



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 2017

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		
	28/02/2017	29/02/2016	%	28/02/2017	29/02/2016	%
Revenue	23,785	9,198	158.6	61,592	22,392	175.1
Cost of sales	(18,177)	(5,959)	205.0	(45,455)	(13,672)	232.5
Gross profit	5,608	3,239	73.1	16,137	8,720	85.1
Other operating income	598	608	(1.6)	1,638	1,561	4.9
Selling and distribution costs	(1,219)	(751)	62.3	(2,707)	(1,672)	61.9
Administrative expenses	(2,939)	(3,283)	(10.5)	(7,895)	(8,848)	(10.8)
Other operating expenses	(178)	-	N.M.	(349)	(581)	(39.9)
Share of results of associates	139	2,716	(94.9)	252	8,115	(96.9)
Finance costs	(1,465)	(1,243)	17.9	(4,391)	(3,562)	23.3
Profit before tax	544	1,286	(57.7)	2,685	3,733	(28.1)
Income tax expense	(390)	(154)	153.2	(1,020)	(194)	425.8
Profit for the period	154	1,132	(86.4)	1,665	3,539	(53.0)
Profit attributable to:						
Owners of the Company	66	1,345	(95.1)	1,353	3,734	(63.8)
Non-controlling interests	88	(213)	N.M.	312	(195)	N.M.
	154	1,132	(86.4)	1,665	3,539	(53.0)

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		
	28/02/2017	29/02/2016	28/02/2017	29/02/2016		
Profit for the period	154	1,132	(86.4)	1,665	3,539	(53.0)
Other comprehensive income for the period:						
Currency translation differences	1,253	(378)	N.M.	3,612	(1,197)	N.M.
Total comprehensive income for the period	1,407	754	86.6	5,277	2,342	125.3

N.M.-not meaningful

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

Total comprehensive income attributable to:	The Group S\$'000		Increase/ (Decrease)	The Group S\$'000		Increase/ (Decrease)
	Third Quarter Ended			Nine Months Ended		
	28/02/2017	29/02/2016	%	28/02/2017	29/02/2016	%
Owners of the Company	976	1,168	(16.4)	3,616	2,822	28.1
Non-controlling interests	431	(414)	N.M.	1,661	(480)	N.M.
	1,407	754	86.6	5,277	2,342	125.3

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

	The Group S\$'000		Increase/ (Decrease) %	The Group S\$'000		Increase/ (Decrease) %
	Third Quarter Ended			Nine Months Ended		
	28/02/2017	29/02/2016	28/02/2017	29/02/2016		
A Other operating income:						
Interest income	328	312	5.1	906	1,005	(9.9)
Foreign currency exchange adjustment gain	-	163	N.M.	-	-	N.M.
Financial guarantee income	75	95	(21.1)	436	252	73.0
Liquidated damages received	-	-	N.M.	-	180	N.M.
Others	195	38	413.2	296	124	138.7
	598	608	(1.6)	1,638	1,561	4.9
B Finance costs:						
Loan interests	985	757	30.1	2,933	2,098	39.8
Term notes interest	480	486	(1.2)	1,458	1,464	(0.4)
	1,465	1,243	17.9	4,391	3,562	23.3
C Amortisation of issuance costs on term notes	45	45	N.M.	136	136	N.M.
D Amortisation of deferred sales commission expenses	808	156	N.M.	1,710	379	351.2
E Amortisation of show flat expenses	89	183	(51.4)	341	467	(27.0)
F Depreciation of property, plant and equipment	277	790	(64.9)	1,141	2,251	(49.3)
G Foreign currency exchange adjustment loss	178	-	N.M.	349	581	(39.9)
H Adjustment for (over) under provision of income tax in respect of prior years	-	-	N.M.	(5)	16	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	
	28/2/2017	31/05/2016	28/2/2017	31/05/2016
ASSETS				
Current assets				
Cash and bank balances	18,314	26,368	446	6,770
Trade receivables	12,501	7,933	-	-
Other receivables	13,901	24,846	146,305	150,443
Current portion of loans receivable from associates	27,166	22,895	2,875	2,950
Inventories	23	16	-	-
Development properties	163,181	113,796	-	-
Completed properties and land held for sale	40,834	46,231	-	-
Assets classified as held for sale	79,411	-	-	-
Total current assets	355,331	242,085	149,626	160,163
Non-current assets				
Investment in associates	44,996	47,667	-	-
Investment in subsidiaries	-	-	32,486	20,795
Property, plant and equipment	23,504	89,961	-	-
Investment properties	12,661	11,717	-	-
Deferred tax assets	3,460	2,643	-	-
Other receivables	6,000	6,000	2,071	-
Loans receivable from associates	-	5,883	-	-
Total non-current assets	90,621	163,871	34,557	20,795
Total assets	445,952	405,956	184,183	180,958
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	1,499	3,114	-	1,615
Trade payables	22,082	11,651	-	-
Current portion of other payables	26,789	25,627	8,968	2,011
Current portion of finance lease	11	12	-	-
Current portion of long-term borrowings	32,579	23,324	-	-
Current portion of financial guarantee liabilities	236	382	1,179	1,218
Current portion of long-term loan	-	4,050	-	-
Term notes	29,894	-	29,894	-
Income tax payable	2,777	3,465	10	27
Total current liabilities	115,867	71,625	40,051	4,871
Non-current liabilities				
Finance lease	40	51	-	-
Deferred tax liabilities	230	210	-	-
Long-term borrowings	150,840	132,213	-	-
Term notes	-	29,758	-	29,758
Financial guarantee liabilities	341	631	1,165	1,878
Other payables	1,989	-	-	-
Total non-current liabilities	153,440	162,863	1,165	31,636
Capital, reserves and non-controlling interests				
Share capital	142,238	142,238	142,238	142,238
Currency translation reserve	(42)	(2,305)	-	-
Merger reserve	(5,969)	(5,969)	-	-
Capital reserve	(6)	(6)	-	-
Accumulated profits	23,572	24,051	729	2,213
Equity attributable to owners of the Company	159,793	158,009	142,967	144,451
Non-controlling interests	16,852	13,459	-	-
Total equity	176,645	171,468	142,967	144,451
Total liabilities and equity	445,952	405,956	184,183	180,958

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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 As at 28/02/2017		The Group S\$'000 As at 31/05/2016	
Secured	Unsecured	Secured	Unsecured
34,089	29,894	26,450	-

Amount repayable after one year

The Group S\$'000 As at 28/02/2017		The Group S\$'000 As at 31/05/2016	
Secured	Unsecured	Secured	Unsecured
150,880	-	132,264	29,758

Details of any collateral

The total secured borrowings included the following:

- (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, investment properties, fixed deposit and corporate guarantee from the holding company.

Note: As at 31/05/2016, these borrowings exclude the long-term loan of S\$4,050,000 due to former 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

Operating activities

Profit before tax

Adjustments for:

Share of results of associates	(139)	(2,716)	(252)	(8,115)
Depreciation of property, plant and equipment	277	790	1,141	2,251
Amortisation of financial guarantee liabilities	(75)	(95)	(436)	(252)
Amortisation of issuance costs on term notes	45	45	136	136
Amortisation of deferred sales commission expenses	808	156	1,710	379
Amortisation of show flat expenses	89	183	341	467
Interest income	(328)	(312)	(906)	(1,005)
Interest expense	1,465	1,243	4,391	3,562
Unrealised currency translation loss (gain)	124	-	(93)	-
Operating cash flows before movements in working capital	2,810	580	8,717	1,156
Trade receivables	(3,780)	(1,602)	(4,641)	25,613
Other receivables	(572)	(1,341)	8,768	(3,606)
Inventories	-	1	(6)	(1)
Development properties	(6,356)	(10,404)	(37,279)	(25,861)
Acquisition of development property	-	-	(11,500)	-
Completed properties held for sale	3,673	-	5,397	-
Trade payables	7,115	(3,399)	10,719	2,647
Other payables	(2,670)	2,077	3,007	5,512
Cash from (used in) operations	220	(14,088)	(16,818)	5,460
Interest paid	(1,972)	(1,482)	(6,297)	(5,138)
Income tax paid	(718)	(42)	(2,406)	(115)
Income tax refund	-	-	-	280
Net cash (used in) from operating activities	(2,470)	(15,612)	(25,521)	487

The Group S\$'000		The Group S\$'000	
Third Quarter Ended		Nine Months Ended	
28/02/2017	29/02/2016	28/02/2017	29/02/2016
544	1,286	2,685	3,733
(139)	(2,716)	(252)	(8,115)
277	790	1,141	2,251
(75)	(95)	(436)	(252)
45	45	136	136
808	156	1,710	379
89	183	341	467
(328)	(312)	(906)	(1,005)
1,465	1,243	4,391	3,562
124	-	(93)	-
2,810	580	8,717	1,156
(3,780)	(1,602)	(4,641)	25,613
(572)	(1,341)	8,768	(3,606)
-	1	(6)	(1)
(6,356)	(10,404)	(37,279)	(25,861)
-	-	(11,500)	-
3,673	-	5,397	-
7,115	(3,399)	10,719	2,647
(2,670)	2,077	3,007	5,512
220	(14,088)	(16,818)	5,460
(1,972)	(1,482)	(6,297)	(5,138)
(718)	(42)	(2,406)	(115)
-	-	-	280
(2,470)	(15,612)	(25,521)	487

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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	
	28/02/2017	29/02/2016	28/02/2017	29/02/2016
Investing activities				
Dividend received from associates	-	-	4,007	-
Purchase of property, plant and equipment	(2,731)	(2,386)	(8,105)	(15,658)
Investment properties	-	346	-	-
Investment in associates	-	-	-	(2,722)
Repayment of loans receivable from associates	(35)	4,613	2,826	9,262
Loans receivable from associates	-	-	(1,213)	(3,639)
Interest received	143	1,116	1,003	3,608
Net cash (used in) from investing activities	(2,623)	3,689	(1,482)	(9,149)
Financing activities				
Drawdown of bank loans	-	-	-	483
Repayment of bank loans	(1,615)	-	(1,615)	(10,000)
Drawdown of long-term bank loans	6,142	14,799	63,755	27,169
Repayment of long-term bank loans	(9,503)	(1,284)	(38,987)	(10,969)
Decrease (increase) fixed deposit pledged	2,037	(1,422)	2,037	(1,422)
Repayment of obligation under finance lease	(3)	(3)	(8)	(16)
Repayment of long-term loan	-	-	(4,050)	-
Capital injection by non-controlling interest	-	501	1,732	2,467
Dividends paid	-	-	(1,832)	(2,726)
Net cash (used in) from financing activities	(2,942)	12,591	21,032	4,986
Net (decrease) increase in cash and cash equivalents	(8,035)	668	(5,971)	(3,676)
Cash and cash equivalents at beginning of period	26,372	12,699	24,331	18,003
Effect of foreign exchange rate changes	(23)	1,404	(46)	444
Cash and cash equivalents at end of period (Note A)	18,314	14,771	18,314	14,771

Note A: Cash and cash equivalents

	The Group S\$'000		The Group S\$'000	
	Third Quarter Ended		Nine Months Ended	
	28/02/2017	29/02/2016	28/02/2017	29/02/2016
Cash at banks	6,967	9,322	6,967	9,322
Cash on hand	8	1	8	1
Fixed deposits	2	2,317	2	2,317
Projects accounts (see Note below):				
Cash at banks	7,322	5,168	7,322	5,168
Fixed deposit	4,015	-	4,015	-
Total cash and cash equivalents per statement of cash flow	18,314	16,808	18,314	16,808
Less: Encumbered bank deposit	-	(2,037)	-	(2,037)
Total cash and cash equivalents per statement of financial position cash and bank balances	18,314	14,771	18,314	14,771

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 01/06/2016	142,238	(2,305)	(6)	(5,969)	24,051	158,009	13,459	171,468
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	1,353	1,353	312	1,665
Other comprehensive income for the period	-	2,263	-	-	-	2,263	1,349	3,612
<i>Transactions with owners, recognised directly in equity:</i>								
Capital injection by non-controlling interests	-	-	-	-	-	-	1,732	1,732
Dividend paid	-	-	-	-	(1,832)	(1,832)	-	(1,832)
Balance at 28/02/2017	142,238	(42)	(6)	(5,969)	23,572	159,793	16,852	176,645
Previous Corresponding Period								
Balance at 01/06/2015	142,238	(733)	(6)	(5,969)	20,429	155,959	11,123	167,082
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	3,734	3,734	(195)	3,539
Other comprehensive income for the period	-	(912)	-	-	-	(912)	(285)	(1,197)
<i>Transactions with owners, recognised directly in equity:</i>								
Capital injection by non-controlling interests	-	-	-	-	-	-	2,467	2,467
Dividend paid	-	-	-	-	(2,726)	(2,726)	-	(2,726)
Balance at 29/02/2016	142,238	(1,645)	(6)	(5,969)	21,437	156,055	13,110	169,165

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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 31/05/2016	142,238	2,213	144,451
Total comprehensive income for the period	-	348	348
Dividends paid	-	(1,832)	(1,832)
Balance at 28/02/2017	142,238	729	142,967
Previous Corresponding Period			
Balance at 31/05/2015	142,238	2,654	144,892
Total comprehensive income for the period	-	1,064	1,064
Dividends paid	-	(2,726)	(2,726)
Balance at 29/02/2016	142,238	992	143,230

- 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 28/02/2017 and 30/11/2016

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

During the quarter ended 28/02/2017, there were no changes in the share capital of the Company.

As at 28/02/2017 and 29/02/2016, 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

Total number of issued shares

The Group and the Company	
28/02/2017	31/05/2016
446,876,000	446,876,000

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

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

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

The figures presented have not been audited or reviewed.

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

Not applicable.

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

The Group has adopted the same accounting policies and methods of computation for the current financial period as those adopted for the audited financial statements for the financial year ended 31/05/2016.

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

Not applicable.

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

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

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

(ii) On a fully diluted basis (cents)

(iii) Number of shares ('000)

The Group		The Group	
Third Quarter Ended		Nine Months Ended	
28/02/2017	29/02/2016	28/02/2017	29/02/2016
0.01	0.30	0.30	0.84
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 28/02/2017.

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 28/02/2017	As at 31/05/2016
35.8	35.4
32.0	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 the third quarter ended 28/2/2017 ("FY2017 Q3") increased by S\$14.6 million or 158.6% compared to the third quarter ended 29/2/2016 (FY2016 Q3") due mainly to higher progressive revenue recognised for development projects, particularly Third Avenue in Malaysia and the new project, Hilbre 28, and also sale of completed units of Peak I. Revenue for the nine months ended 28/2/2017 ("FY2017 9M") increased by S\$39.2 million or 175.1% compared to the nine months ended 29/2/2016 ("FY2016 9M") due mainly to the same reason.

Cost of sales for FY2017 Q3 correspondingly increased by S\$12.2 million or 205.0% compared to FY2016 Q3. However, gross margin decreased from 35.2% in FY2016 Q3 to 23.6% in FY2017 Q3. This was due mainly to the higher revenue contribution from development projects in FY2017 Q3, which have lower gross margin. On the other hand, FY2016 Q3 had proportionately higher revenue contribution from hotel operations and rental income. These were also the main reasons why cost of sales for FY2017 9M had also correspondingly increased by S\$31.8 million or 232.5% compared to FY2016 9M, and gross margin decreased from 38.9% in FY2016 9M to 26.2% in FY2017 9M.

Selling and distribution costs for FY2017 Q3 increased by S\$0.4 million (62.3%) compared to FY2016 Q3 due mainly to higher sales and direct marketing expenses arising from the higher development project revenue recognised. Selling and distribution costs for FY2017 9M increased by S\$1.0 million (61.9%) compared to FY2016 9M largely for the same reason, and also higher marketing expenses for development project launched in early 2016.

Administrative expenses for FY2017 Q3 decreased by S\$0.4 million (10.5%) compared to FY2016 Q3 due mainly to the cessation of depreciation for the two Australian hotels, as the two hotels are being classified as assets held for sale. This was also the main reason administrative expenses for FY2017 9M decreased by S\$0.9 million (10.8%) compared to FY2016 9M. The depreciation expense for FY2017 Q3 and 9M decreased compared to the corresponding periods also for the same reason.

Other operating expenses for FY2017 Q3 related to unrealised exchange loss from the weakening of the Malaysian Ringgit against the Singapore Dollar. Other operating expenses for FY2017 9M decreased by S\$0.3 million compared to FY2016 9M because Malaysian Ringgit depreciated less against the Singapore Dollar in FY2017 9M compared to FY2016 9M.

Share of results of associates for FY2017 Q3 decreased by S\$2.6 million (94.9%) compared to FY2016 Q3, due mainly to the completion of a number of development projects and full recognition of revenue in FY2016. Share of results of associates decreased by S\$7.8 million (96.9%) in FY2017 9M compared to FY2016 9M due mainly to the same reason.

Finance costs for FY2017 Q3 increased by S\$0.3 million (17.9%) compared to FY2016 Q3, due mainly to additional loan required for the conversion of the 11th floor and penthouse in Larmont Building to hotel rooms, and refinancing cost for the completed development project, Peak I. Finance costs for FY2017 9M increased by S\$0.8 million (23.3%) compared to FY2016 9M for the same reason, and also additional loan for the acquisition of the 11th floor and penthouse in Larmont Building.

As a result of the above, profit before tax for FY2017 Q3 decreased by S\$0.8 million (57.7%), from S\$1.3 million in FY2016 Q3 to S\$0.5 million in FY2017 Q3 and for FY2017 9M decreased by S\$1.0 million (28.1%), from S\$3.7 million in FY2016 9M to S\$2.7 million in FY2017 9M.

Tax expense for FY2017 Q3 increased by S\$0.2 million compared to FY2016 Q3. This increase, despite lower profit before tax in FY2017 Q3, was due mainly to taxable profit from progressive revenue recognised for Third Avenue project in FY2017 Q3, while the profit for FY2016 Q3 came mainly from share of results of associates which were net of tax. Tax expense for FY2017 9M increased by S\$0.8 million compared to FY2016 9M due mainly to the same reason.

Overall, profit after tax for FY2017 Q3 decreased by S\$0.9 million, from S\$1.1 million in FY2016 Q3 to S\$0.2 million in FY2017 Q3 and for FY2017 9M decreased by S\$1.8 million, from S\$3.5 million in FY2016 9M to S\$1.7 million in FY2017 9M.

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

Financial position as at 28/2/2017 against financial position as at 31/5/2016

Cash and bank balances decreased from S\$26.4 million to S\$18.3 million. This was due mainly to increase in development properties. A more detailed commentary on the decrease in cash and bank balances is described in the commentary on Statement of Cash Flows.

Trade receivables increased from S\$7.9 million to S\$12.5 million due mainly to progressive billings for development property projects.

Other receivables (current portion) decreased from S\$24.8 million to S\$13.9 million due mainly to repayment of refundable deposit received from Thailand, payment received from our former joint development partner and transferring of land deposit for Lorong 35 Geylang to Development properties as the purchase of land was completed.

Development properties increased by S\$49.4 million due mainly to the land cost for Lorong 35 Geylang, acquisition of land at 241 Pasir Panjang Road and progressive capitalization of construction and development costs as construction of our development properties progressed.

Completed properties held for sale decreased by S\$5.4 million due mainly to sale of Peak I units.

Assets classified as held for sale of S\$79.4 million comprised the two hotels in Australia. The intention was to dispose the hotels in order to realise their value.

Property, plant and equipment decreased by S\$66.5 million due mainly to the reclassification of the two Australian hotels as assets held for sale. The difference between this decrease of S\$66.5 million and the amount for assets classified as held for sale of S\$79.4 million is due to renovation cost incurred for one of the hotels, and Australian Dollar translation difference.

Deferred tax assets increased by S\$0.9 million due mainly to recognition of deferred tax for the losses in some of the subsidiaries.

Bank loans decreased from S\$3.1 million to S\$1.5 million due to the repayment of loan pledged with fixed deposit.

Trade payables increased by S\$10.4 million due mainly to construction costs payable as construction of our development properties progressed.

Finance lease (current and non-current) decreased from S\$0.06 million to S\$0.05 million due to payment of instalments.

Long-term borrowings (current and non-current) increased by S\$27.9 million due mainly to the drawdown of loan for the purchase of land at Lorong 35 Geylang and 241 Pasir Panjang Road, and refinancing of the completed development project, Peak I.

Financial guarantee liabilities (current and non-current) decreased by S\$0.4 million due to the recognition of financial guarantee income.

Long-term loan (current portion) decreased by S\$4.1 million because of payment of amount due to our former joint development partner.

Term notes of S\$29.9 million was reclassified from non-current liability to current liability as the term notes are payable within the next 12 months.

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)

Financial position as at 28/2/2017 against financial position as at 31/5/2016

Income tax payable decreased by S\$0.7 million mainly due to the payment of income tax for completed projects in Singapore and progressive payment of income tax in Malaysia for our Third Avenue development project.

Other payable (non-current portion) of S\$2.0 million is a shareholder's loan from our joint venture partner for our Lorong 35 Geylang development project.

Statement of Cash Flows

Nine months ended 28/2/2017 ("FY2017 9M")

Operating activities

The Group used cash of S\$25.5 million in operating activities in FY2017 9M due mainly to the increase in and acquisition of development properties, offset to some extent by the decrease in receivables and completed properties held for sale, and increase in payables.

Investing activities

Net cash of S\$1.5 million was used in investing activities in FY2017 9M due mainly to the purchase of property, plant and equipment (renovation of the 11th floor and penthouse of Larmont Building to increase hotel rooms), offset to some extent by dividend received from and net repayment of loans by associates.

Financing activities

Net cash of S\$21.0 million was generated from financing activities in FY2017 9M due mainly to the net drawdown of bank loan for the purchase of the land at Lorong 35 Geylang and 241 Pasir Panjang Road, and refinancing of completed development project, Peak I.

As a result, there was a net decrease in cash and cash equivalents of S\$6.0 million, thereby bringing the total cash and cash equivalents amount to S\$18.3 million as at 28/2/2017.

- 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 FY2017 Q3 are in line with the commentary in Paragraph 10 of the quarterly result announcement for FY2017 Q2 made on 11/01/2017.

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

The Singapore government recently lowered the seller's stamp duty by four percentage points for each tier and shorten its holding period. And Total Debt Servicing Ratio no longer applies to mortgage equity withdrawal loans with loan-to-value ratio of 50% and below. However, industry players said that the impact on the property market will be limited, as other cooling measures, which are still in place, will continue to curb demand. Therefore, the Group expects the property market in Singapore to remain generally unchanged.

In Malaysia, the banks have tighten their lending requirements. Thus, the property market is expected to remain flat.

For Thailand, the demand for properties will continue to be driven largely by Thai buyers. As our developments cater mainly to the Thai buyers, demand is expected to remain relatively stable.

TEE Land Limited

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)

The Group is currently exploring opportunities to realise value in its investments in the two Australian hotels. It has received enquiries from interested parties, and will continue to engage them in discussion.

Demand for workers' accommodation in Christchurch, New Zealand will remain stable as the rebuilding work of Christchurch will carry on for many more years.

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 2017.

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

Summary of Interested Person Transaction for financial period ended 28 February 2017

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
PBT Engineering Sdn Bhd (a wholly-owned subsidiary of TEE International Limited)	-	S\$28,237,000
TEE Projects Solutions Sdn Bhd (a wholly-owned subsidiary of TEE International Limited)	-	S\$246,000

TEE Land Limited

14 Confirmation by the Company Pursuant to Rule 720(1) of the Listing Manual of SGX-ST

The Company confirms that it has procured undertakings from all the Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the listing Manual of the SGX-ST.

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

We, Phua Cher Chew and Saw Chin Choo, being two Directors of TEE Land Limited (the “Company”), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter and nine months ended 28/02/2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Phua Cher Chew
Chief Executive Officer
and Executive Director

Saw Chin Choo
Non-Executive Director

Dated 27 March 2017