



TEE LAND

TEE LAND LIMITED

(Registration No. 201230851R)

**ANNOUNCEMENT PURSUANT TO RULE 704(17) OF THE LISTING MANUAL OF THE
SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) –
PROPOSED ACQUISITION OF SHARES IN LEY CHOON DEVELOPMENT PTE LTD**

1. Introduction

1.1 Sale and Purchase Agreement

The Board of Directors (“**Directors**”) of TEE Land Limited (the “**Company**”) wishes to announce that the Company had on 23 September 2016 entered into a conditional sale and purchase agreement (the “**SPA**”) with Ley Choon Constructions and Engineering Pte Ltd (the “**Vendor**”), pursuant to which the Company has agreed to buy and the Vendor has agreed to sell 8,732,306 fully paid ordinary shares (the “**Sale Shares**”) in the share capital of Ley Choon Development Pte. Ltd. (the “**Target**”), representing the entire issued and paid-up share capital of the Target (the “**Proposed Acquisition**”).

The Proposed Acquisition is made in the ordinary course of business of the Company’s business.

1.2 Rule 704(17) of the Listing Manual

As the Sale Shares constitute the entire share capital of the Target, following the completion of the Proposed Acquisition, the Target will become a wholly-owned subsidiary of the Company.

2. Consideration and Adjustments

2.1 Aggregate Consideration

The aggregate consideration for the purchase of all the Sale Shares is S\$11,500,000 (the “**Consideration**”) which shall comprise, and be paid in accordance with the following:

- (a) immediately upon the entering into of the SPA, the Company shall pay to the Vendor the sum of S\$500,000 (the “**Deposit**”), which shall be paid by the Company to the Company’s solicitors as an escrow agent (the “**Escrow Agent**”) to hold in accordance with the escrow agreement entered into between the Vendor, the Company and the Escrow Agent;

- (b) on completion of the Proposed Acquisition, the Company shall pay to the Vendor:
 - (i) the sum of S\$9,941,600 (the “**Closing Amount**”); or
 - (ii) the Adjusted Closing Amount (as defined in Section 2.3 below), subject to adjustment in accordance with Section 2.3 below, and
- (c) on completion of the Proposed Acquisition, the Company shall pay to the Vendor the sum of S\$1,058,400 (the “**Retention Sum**”), which shall be paid by the Company to Madison Pacific Pte Ltd as an escrow agent (the “**Retention Sum Escrow Agent**”) to hold in accordance with the escrow agreement (in respect of the Retention Sum), entered or to be entered into on or before completion of the Proposed Acquisition among the Vendor, the Company and the Retention Sum Escrow Agent (the “**Retention Sum Escrow Agreement**”).

The Consideration was arrived at on a willing-buyer, willing-seller basis, taking into account the asset (the “**Asset**”) of the Target. The Asset is a piece of freehold land of approximately 1,201.5 square metre, at 241 Pasir Panjang Road, which the Company intends to redevelop into a 24-unit 5-storey residential development.

2.2 Deposit

If the SPA is rescinded or terminated prior to completion of the Proposed Acquisition either the Company shall be entitled to refund of the Deposit upon the non-fulfillment of the Conditions Precedent (as defined in the SPA) or the Vendor shall be entitled to the receipt and benefit of the Deposit on Completion in accordance with the provisions of the SPA.

2.3 Closing Amount

In the event the ABSD Amount (as defined in the SPA) payable to the Inland Revenue Authority of Singapore (“**IRAS**”) has not been fully paid by the Vendor and/or the Target to IRAS on or before the completion of the Proposed Acquisition (or such other date to be mutually agreed in writing), the Vendor and the Company agree that an amount equivalent to the ABSD Amount, including all accrued interests on the ABSD Amount (up to the time of full payment to IRAS)) chargeable by the IRAS, shall be deducted from the Closing Amount (the “**Adjusted Closing Amount**”).

2.4 Retention Sum

The Retention Sum Escrow Agreement shall set out and incorporate the following terms and such other terms as mutually agreed between the Vendor and the Company:

- (a) in the event the Target complies with the Qualifying Certificate Requirements (as defined under the SPA), on or before 13 February 2018, the Vendor and the Company shall sign and deliver to the Retention Sum Escrow Agent all authorisations and/or mandates which may be required under the Retention Sum Escrow Agreement in order to effect the release of the Retention Sum to the Vendor within five (5) business days from 13 February 2018; and
- (b) in the event the Company fails to comply with the Qualifying Certificate Requirements on or before 13 February 2018, the Target and the Company shall sign and deliver to the Retention Sum Escrow Agent all authorisations and/or mandates which may be required under the Retention Sum Escrow Agreement in order to effect the release of the Retention Sum to the Company within five (5) business days from 13 February 2018.

3. Value of the Sale Shares

The net liability value of the Sale Shares as recorded in the unaudited consolidated financial statements of the Target for the financial period ended 30 June 2016 was approximately S\$2,211,307.

4. Interest of Directors and Substantial Shareholders

None of the Directors or substantial shareholders of the Company or any of their associates has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company, if any.

BY ORDER OF THE BOARD

Ng Tah Wee
Financial Controller and Company Secretary
26 September 2016