TEE INTERNATIONAL LIMITED
(Incorporated in Singapore with limited liability)
(Company registration number: 200007107D)

PROPOSED DIVIDEND *IN SPECIE* OF SHARES IN TEE LAND LIMITED

1. Introduction

1.1 TEE International limited ("**TEE**" or the "**Company**") is pleased to announce a proposed dividend *in specie* (the "**Proposed Distribution**") of up to 45,973,888 shares in TEE Land Limited (Company Registration No. 201230851R) (collectively, the "**TEE Land Shares**" and each, a "**TEE Land Share**") held directly by the Company, to the shareholders of the Company (the "**Shareholders**").

1.2 The Proposed Distribution, which is subject to the approval of the Shareholders and such other approvals as set out in paragraph 6.1 of this Announcement, will be effected by way of a dividend *in specie* to Shareholders in proportion to their respective shareholdings in the Company, on the basis of one (1) TEE Land Share for every fifteen (15) ordinary shares in the capital of the Company (the "**TEE Shares**" or "**Shares**") held by Shareholders as at the books closure date to be determined by the directors of the Company for the purpose of determining the entitlement of Shareholders (the "**Books Closure Date**"), fractional entitlements to be disregarded.

1.3 No payment will be required from Shareholders for the Proposed Distribution. The TEE Land Shares will be distributed free of encumbrances and together with all rights attaching thereto on and from the date the Proposed Distribution is effected.

2. Information on TEE Land Limited ("TEE Land")

2.1 TEE Land is a regional real estate developer with an established track record in delivering quality and well-designed property developments. The property development projects are predominantly freehold in tenure and targeted at middle-to-high income consumers who value exclusivity in good locations. Leveraging on the experience and expertise in property development in Singapore, TEE Land has also extended its geographical reach to Malaysia, Thailand, Australia and New Zealand. TEE Land specialises in residential, commercial and industrial property development, whilst at the same time actively building a portfolio of recurring income generating properties.

2.2 TEE Land was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 6 June 2013.

3. Rationale for the Proposed Distribution

The Directors believe that the Proposed Distribution will benefit the Company and Shareholders in the following ways:

3.1 Unlocking Value for Shareholders: Investment Flexibility for Shareholders

3.1.1 The Proposed Distribution will enable Shareholders to individually and directly participate in the ownership of, and enjoy returns from, securities held in two separately listed entities without any additional cash outlay.

3.1.2 Shareholders who decide not to keep the TEE Land Shares can opt to sell all or such numbers of TEE Land Shares as the Shareholders may in their absolute

discretion decide in the open market, or to any potential buyers upon the completion of the Proposed Distribution.

3.1.3 Giving Shareholders a direct shareholding in TEE Land enables Shareholders to directly influence the future direction of TEE Land and benefit directly from any future corporate actions and exercises involving TEE Land (including, but not limited to, any distribution, rights issue, merger and/or acquisition).

3.2 Further Enhancing the Trading Liquidity of TEE Land

3.2.1 The Proposed Distribution will further broaden the shareholder base of TEE Land pursuant to its successful listing on the Main Board of the SGX-ST on 6 June 2013.

3.2.2 As at the date of this Announcement, approximately 28.25% of the total issued and paid-up share capital of TEE Land is in public hands (the "**TEE Land Public Shareholders**"). Assuming that the Proposed Distribution had been completed as at the date of this Announcement, the number of TEE Land Shares held by TEE Land Public Shareholders will increase to approximately 38.54%[1]. An increase in the public float is expected to improve the trading liquidity of TEE Land.

4. Details of the Proposed Distribution

4.1 Shareholders holding Shares in the Company as at the Books Closure Date will be entitled to the Proposed Distribution (the "**Entitled Shareholders**").

4.2 As at the date of this Announcement, 315,876,000 shares in the capital of TEE Land are held directly by the Company, representing 70.69% of the total issued and paid-up share capital of TEE Land.

4.3 The Proposed Distribution will be effected by way of a dividend *in specie* of TEE Land Shares to Entitled Shareholders on the basis of one (1) TEE Land Share for every fifteen (15) Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded. The final number of TEE Land Shares to be received by each Entitled Shareholder will depend on the total number of issued Shares held by the Entitled Shareholder as at the Books Closure Date for the Proposed Distribution.

4.4 As at the date of this Announcement, the total issued and paid-up share capital of the Company comprises 501,220,568 Shares. For illustrative purposes, assuming that all of the outstanding warrants pursuant to the Company's bonus warrants issue (as set out in its offer information statement dated 26 May 2014) (the "**Warrants**") are exercised prior to the Books Closure Date, the total issued and paid-up share capital of the Company as at the Books Closure Date will comprise approximately 689,608,317 Shares, and up to 45,973,888 TEE Land Shares will be distributed pursuant to the Proposed Distribution. On this basis, a Shareholder who holds:

4.1.1 1,000 Shares on the Books Closure Date, would receive 66 TEE Land Shares; and

4.1.2 2,000 Shares on the Books Closure Date, would receive 133 TEE Land Shares.

4.5 Shareholders who have received odd lots of TEE Land Shares pursuant to the Proposed Distribution and who wish to trade such odd lots on the SGX-ST should note that an application will be made to the SGX-ST to set up a temporary counter for the trading of smaller board lots of TEE Land Shares for a period of one (1) calendar month from the date that the TEE Land Shares are credited to the securities accounts of such Shareholders. Further details of the application will be set out in the Circular (as defined in paragraph 8.1 of this Announcement).

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[1] Based on the total issued and paid-up share capital of TEE Land of 446,876,000 shares as at the date of this Announcement.

5. Financial Effects

For illustrative purposes, the financial effects of the Proposed Distribution on the return on equity ("**ROE**"), net tangible assets per share ("**NTA per Share**"), earnings per share ("**EPS**") and total debt to equity ratio ("**Total Debt to Equity Ratio**") of the Company and its subsidiaries (the "Group") are set out below and have been computed using the latest audited consolidated financial statements of the Group for the financial year ended 31 May 2014 and the unaudited second quarter and half year financial statements and dividend announcement for the Group for the period ended 30 November 2014 as announced on 13 January 2015 on the basis that:

5.1 the NTA per Share and Total Debt to Equity Ratio as at 31 May 2014 and as at 30 November 2014 have been prepared on a pro forma basis as if the Proposed Distribution had been completed on 31 May 2014 and on 30 November 2014, respectively, being the date to which the financial statements of the Group were made up, based on the assumptions that:

5.1.1 no Warrants have been exercised; and

5.1.2 all outstanding Warrants are exercised as at 31 May 2014 and as at 30 November 2014.

5.2 the ROE and EPS have been prepared on a pro forma basis as if the Proposed Distribution had been completed on 1 June 2013 and on 1 June 2014, respectively, being the start of the latest audited consolidated financial statements of the Group for the financial year ended 31 May 2014 and the unaudited second quarter and half year financial statements and dividend announcement for the Group for the period ended 30 November 2014, respectively, based on the assumptions that:

5.2.1 no Warrants have been exercised; and

5.2.2 all outstanding Warrants are exercised as at 31 May 2014 and as at 30 November 2014.

(a) ROE

	Financial Year ended 31 May 2014 Before the Proposed Distribution	**Pro forma After the Proposed Distribution**	
		No Warrants Exercised	**All Warrants Exercised**
Net Loss[(1)] (S$'000)	(13,579)	(14,407)	(14,737)
Average shareholders' funds[(2)] (S$'000)	93,551	87,701	109,945
Return on equity (%)	**(14.5)**	**(16.4)**	**(13.4)**

	Period ended 30 November 2014 Before the Proposed Distribution	**Pro forma After the Proposed Distribution**	
		No Warrants Exercised	**All Warrants Exercised**
Net Profit[(1)] (S$'000)	2,794	2,411	2,268
Average shareholders' funds[(3)] (S$'000)	95,123	89,333	110,706
Return on equity (%)	**2.9**	**2.7**	**2.0**

Note(s):

(1) For the purposes of the above calculation, "**Net Loss**" means loss after tax and non-controlling interests for the financial year ended 31 May 2014. "**Net Profit**" means profit after tax and non-controlling interests for the financial period ended 30 November 2014.

(2) For the purposes of the above calculation, "**Average shareholders' funds**" means the average of the shareholders' funds at the beginning and end of the financial year ended 31 May 2014.

(3) For the purposes of the above calculation, "**Average shareholders' funds**" means the average of the shareholders' funds at the beginning and end of the financial period ended 30 November 2014.

(b) NTA per Share

	As at 31 May 2014 Before the Proposed Distribution	**Pro forma After the Proposed Distribution**	
		No Warrants Exercised	**All Warrants Exercised**
NTA (S$'000)	93,914	82,214	126,701
Number of issued and paid-up Shares ('000)	493,025	493,025	689,608
NTA per Share (cents)	**19.0**	**16.7**	**18.4**

	As at 30 November 2014 Before the Proposed Distribution	**Pro forma After the Proposed Distribution**	
		No Warrants Exercised	**All Warrants Exercised**
NTA (S$'000)	96,333	84,752	127,499
Number of issued and paid-up Shares ('000)	501,220	501,220	689,608
NTA per Share (cents)	**19.2**	**16.9**	**18.5**

(c) EPS per Share

	Financial Year ended 31 May 2014 Before the Proposed Distribution	**Pro forma After the Proposed Distribution**	
		No Warrants Exercised	**All Warrants Exercised**
Net Loss[(1)] (S$'000)	(13,579)	(14,407)	(14,737)
Weighted average number of issued and paid-up Shares ('000)	481,860	481,860	498,242
Loss per Share (cents)	**(2.82)**	**(2.99)**	**(2.96)**

	Period ended 30 November 2014 Before the Proposed Distribution	Pro forma After the Proposed Distribution	
		No Warrants Exercised	All Warrants Exercised
Net Profit[(1)] (S$'000)	2,794	2,411	2,268
Weighted average number of issued and paid-up Shares ('000)	494,490	494,490	525,889
Earnings per Share (cents)	**0.57**	**0.49**	**0.43**

Note(s):

(1) For the purposes of the above calculation, "**Net Loss**" means loss after tax and non-controlling interests for the financial year ended 31 May 2014. "**Net Profit**" means profit after tax and non-controlling interests for the financial period ended 30 November 2014.

(d) Total Debt to Equity Ratio

	As at 31 May 2014 Before the Proposed Distribution	Pro forma After the Proposed Distribution	
		No Warrants Exercised	All Warrants Exercised
Total debt (S$'000)	212,009	212,009	212,009
Total equity (S$'000)	139,981	131,764	177,633
Total debt to equity ratio (times)	**1.5**	**1.6**	**1.2**

	As at 30 November 2014 Before the Proposed Distribution	Pro forma After the Proposed Distribution	
		No Warrants Exercised	All Warrants Exercised
Total debt (S$'000)	212,009	212,009	212,009
Total equity (S$'000)	140,974	132,621	176,578
Total debt to equity ratio (times)	**1.5**	**1.6**	**1.2**

6. Approvals

6.1 The Proposed Distribution is subject to the following:

6.1.1 the passing of an ordinary resolution by Shareholders to approve the Proposed Distribution at an extraordinary general meeting of the Company (the "**EGM**") to be convened; and

6.1.2 the satisfaction of any regulatory approvals which may be required in connection with the Proposed Distribution (the "**Approvals**").

7. Overseas Shareholders

The distribution of the Proposed Distribution to Shareholders whose registered addresses as at the Books Closure Date (as recorded in the Register of Members of TEE or in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**")) are outside Singapore (collectively, the "**Overseas Shareholders**") may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Overseas Shareholders are required to inform themselves of and to observe any such prohibition or restriction at their own expense and without liability to the Company.

For practical reasons and in order to avoid violating applicable securities laws outside Singapore, the TEE Land Shares will not be distributed to Overseas Shareholders who have not at least five (5) market days prior to the Books Closure Date provided the Company's Share Registrar (B.A.C.S. Private Limited at 63 Cantonment Road, Singapore 089758) or CDP, a the case may be, with addresses in Singapore for the service of notices or documents in accordance with the foregoing.

Arrangements will be made for the distribution of TEE Land Shares which would otherwise have been distributed to such Overseas Shareholders to be distributed to such person(s) as the Directors may appoint, who shall sell these TEE Land Shares and thereafter distribute the aggregate amount of the net proceeds, after deducting all dealing and other expenses in connection therewith, proportionately among such Overseas Shareholders according to their respective entitlements of TEE Land Shares as at the Books Closure Date in full satisfaction of their rights to the TEE Land Shares.

Where the net proceeds to which any particular Overseas Shareholder is entitled is less than S$10.00, such net proceeds shall be retained for the benefit of the Company, and no Overseas Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Overseas Shareholders.

For the avoidance of doubt, even if an Overseas Shareholder has provided a Singapore address as aforesaid, the distribution of TEE Land Shares to him will be subject to compliance with applicable securities laws outside Singapore to the extent reasonably practicable.

8. Further Information

8.1 A circular to Shareholders (the "**Circular**") in relation to the Proposed Distribution, together with a notice of the EGM to be convened, will be despatched to Shareholders in due course.

8.2 The Books Closure Date will be announced via SGXNET in due course.

8.3 In the meantime, Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information in the Circular, as well as the recommendations to be set out in the Circular.

BY ORDER OF THE BOARD

Yeo Ai Mei
Company Secretary

15 January 2015