



TEE INTERNATIONAL LIMITED

(Incorporated in Singapore with limited liability)
(Company registration number 200007107D)

SALE OF 100,471,628 SHARES IN TEE LAND LIMITED

1. INTRODUCTION

The Board of Directors ("**Board**") of TEE International Limited ("**Company**", and together with its subsidiaries, "**Group**") refers to (i) the circular dated 20 April 2019 ("**Circular**") in relation to the proposed disposal, in whole or in part, of the Company's entire interest in TEE Land Limited ("**TEE Land**") and (ii) the Company's announcement on 25 February 2019 of its entry into a non-binding term sheet with Top Capital Securities Pte. Ltd. ("**Purchaser**") for the disposal of up to 28.0% of the existing and issued paid-up capital of TEE Land.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them respectively in the Circular.

2. PROPOSED SALE OF 100,471,628 TEE LAND SHARES

The Company has today entered into a sale and purchase agreement ("**Agreement**") with the Purchaser pursuant to which the Company has sold to the Purchaser, and the Purchaser has purchased from the Company, 100,471,628 TEE Land Shares held by the Company ("**Sale Shares**") at S\$0.186 per Sale Share ("**Sale**"). The aggregate consideration for the Sale Shares is S\$18,687,722.81 ("**Consideration**"), payable in full in cash by the Purchaser to the Company. The completion of the Sale is expected to take place on 15 May 2019 (or such other date as the Parties may mutually agree in writing).

The Sale is undertaken in accordance with the terms of the Disposal Mandate approved by Shareholders at the Extraordinary General Meeting held on 6 May 2019.

The Consideration was arrived at on a willing buyer-willing seller basis, taking into account, amongst other things, the then prevailing market price of the TEE Land Shares, the financial position of TEE Land, the discounts to net asset values of share prices of property counters traded on the SGX-ST, and the Purchaser's assessment of the future prospects of TEE Land. The Consideration represents a premium of 5.62% to the VWAP of TEE Land Shares of S\$0.176 traded on 9 May 2019, being the last Market Day on which TEE Land Shares were traded prior to the date of the Agreement.

The net proceeds from the Proposed Sale, after deducting estimated costs and expenses of S\$0.47 million, is approximately S\$18.22 million ("**Sale Proceeds**"). The Company intends to use the net Sale Proceeds to repay loan/bank borrowings and for general working capital, which is in accordance with the intended use of proceeds disclosed in paragraph 5.7 of the Circular.

Based on the unaudited financial statements for the nine months ended 28 February 2019, the book value of the Sale Shares as at 28 February 2019 at the Company level is approximately S\$32.98 million. The net Sale Proceeds represent a loss of approximately S\$14.76 million over the book value of the Sale Shares as at 28 February 2019 at the Company level. At Group level, the completion of the Sale will result in an accounting loss on disposal of approximately S\$17.62 million and a revaluation loss of approximately S\$7.03 million (assuming the value of each TEE Land Share is S\$0.186) on the remaining TEE Land Shares held by the Company as at 28 February 2019.

Please refer to the Circular for further information on TEE Land, the Disposal Mandate and the rationale for the Proposed Disposal.

3. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL OF THE SGX-ST ("LISTING MANUAL")

The relative figures computed pursuant to Rule 1006 of the Listing Manual in respect of the Sale are set out below:

Bases in Rule 1006	Size of Relative Figure
(a) Net asset value of Sale Shares (S\$32.98 million), compared with the Group's net asset value as at 28 February 2019 (S\$96.83 million)	34.1%
(b) Net loss ⁽¹⁾ of S\$0.52 million attributable to the Sale Shares, compared with the Group's net loss ⁽¹⁾ of S\$5.07 million	10.2%
(c) Aggregate value of the consideration received from the Sale compared with the Group's market capitalisation of S\$61.71 million ⁽²⁾	30.3%
(d) Number of equity securities issued by the Company as consideration for the Sale, compared with the number of equity securities previously in the issue	N.A. ⁽³⁾
(e) Aggregate volume of proved and probable reserves to be disposed of compared with the Group's proved and probable reserves	N.A. ⁽⁴⁾

Notes:

- (1) "Net loss" means profit or loss before income tax, minority interests and extraordinary items.
- (2) The Company's market capitalisation is determined by multiplying the number of Shares in issue (being 646,882,476 Shares (excluding 1,270,400 treasury shares)) by the volume-weighted average price of the Shares (being S\$0.0954) transacted on 9 May 2019 (being the last Market Day on which Shares were traded preceding the date of the Agreement).
- (3) This is not applicable as the Sale does not involve any issuance of consideration shares.
- (4) This is not applicable as the Company is not a mineral, oil and gas company.

4. FINANCIAL EFFECTS

The pro forma financial effects of the Sale are for illustrative purposes only and the pro forma financial effects have been prepared based on audited consolidated financial statements of the Group for the financial year ended 31 May 2018 ("**FY2018**"), being the most recently completed financial year, and on the following key bases and assumptions:

- (a) for the purposes of illustrating the financial effects of the Sale on the NTA per Share of the Group, it is assumed that the Sale had been completed on 31 May 2018;
- (b) for the purposes of illustrating the financial effects of the Sale on the EPS of the Group, it is assumed that the Sale had been completed on 1 June 2017;
- (c) the NTA per Share is computed based on the 501,952,639 Shares (excluding 1,270,400 treasury shares) in issue as at 31 May 2018, and the EPS of the Group is computed based on the weighted average number of 501,952,639 Shares (excluding 1,270,400 treasury shares) Shares in issue for FY2018; and
- (d) transaction costs in relation to the Sale amount to approximately S\$0.47 million.

For the avoidance of doubt, these pro forma financial effects do not take into account (i) any corporate actions announced and undertaken by the Group; and (ii) any issuance of new Shares, on or after 1 June 2018.

NTA

	Before the Sale	After the Sale
<i>NTA attributable to the Shareholders (S\$'000)</i>	88,274	60,295
<i>NTA per Share (cents)</i>	18	12

EPS

	Before the Sale	After the Sale
<i>Loss attributable to the Shareholders (S\$'000)</i>	(7,605)	(35,583)
<i>Loss per Share (cents)</i>	(1.52)	(7.09)

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and their respective associates has any interest, direct or indirect, in the Sale (other than through their respective shareholding interests in the Company, if any).

The Directors have not received any notification of interest in the Sale from any controlling shareholders of the Company and their respective associates, and are not aware of any controlling shareholders of the Company and their respective associates which has any interests, direct or indirect, in the Sale (other than through their respective shareholding interests in the Company).

6. DOCUMENTS FOR INSPECTION

A copy of the Agreement is available for inspection at the Company's registered office at 25 Bukit Batok Street 22, TEE Building, Singapore 659591 for a period of three (3) months from the date of this announcement.

By Order of the Board

Yeo Ai Mei
Company Secretary
10 May 2019