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

SALE OF SHARES IN ASSOCIATED COMPANY

I. Sale and Purchase Agreement

The Company has on 5 May 2017 entered into a sale and purchase agreement ("**Agreement**") to sell 56,552,000 shares ("**Sale Shares**") in its associated company, CMC Infocomm Limited ("**CMCI**"), to Yinda Pte. Ltd. ("**Purchaser**") for an aggregate consideration of S$5,372,440 ("**Consideration**"). CMCI is listed on the Catalist of the Singapore Exchange Securities Trading Limited.

The Sale Shares comprise approximately 37.21% of the entire issued and paid up CMCI shares, and the Company continues to hold 7,448,000 CMCI shares. CMCI has therefore ceased to be an associated company of the Company and its subsidiaries (collectively "**Group**").

The Purchaser is an independent and unrelated third party, and under the Agreement, will concurrently acquire the same number of CMCI shares at the same consideration from CMC Engineering Sd. Bhd. ("**CMCE**"), another substantial shareholder of CMCI, thereby triggering a mandatory general offer obligation for the remaining CMCI shares under the Singapore Code on Takeovers and Mergers ("**Offer**").

Each of the Company and CMCE has also undertaken not to accept the Offer in respect of their remaining CMCI shares, nor transfer, dispose or otherwise encumber the same for a period of 6 months.

II. Consideration

The Consideration was arrived at on a willing-buyer-willing-seller basis, after taking into account the historical share price, trading liquidity, financial performance and prospects of CMCI.

III. Rationale

The Company considers it an opportune time to realise its investment in CMCI, as the sale price per CMCI share is at a premium of approximately 35.77%, 31.25% and 35.22% to the 1 month, 3 months' and 6 months' volume weighted average price of CMCI shares traded on Catalist.

The estimated net proceeds of S$5,222,440, after deduction of all relevant costs and expenses associated with the sale, will be applied towards working capital of the Group.

IV. Relative Figures

The relative figures in relation to the sale computed on the applicable bases set out in Rule 1006 of the Catalist Rules are set out below:

	Bases	Relative Figure
(a)	*The net asset value of the assets to be disposed of, compared with the group's net asset value.*	Based on the half year results ended 30 November 2017 of CMCI ("**CMCI HY17 Results**"), the net asset value of the Sale Shares is S$4,325,000. Based on the third quarter results ended 28 February 2017 of the Group ("**Group 3Q17 Results**"), the net asset value of the Group is S$173,770,000. The relative percentage is therefore approximately 2.49%.
(b)	*The net profits attributable to the assets acquired or disposed of, compared with the group's net profit*	Based on the CMCI HY17 Results, the net loss attributable to the Sale Shares is S$171,000. Based on the Group 3Q17 Results, the net profit of the Group is S$3,166,000. The relative percentage is therefore approximately (5.4)%.
(c)	*The 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 is S$5,372,440. The Company's market capitalisation, based on the closing price of S$0.21 per share on the date of the Agreement and 501,952,233 Company shares is S$105,409,969. The relative percentage is therefore approximately 5.10%.
(d)	*The 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.
(e)	*The 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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such asset.*	Not applicable.

The sale therefore constitutes a discloseable transaction under Rule 1010 of the Catalist Rules.

V. Financial Effects

The pro forma financial effects of the sale presented below are strictly for illustration purposes and do not reflect the actual financial position of the Group post sale. The pro forma financial effects have been prepared based on the last audited financial statements of the Group for the financial year ended 31 May 2016 ("**FY2016**").

Excess of the proceeds over book value

Consideration	S$5,372,440
Net book value of the Sale Shares as at 28 February 2017	S$4,216,369
Gain on sale (before transaction cost)	S$1,156,071

Net tangible asset ("**NTA**") per share

Assuming the sale was made on 31 May 2016:

	Before the sale (S$'000)	*After the sale (S$'000)*
NTA	99,423	100,579
NTA per share	19.76 cents	19.99 cents

Earnings per share ("**EPS**")

Assuming the sale was made on 1 June 2015:

	Before the sale (S$'000)	*After the sale (S$'000)*
Profit after tax	8,404	9,560
EPS	1.67 cents	1.90 cents

VI. Interests of Directors and Controlling Shareholders

None of the directors or controlling shareholders of the Company has any direct or indirect interests in the sale, save for their respective shareholdings in the Company.

VII. Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the sale.

VIII. Document for Inspection

A copy of the Agreement is available for inspection upon request by any shareholder during normal business hours at 25 Bukit Batok Street 22, TEE Building, Singapore 659591 for a period of three months, commencing from the date of this announcement.

By Order of the Board

TEE INTERNATIONAL LIMITED
8 May 2017