

TEE LAND LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201230851R)

PROPOSED DISPOSAL OF CHEWATHAI PUBLIC COMPANY LIMITED

1. INTRODUCTION

The board of directors of TEE Land Limited (the “**Company**”, together with its subsidiaries, referred to as the “**Group**”) wishes to announce that its wholly-owned subsidiary, TEE Development Pte. Ltd. (the “**Seller**”) has on 19 December 2017 entered into a share sale and purchase agreement (the “**S&P Agreement**”) with Chartchewa Company Limited (the “**Purchaser**”) to dispose its entire shareholding interest of 239,119,300 ordinary shares in the capital of Chewathai Public Company Limited (“**Chewathai**”) (the “**Proposed Disposal**”).

2. INFORMATION RELATING TO CHEWATHAI AND THE PURCHASER

2.1 Information relating to Chewathai

Chewathai is a public limited company incorporated under the laws of Thailand and has its registered office at 1168/80 Lumpini Tower, 27th Floor, Unit D, Rama IV Road, Tungmahamek, Sathorn, Bangkok. As at the date hereof, Chewathai has an issued and paid-up share capital of Baht 750.00 million comprising 750,000,000 ordinary shares.

The market capitalisation and net asset value of Chewathai as at 30 September 2017 were approximately Baht 982.50 million (SGD 40.48 million)* and Baht 978.25 million (SGD 40.30 million) respectively.

The Seller is one of the major shareholders of Chewathai with an interest of approximately 31.88% of the issued share capital of Chewathai.

2.2 Information relating to the Purchaser

The Purchaser is an independent third party unrelated to any of the Directors and Controlling Shareholders (as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited) of the Group.

3. PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSED DISPOSAL

3.1 Sale Shares and Option Shares

The Seller is the legal and beneficial owner of 239,119,300 ordinary shares in Chewathai with par value of Baht 1.00 each, of which:

- (a) 88,000,000 ordinary shares in Chewathai (the “**Sale Shares**”) shall be sold by the Seller to the Purchaser on the Closing Date (as defined in Section 3.2.3 below). Further details of the terms and conditions of the sale and purchase of the Sale Shares are set out in Section 3.2 below; and
- (b) the remaining 151,119,300 ordinary shares in Chewathai (the “**Option Shares**”) shall be sold by the Seller to the Purchaser upon the exercise of the Call Option (as defined in Section 3.3.1 below) or the Put Option (as defined in Section 3.3.2

* Based on the exchange rate of Baht 1:SGD 0.0412, which conversion rate is applied to all Baht to SGD conversion.

below). Further details of the terms and conditions of the sale and purchase of the Option Shares are set out in Section 3.3 below.

3.2 Sale and Purchase of the Sale Shares

3.2.1 Purchase Price

The purchase price for the Sale Shares is Baht 117.04 million (Baht 1.33 per share). The purchase price was negotiated at arms-length and arrived at on a “willing-buyer, willing-seller” basis, taking into account, *inter alia*, the market capitalisation and net asset value of Chewathai as at 30 September 2017.

3.2.2 Conditions

The completion of the sale and purchase of the Sale Shares (“**Closing**”) is conditional upon, *inter alia*, the satisfaction or waiver of the following (the “**Conditions**”):

- (a) the warranties are true and accurate on the date of the S&P Agreement and will be true and accurate, in all material respects, on the Closing Date;
- (b) the Seller having obtained all relevant corporate approvals (including board and shareholders approvals of the Seller and the Company) and regulatory approvals (including the Singapore Stock Exchange) and requirements with respect to the sale of the Sale Shares and the Option Shares; and
- (c) no legislation has been enacted after the date of the S&P Agreement prohibiting either the Seller or the Purchaser from consummation of the transactions contemplated under the S&P Agreement.

3.2.3 Closing Date

The Closing Date shall be on 23 January 2018, on which all Conditions are satisfied or waived in accordance with the terms of the S&P Agreement or the date to which Closing is deferred in accordance with the terms of the S&P Agreement but in any event no later than 31 December 2018 or such other date as the Seller and the Purchaser may agree in writing.

3.3 Sale and Purchase of the Option Shares

3.3.1 Call Option

The Seller grants to the Purchaser an exclusive and irrevocable option to purchase the Option Shares including any form of stock dividend (“**Distribution Shares**”) (if any) by delivering a notice (the “**Call Exercise Notice**”) to the Seller at any time during the period commencing after the Closing Date and ending on 30 September 2018 (the “**Call Option Period**”).

The purchase price for the Option Shares is Baht 200.99 million (Baht 1.33 per share) (the “**Call Option Price**”). The Call Option Price shall be adjusted if there is any Distribution Shares paid by Chewathai by including the consideration for the Distribution Shares computed based on Baht 1.33 per Distribution Share. For the avoidance of doubt, in the event that Chewathai undertakes a share consolidation exercise, the purchase price payable for each Option Share shall be adjusted accordingly such that the Call Option Price shall remain the same.

The Call Option Price was negotiated at arms-length and arrived at on a “willing-buyer, willing-seller” basis, taking into account, *inter alia*, the market capitalisation and net asset value of Chewathai as at 30 September 2017.

3.3.2 Put Option

The Purchaser grants to the Seller an exclusive and irrevocable option to purchase the Option Shares including any Distribution Shares (if any) by delivering a notice (the “**Put Exercise Notice**”) to the Purchaser at any time during the period commencing after the Call Option Period and ending on 30 November 2018.

The purchase price for the Option Shares is Baht 200.99 million (Baht 1.33 per share) (the “**Put Option Price**”). The Put Option Price shall be adjusted if there is any Distribution Shares paid by Chewathai by including the consideration for the Distribution Shares computed based on Baht 1.33 per Distribution Share. For the avoidance of doubt, in the event that Chewathai undertakes a share consolidation exercise, the purchase price payable for each Option Share shall be adjusted accordingly such that the Put Option Price shall remain the same.

The Put Option Price was negotiated at arms-length and arrived at on a “willing-buyer, willing-seller” basis, taking into account, *inter alia*, the market capitalisation and net asset value of Chewathai as at 30 September 2017.

3.3.3 Subscription Shares

In the event that the Seller subscribes for new shares in Chewathai (“**Subscription Shares**”) pursuant to any rights issue, placement exercise or other fund raising activity where new shares in Chewathai are issued to investors for consideration prior to the exercise of the Call Option or the Put Option,

- (a) the Purchaser shall have the right to call the Subscription Shares to the Seller and the Seller shall be obliged to sell all Subscription Shares, in whole and not in part, to the Purchaser and/or the Purchaser’s designated persons upon the exercise of the Call Option or the Put Option (as the case may be); and
- (b) the Seller shall have the right to put the Subscription Shares to the Purchaser and the Purchaser and/or the Purchaser’s designated persons shall be obliged to purchase all Subscription Shares, in whole and not in part, from the Seller upon the exercise of the Call Option or Put Option (as the case may be).

The consideration for the Subscription Shares payable by the Purchaser shall be the subscription price paid by the Seller for the Subscription Shares.

3.3.4 Conditions for Option Closing

The completion of the sale and purchase of the Option Shares (the “**Option Closing**”) is conditional upon, *inter alia*, the satisfaction or waiver of the following:

- (a) the warranties are true and accurate on the date of the S&P Agreement and will be true and accurate, in all material respects, on the Option Closing Date;
- (b) the Seller shall have performed and complied with their obligations under the S&P Agreement required to be performed and complied with by them prior to the Option Closing;
- (c) the Seller having obtained all relevant corporate approvals (including board and shareholders approvals of the Seller and the Company) and regulatory approvals (including the Singapore Stock Exchange) and requirements with respect to the sale of the Option Shares;
- (d) the Seller shall have delivered to the Purchaser duly signed written resignations of the directors and/or executives nominated by the Seller whose names are listed in Schedule 3 of the S&P Agreement to be effective on the Option Closing Date, substantially in the form set forth in Schedule 4 of the S&P Agreement; and

- (e) no legislation has been enacted after the date of the S&P Agreement prohibiting either the Seller or the Purchaser from consummation of the transactions contemplated under the S&P Agreement.

3.3.5 Option Closing

The Option Closing shall take place three (3) business days after the date of the Call Exercise Notice or the Put Exercise Notice (as the case may be) on the time and at the place as agreed by the Seller and the Purchaser (such date, the “**Option Closing Date**”).

4. RATIONALE FOR THE PROPOSED DISPOSAL

The Company is of the view that the Proposed Disposal represents an opportunity for the Group to realise its investment into cash and enhance its liquidity position to capitalize on opportunities in the Singapore residential property market.

The Group expects to receive net proceeds of approximately Baht 318.03 million (SGD 13.10 million) from the Proposed Disposal which are intended to be used mainly for undertaking residential property developments in Singapore and general working capital of the Group. This would further provide financial flexibility to the Group to seize attractive development and/or investment opportunities should such opportunities arise.

5. USE OF PROCEEDS

The Proposed Disposal is a good opportunity for the Company to divest and realise its interest in Chewathai. The proceeds will be re-allocated and invested in property development in Singapore, as the directors of the Company may deem appropriate in the interests of the Group.

6. LOSS ON THE PROPOSED DISPOSAL

The Group is expected to record a net loss of approximately Baht 149.35 million (SGD 6.15 million) from the Proposed Disposal subject to any accounting adjustments which may be necessary upon the finalisation of the transaction. The net loss incurred is non-cash in nature.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal as set out below are for illustrative purposes only and do not necessarily reflect the actual results and financial position of the Group and the Company following completion of the Proposed Disposal. The pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2017 subject to the following assumptions:

- (1) the financial effects of the Proposed Disposal on the net tangible assets (“**NTA**”) per share of the Company are computed assuming that the Proposed Disposal had been completed on 31 May 2017;
- (2) the financial effects of the Proposed Disposal on the earnings per share (“**EPS**”) of the Company are computed assuming that the Proposed Disposal had been completed on 1 June 2016; and
- (3) the expenses in connection with the Proposed Disposal have been disregarded.

7.1 Financial effects on NTA per share

	Before the Proposed Disposal	After the Proposed Disposal
NTA ⁽¹⁾ (S\$'000)	157,073	150,920
Number of shares ('000)	446,876	446,876
NTA per share (cents)	35.1	33.8

7.2 Financial effects on EPS

	Before the Proposed Disposal	After the Proposed Disposal
Group loss after tax ⁽²⁾ (S\$'000)	(1,048)	(7,201)
Number of shares ('000)	446,876	446,876
EPS (cents)	(0.23)	(1.61)

Note:

(1) Net Tangible Asset (NTA) refers to equity attributable to owners of the Company.

(2) Group loss after tax refers to Group loss after tax attributable to owners of the Company.

8. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL IN RELATION TO THE PROPOSED DISPOSAL

The relative figures computed⁽¹⁾ on the bases of Rule 1006 of the Listing Manual in respect of the Proposed Disposal are as follows:

Rule	Bases of computation	Size of relative figure
1006(a)	Net asset value of the assets being disposed of, compared with the Group's net asset value.	11.58%
1006(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits.	165.65%
1006(c)	Aggregate value of consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	14.66%
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities in issue.	Not applicable.
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable.

Note:

(1) The figures computed here are based on the results for the financial period ended 31 August 2017, which were announced by the Company on 11 October 2017.

As the relative figure computed on the bases set out in Rule 1006(b) of the Listing Manual exceeds 20%, the Proposed Disposal constitutes a major transaction within the meaning of Rule 1014 of the Listing Manual. Accordingly, the Proposed Disposal is subject to the approval of shareholders of the Company.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER IN THE PROPOSED DISPOSAL

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

10. SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract for such appointment is proposed to be entered into between the Company and any such person.

11. CIRCULAR TO SHAREHOLDERS

A circular containing further details on the Proposed Disposal and enclosing a notice of extraordinary general meeting in connection therewith will be despatched to shareholders of the Company in due course.

12. DOCUMENTS FOR INSPECTION

A copy of the S&P Agreement will be made available for inspection at the registered office of the Company at 25 Bukit Batok Street 22, Singapore 659591, during normal business hours for a period of three (3) months from the date of this Announcement.

BY ORDER OF THE BOARD

Ng Tah Wee
Company Secretary
Singapore
20 December 2017