



TEHO INTERNATIONAL INC LTD.
(Incorporated in the Republic of Singapore on 10 June 2008)
(Company Registration Number: 200811433K)

**TERMINATION OF JOINT VENTURE AGREEMENT IN RESPECT OF
TEHO-SBG DEVELOPMENT CO., LTD. AND CESSATION OF INTEREST IN TEHO
DEVELOPMENT (CAMBODIA) PTE. LTD. AND TEHO-SBG DEVELOPMENT CO., LTD.**

1. INTRODUCTION

The Board of Directors (the "**Board**") of TEHO International Inc Ltd. (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the announcements dated 23 January 2015 and 23 February 2016 in relation to the establishment of a joint venture entity, Teho-SBG Development Co., Ltd. ("**Teho-SBG**"), under the laws of Cambodia to undertake the principal business of real estate development in Cambodia ("**Joint Venture**"). The Company holds 49% shareholding interest in Teho-SBG, through its wholly-owned subsidiary, Teho Development Pte. Ltd. ("**Teho Development**"), which holds 100% of the total issued and paid up share capital of Teho Development (Cambodia) Pte. Ltd. ("**Teho Cambodia**"), which in turn, holds 490 ordinary shares in Teho-SBG, representing a 49% shareholding interest in Teho-SBG. The remaining 51% of the shareholding interest of Teho-SBG is held by Mrs Yim Chhay Line ("**YCL**"). Teho Cambodia and YCL had entered into a joint venture agreement ("**JVA**") on 27 January 2016 in respect of Teho-SBG.

2. TERMINATION OF JOINT VENTURE

The Board wishes to announce that Teho Cambodia and YCL had on 7 August 2018 entered into an agreement ("**JVA Termination Agreement**") to terminate the JVA. The Company has decided that it is in the best commercial interests of the Company to terminate the Joint Venture as the supply of condominiums in Cambodia remains elevated and the high-end residential market appears to be cooling. Pursuant to the JVA Termination Agreement, the termination of the Joint Venture shall be implemented by way of the transfer by Teho Development of its 100% shareholding interest in Teho Cambodia ("**Teho Cambodia Shares**") (which in turn holds 49% shareholding interest in Teho-SBG) ("**Teho Cambodia Share Transfer**").

In connection therewith, Teho Development and YCL had on 7 August 2018 entered into an agreement in respect of the Teho Cambodia Share Transfer ("**Settlement Agreement**") to transfer the Teho Cambodia Shares to YCL or her designated transferee(s) for a consideration of US\$1,000 ("**Consideration**"), which shall be payable in cash on the completion of the Settlement Agreement. Such Consideration was arrived at on a willing buyer and willing seller basis between the Group and YCL, having regard to the land resale right amount of US\$1,000 as detailed under the JVA. The unaudited net tangible assets value of Teho Development's 100% shareholding interest in Teho Cambodia as at 31 December 2017 was S\$1,690,859. Following the completion of the Teho Cambodia Share Transfer, Teho Cambodia and Teho-SBG would cease to be subsidiaries of the Group. Pursuant to the terms of the Settlement Agreement, YCL had undertaken to Teho Development that she shall ensure, and shall procure her designated transferee(s) that a name change of Teho Cambodia and Teho-SBG shall be duly and validly effected within six months from the date of completion of the Settlement Agreement, such that the names of Teho Cambodia and Teho-SBG do not bear the word, "Teho".

The effective date for the termination of the JVA shall be the date of completion of the Settlement Agreement and the parties thereto agree that with effect from such effective date, *inter alia*, it/she shall be released from any and all liabilities, obligations, representations, warranties, undertakings it/she has or may have to it/her arising under or relating to the JVA.

3. FINANCIAL EFFECTS

The financial effects of the completion of the Teho Cambodia Share Transfer are as set out below for illustrative purposes only and are not intended to reflect the actual financial performance or position of the Group after the completion of the Teho Cambodia Share Transfer. The financial effects of the Teho Cambodia Share Transfer set out below have been prepared based on the audited financial statements of the Group for the financial year ended 30 June 2017 (“FY2017”).

Net Tangible Assets (“NTA”)

Assuming that the Teho Cambodia Share Transfer had been completed on 30 June 2017, the *pro forma* financial effects of the Teho Cambodia Share Transfer on the NTA of the Group for FY2017 are as follows:

As at 30 June 2017	Before completion of Teho Cambodia Share Transfer	After completion of Teho Cambodia Share Transfer
NTA (S\$)	30,803,327	28,682,595
Number of issued Shares	233,324,614	233,324,614
NTA per Share (Singapore cents)	13.20	12.29

Loss per Share (“LPS”)

Assuming that the Teho Cambodia Share Transfer had been completed on 1 July 2016, the *pro forma* financial effect of the Teho Cambodia Share Transfer on the Group’s LPS are as follows:

FY2017	Before completion of Teho Cambodia Share Transfer	After completion of Teho Cambodia Share Transfer
Net loss (S\$)	(9,844,790)	(8,901,013)
Weighted average number of shares	233,324,614	233,324,614
LPS (Singapore cents)	(4.22)	(3.81)

Other Financial Information

Assuming that the Teho Cambodia Share Transfer had been completed on 31 December 2017, the Teho Cambodia Share Transfer would give rise to a net loss on disposal of approximately \$1,689,520, recognised in the income statement.

4. RELATIVE FIGURES UNDER CATALIST RULES 1006

As the relative figures of the Proposed Disposal computed under Rule 1006 of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”) do not exceed 5%, the Teho Cambodia Share Transfer is considered a non-discloseable transaction under Rule 1008 of the Catalist Rules. This announcement is made pursuant to Rule 704(17)(c) of the Catalist Rules.

5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the JVA Termination Agreement and the Settlement Agreement, other than through their shareholdings (if any) in the Company.

6. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the JVA Termination Agreement and the Settlement Agreement is available for inspection at the registered office of the Company at 1 Commonwealth Lane, #09-23 One Commonwealth, Singapore 149544 during normal office hours for three months from the date of this announcement.

The Company will make further announcements in relation to the completion of the Teho Cambodia Share Transfer in due course.

BY ORDER OF THE BOARD

Lim See Hoe
Executive Chairman and Chief Executive Officer
7 August 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr David Yeong (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.