



TEE LAND

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

PROPOSED ACQUISITION OF DIAMANT HOTEL IN SYDNEY

The Board of Directors ("**Board**") of TEE Land Limited ("**Company**" and together with its subsidiaries, "**Group**") is pleased to announce that its wholly-owned subsidiary, TEE Hospitality Pte Ltd ("**TEE Hospitality**"), has entered into a joint venture with Peter & Jan Clark (Levey Street) Pty Ltd ("**Clark**") and Kenmooreland Pte Ltd ("**Kenmooreland**"), to establish a joint venture company, Potts Point Hospitality Pty Ltd ("**Potts**"), with an initial paid-up capital of AUD100, to acquire a hotel in Sydney, Australia.

Potts is 55% held by TEE Hospitality, 10% held by Clark and 35% held by Kenmooreland. Clark and Kenmooreland are our joint venture partners in our other Sydney hotel, Quality Hotel CKS Sydney Airport.

Potts has in turn entered into a contract for sale of land ("**Sale Contract**") with K C Property Pty Ltd to acquire an existing 4-star boutique hotel ("**Hotel**") with 76 hotel rooms (including 2 suites) and 3 meeting rooms, located at 2-14 Kings Road, Potts Point 2011 in Sydney ("**Acquisition**") on 24 December 2014. The Hotel is approximately 1.6 km from the East of Sydney CBD, in close proximity to Kings Cross train station.

The purchase price for the Hotel is AUD23.2 million¹, and was negotiated on a willing-buyer-willing seller basis, taking into account, amongst others, the excellent location, prospects and redevelopment potential of the property. The Acquisition is expected to be completed on 27 February 2015.

The Acquisition is part of the Group's strategy to build up a portfolio of recurring income generating assets in developed markets such as Australia and New Zealand that provide short to mid-term accommodation to end users.

The Group will finance its share of the cost of the Acquisition by internal funds and bank borrowings, and the incorporation of Potts and the Acquisition are not expected to have any material impact on the Group's net tangible assets or earnings per share for the financial year ending 31 May 2015.

None of the Directors or controlling shareholders of the Company has any direct or indirect interests in the above transactions save for their respective shareholdings in the Company.

The Company will inform shareholders on completion of the Acquisition.

By Order of the Board

Ng Tah Wee
Financial Controller and Company Secretary

26 December 2014

¹ Approximately SGD24.89 million based on the exchange rate of AUD1:SGD1.0729.

SAC Capital Private Limited was the issue manager for the initial public offer of the Company. This announcement has been prepared and released by the Company.