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

ACQUISITION OF PROPERTY IN THE NETHERLANDS

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1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of TEHO International Inc Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that TEHO EuROPE B.V. ("**TEHO EuROPE**"), a wholly-owned subsidiary of the Company, has on 18 April 2016 entered into a purchase contract (the "**Purchase Contract**") with Spuitco Beheer B.V. (the "**Vendor**"), an independent and unrelated third party, to purchase a freehold property located at Nikkelstraat 19 in Ridderkerk (2984 AM), The Netherlands (the "**Property**") for a total consideration of Euro 1,335,000 (excluding value-added tax, if any) (equivalent to approximately S$2,044,419 based on the exchange rate of Euro1 to S$1.5314 as at close of 15 April 2016) (the "**Consideration**") (the "**Proposed Acquisition**").

2. INFORMATION ON THE PROPERTY AND RATIONALE FOR THE PROPOSED ACQUISITION

The Property comprises two adjacent parcels of freehold land with a total site area of approximately 4,034 square metres with an industrial building that has offices on two floors and a warehouse space of an aggregate built-in area of approximately 3,295 square metres.

The Proposed Acquisition is intended to consolidate the Group's operation into a centralised operational site which comprises administration, marketing and sales, distribution, warehousing, testing and fabrication works, in Rotterdam, The Netherlands which is currently being carried out at two separate rented premises.

3. CONSIDERATION

The Consideration was arrived at on a willing-buyer-willing-seller basis, after taking into consideration, *inter alia*, the Valuation Report (as defined below), the availability of similar properties in the surrounding area, land tenure and prevailing market conditions.

Based on the independent valuation of the Property commissioned by TEHO EuROPE and undertaken by the independent professional valuer, Stad en Land makelaars v.o.f./ A.M.Schobben makelaar b.v., the open market value ascribed to the Property as at 1 January 2016 in its valuation report dated 18 January 2016 (the "**Valuation Report**") was Euro 1,330,000 (the **"Valuation"**). The valuation method adopted was the market comparison approach.

The Consideration, which is payable in cash, will be financed by the Group's internal fund and bank borrowings.

Under the terms of the Purchase Contract, a sum of Euro 133,500 (equivalent to approximately S$204,442 based on the exchange rate of Euro 1 to S$1.5314 as at close of 15 April 2016 representing 10% of the Consideration has been paid by TEHO EuROPE upon the signing of the Purchase Contract to the escrow account of the Notary who is to pass the notarial deed of the transfer for the Property. The remaining 90% of the Consideration is payable at the formal transfer of the Property which is expected to take place by notarial deed by 1 September 2016 or any other date to be agreed upon mutually.

4. SALIENT TERMS OF THE PURCHASE CONTRACT

The salient terms of the Purchase Contract are as follows:

(i) Property: Nikkelstraat 19 in Ridderkerk (2984 AM).
(ii) Consideration: Euro 1,335,000 (Euro One Million Three Hundred and Thirty Five Thousand).
(iii) Transfer of the Property from the Vendor to TEHO EuROPE free of all encumbrances.
(iv) The legal due diligence on the Property, the result of which shall be satisfactory in all respects to TEHO EuROPE.
(v) Date of signing of Purchase Contract: 18 April 2016.
(vi) Scheduled date of transfer of the Property: 1 September 2016 or any other date to be agreed upon mutually.
(vii) Notary as selected by TEHO EuROPE who will pass the notarial deed of transfer: Kooijman Autar Notaries in Rotterdam.
(viii) Costs of passing of the notarial deed of transfer: to be paid by TEHO EuROPE.
(ix) Payment in escrow: 10% of the Consideration, paid to escrow account of the Notary on the date of signing of the Purchase Contract.
(x) Soil Survey: under the terms of the Purchase Contract a soil survey has been performed by an independent surveyor, selected and paid by TEHO EuROPE.

Other than the above, there are no material terms and conditions in the Purchase Contract.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition set out below, based on the Group's audited consolidated financial statements for the financial year ended 30 June 2015 ("**FY2015**"), are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Acquisition.

5.1 Net Tangible Assets per Share

The effect of the Proposed Acquisition on the net tangible assets ("**NTA**") per share of the Group for FY2015, assuming that the Proposed Acquisition had been effected on 30 June 2015 is as follows:

As at 30 June 2015	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S$'000)	64,009	64,078
NTA per share (Cents)	27.43	27.46

5.2 Earnings per Share

The effect of the Proposed Acquisition on the earnings per share of the Group for FY2015, assuming that the Proposed Acquisition had been effected on 1 July 2014 is as follows:

FY2015	Before the Proposed Acquisition	After the Proposed Acquisition
Loss after tax and minority interests (S$'000)	(7,618)	(7,549)
Loss per share (Cents)	(3.54)	(3.50)

5.3 **Gearing**

The effect of the Proposed Acquisition on the gearing of the Group for FY2015, assuming that the Proposed Acquisition had been effected on 30 June 2015 is as follows:

FY2015	**Before the Proposed Acquisition**	**After the Proposed Acquisition**
Borrowings (net of cash and cash equivalent) (S$'000)	48,789	50,786
Shareholders' funds (S$'000)	83,785	83,854
Gearing ratio (times)	0.58	0.61

6. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Catalist Rules**") are as follows:

1006 (a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable
1006 (b)	Net profits attributable to the assets acquired or disposed of, compared with the group's net profits	Not applicable
1006 (c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation, based on the total number of issued shares excluding treasury shares	The Consideration of S$2,044,419 for the Proposed Acquisition represents approximately 9.7% of the Company's market capitalisation of approximately S$21,115,878 (determined by multiplying the number of Company's issued ordinary share capital of 233,324,614 shares and the volume weighted average price of the Company's shares of S$0.09050 on 8 April 2016, being the last trading day of the Company's shares preceding the date of the Purchase Contract)
1006 (d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable

As the relative figure computed under Rule 1006(c) of the Catalist Rules exceeds 5% but not 75%, the Proposed Acquisition constitutes a discloseable transaction under Chapter 10 of the Catalist Rules.

7. SERVICE CONTRACT

No person will be appointed to the Board of Directors of the Company, and no service contract will be entered into by the Company, in connection with the Proposed Acquisition.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

9. DOCUMENTS FOR INSPECTION

A copy of each of the Purchase Contract and the Valuation Report is available for inspection during normal office hours at the Company's registered office at 1 Commonwealth Lane, #09-23 One Commonwealth, Singapore 149544 for three months from the date of this announcement:

10. FURTHER ANNOUNCEMENT(S)

The Company will make further announcement if and when there is any material development in relation to the Proposed Acquisition, including the completion of the Proposed Acquisition in due course.

BY ORDER OF THE BOARD

Lim See Hoe
Executive Chairman and Chief Executive Officer
18 April 2016

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 Ms Tan Pei Woon (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.