TEE INTERNATIONAL LIMITED
(Incorporated in the Republic of Singapore with limited liability)
(Company Registration No. 200007107D)

ENTRY INTO LOAN AGREEMENT AND SUPPLEMENTAL AGREEMENT TO THE SUBSCRIPTION AGREEMENT WITH META5 PTE. LTD.

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1. INTRODUCTION

1.1. The board of directors (the "**Board**" or "**Directors**") of Tee International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its announcements on:

(a) 18 August 2022 in relation to the entry into the conditional subscription agreement (the "**Subscription Agreement**") between the Company and Meta5 Pte. Ltd. (the "**Subscriber**") for the (i) the subscription by the Subscriber of S$7,500,000 in new ordinary shares in the Company; and (ii) the grant of S$7,500,000 in principal amount of unlisted and non-transferable share options to the Subscriber by the Company, on the terms and conditions of the Subscription Agreement; and

(b) 9 January 2023 in relation to the entry into a non-binding term sheet with the Subscriber in view of obtaining the funding required to complete the Subscription Agreement and expediting the progress of the restructuring exercise,

collectively, the "**Previous Announcements**".

Unless otherwise defined, capitalised terms used herein shall have the meanings ascribed to them in the Previous Announcements.

1.2. The Board wishes to announce that the Company has on 20 January 2023, entered into the following agreements with the Subscriber in relation to the following:

(a) a loan agreement (the "**Loan Agreement**") for a term loan of up to S$1,800,000 (the "**Loan**"); and

(b) a supplemental agreement to the Subscription Agreement (the "**Supplemental Agreement**"), to amend, modify and/or supplement certain terms and conditions of the Subscription Agreement. Save as amended by the Supplemental Agreement, all other terms and conditions of the Subscription Agreement remain in full force and effect.

2. RATIONALE FOR ENTRY INTO THE LOAN AGREEMENT AND SUPPLEMENTAL AGREEMENT

2.1. Pending completion of the corporation transactions contemplated under the Subscription Agreement and on the basis that the Company requires additional funds, including for it to continue its Proposed Debt Restructuring, the Subscriber had agreed to make available the Loan to the Company on the terms and subject to the conditions of the Loan Agreement. Please refer to "Use of Proceeds" under section 3 (*Principal Terms of the Loan Agreement*) below for the use of the funds under the Loan proceeds.

2.2. The Supplemental Agreement was entered into by the Company to supplement the Subscription Agreement for the purposes of, *inter alia*, extending the Longstop Date and to cater for the revision of the utilisation of proceeds from the Subscription Amount to include the repayment of all outstanding amounts under the Loan.

3. PRINCIPAL TERMS OF THE LOAN AGREEMENT

Principal Amount:	Up to S$1,800,000, to be disbursed in tranches as set out in the Loan Agreement.
Interest Rate:	No interest shall be payable on the Loan save that upon any Event of Default[1], an interest rate of ten per cent. (10.0%) per annum shall be payable on all outstanding Loan amounts that have been disbursed under the tranches as set out in the Loan Agreement. Such interest amounts shall be accrued and computed from the relevant date(s) of disbursement of the corresponding Loan amount(s) under the tranche(s) as set out in the Loan Agreement.
Use of Proceeds:	To fund (a) costs and expenses incurred for the restructuring exercise of the Group; (b) mortgage loan instalments; and (c) operating expenses of the Group.
Final Repayment Date:	Subject to any Event of Default under the Loan Agreement, the Company shall repay the Loan and any other amounts due but unpaid under the Loan Agreement in full on the date falling on the earlier of (a) the completion date of the Subscription Agreement (as amended, modified or supplemented from time to time, including by the Supplemental Agreement); and (b) eight (8) months from the first disbursement date of the Loan or such later date which the Parties may mutually agree to in writing.

4. AMENDMENTS AND RESTATEMENTS TO THE SUBSCRIPTION AGREEMENT

4.1. Pursuant to the Supplemental Agreement, the Parties have agreed to:

(a) extend the Longstop Date to the date falling 12 months from the date of the Supplemental Agreement[2] (where the Parties may mutually agree to extend by another two (2) months, depending on the progress of the Proposed Debt Restructuring); and

(b) to revise the utilisation of proceeds from the Subscription to be in following manner: (i) repayment of all outstanding amounts under the Loan (which will be set off against the payment of the Subscription Amount); (ii) repayment of the eligible creditors under the Proposed Scheme of Arrangement; and (iii) the remaining for working capital for the Pro Forma Group and to fund the growth of the business of the Pro Forma Group. The Company will provide more details to its Shareholders in due course following the finalisation of the terms of the Proposed Debt Restructuring (i.e. the settlement terms of the Proposed Scheme of Arrangement), including on the percentage allocation of net proceeds for the abovementioned purposes.

[1] As defined in the Loan Agreement and includes the termination of the Subscription Agreement in accordance with the terms and conditions of the Subscription Agreement (as amended, modified or supplemented from time to time, including by the Supplemental Agreement).
[2] For reference, the Longstop Date will be 18 August 2023.

5. OTHER UPDATES

Under the Subscription Agreement, the Deposit Amount of S$500,000 had been received in the Escrow Account and utilised by the Company in accordance with the terms and conditions of the Subscription Agreement for the purposes of payments of the professional fees incurred in connection with the Proposed Transactions and the Proposed Debt Restructuring. Further, the first tranche of S$300,000 under the Loan had been disbursed by the Subscriber and will be utilised by the Company as agreed between the Parties, in accordance with the terms and conditions of the Loan Agreement.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors and to the best of the knowledge of the Company, none of the controlling shareholders have any interest, direct or indirect, in the transaction contemplated under the Loan Agreement and Supplemental Agreement, other than through their respective directorships and shareholdings in the Company, if any.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreement, Supplemental Agreement and Loan Agreement are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 25 Bukit Batok Street 22, TEE Building, Singapore 659591 for a period of three (3) months commencing from the date of this announcement.

8. FURTHER ANNOUNCEMENTS

8.1. The Company will provide more details of the various corporate actions to its Shareholders in due course, including the Subscription Price, the issue size of the Subscription Shares, the Options, the Option Shares, the Management Reward Shares, the RSM Shares, the percentage allocation of the use of the net proceeds from the Proposed Subscription, and the financial effects of the Proposed Transactions.

8.2. Further, the Company will also make the requisite announcements in compliance with the requirements of the Listing Manual, when there are material developments in respect of the Proposed Transactions and the Proposed Rights Issue.

9. CAUTIONARY STATEMENT

Shareholders should note that the Proposed Transactions and the Proposed Rights Issue remain subject to, amongst others, the fulfilment of the conditions precedent under the definitive agreements entered into. **There is no certainty or assurance that the conditions precedent for the Proposed Transactions and the Proposed Rights Issue can be fulfilled or that the Proposed Transactions and the Proposed Rights Issue will be undertaken at all.** Although the Shares are under suspension, shareholders, securityholders are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the Shares and securities of the Company. Shareholders, securityholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their Shares or securities of the Company.

By Order of the Board

Phua Cher Chuan
Group Chief Executive and Managing Director

20 January 2023