activities, there was a net decrease in cash and cash equivalents of S\$8.8 million and S\$2.1 million respectively for FY2015 Q3 and FY2015 9M, thereby bringing the total cash and cash equivalents amount to S\$25.3 million as at 28 February 2015.

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 Q3 are in line with the commentary in Paragraph 10 of the quarterly result announcement for FY2015 Q2 made on 12 January 2015.

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

The Group does not foresee any lifting of the cooling measures in the next 12 month for the Singapore and Malaysia property markets. Therefore, the markets are expected to remain challenging. In Thailand, with more clarity in the policy and direction of Thailand's economy, business sentiments and consumer confidence have improved. Moreover, the Thai government's stimulus package, spending and investment in infrastructure projects are expected to start having their impact on the country's macro economy. This is expected to boost demand in the various property sectors. On 30 July 2014, the Group also announced that its Thailand associate, Chewathai Limited ("CWT") has appointed RHB OSK Securities (Thailand) PCL as its financial adviser in connection with CWT's proposed listing on the Stock Exchange of Thailand.

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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 (Continued)

In Australia, improved growth prospects for both domestic travel and international tourism will positively shape Australia's hotel performance. In New Zealand, the recovery and redevelopment works in Christchurch are still ongoing. Therefore, demand for workers' accommodation will remain strong.

Going forward, the Group remains cautious and will capitalise on opportunities as and when they arise around the region.

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 2015.

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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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 2015 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 2 April 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.*