TEE INTERNATIONAL LIMITED
(Incorporated in the Republic of Singapore)
(Company registration number: 200007107D)

SUBSCRIPTION OF 21.05% SHAREHOLDING INTEREST IN POWERSOURCE PHILIPPINES DISTRIBUTED POWER HOLDINGS INC.

The Board of Directors ("the **Board**") of TEE International Limited ("the **Company**" and together with its subsidiaries, the "**Group**") wishes to announce that it has entered into a Subscription Agreement today with PowerSource Philippines Distributed Power Holdings, Inc. ("PHI") to subscribe for 353,600 class "A" common shares in PHI with a par value of 450 Philippine Peso (PHP) per share, approximately 21.05% shareholding interest in the capital of PHI, for a total cash consideration of PHP159,120,000 (approximately SGD4.87 million) ("Proposed Subscription"), to invest, construct a power plant and to supply electricity in the City of Iligan, Philippines, in 4 tranches. First tranche of the payment and subscription will be paid upon signing of the Power Supply Agreements, and the remaining tranches will be paid over a period of about 34 months by end 2017.

The above Proposed Subscription will be financed by internal funds and expected to complete by end 2017. Following the Company's subscription of shares in PHI, PHI will become an associated company of the Group.

The Company has also entered into a Shareholder Agreement with PHI together with the rest of the shareholders to regulate and specify each shareholder investment commitments by way of the above Proposed Subscription to infuse the necessary capital into PowerSource Philippines Energy, Incorporated ("PSPEI"), a special purpose corporation, held by PHI (95%) and Lafarge Iligan, Inc. (5%)("Lafarge"), for the construction of a 25 MegaWatts Circulating Fluidised Bed Combustor Boiler Coal and Biomass Fired Power Plant in the City of Iligan, Mindanao, Philippines (i) to supply electricity to Lafarge's existing cement plant pursuant to the power supply agreement entered with Lafarge and (ii) to supply electricity to the City of Iligan pursuant to the power supply agreement entered with Iligan Light and Power, Inc. (collectively the "Power Supply Agreements")

The above transactions are not expected to have any material impact on the net tangible assets or earnings per share of the Group for the current financial year ending 31 May 2015.

None of the Directors and controlling shareholders of the Company has any direct or indirect interests in the above transaction save for their respective shareholdings in the Company.

None of the relative figures as computed on the applicable bases under Rule 1006 of the Singapore Exchange Securities Trading Limited Listing Manual exceed 5%. As such, the above transaction does not constitute discloseable transaction under Rule 1010 of the Listing Manual.

For and on behalf of the Board

Yeo Ai Mei
Company Secretary

4 February 2015