



TEE INTERNATIONAL LIMITED

(Incorporated in Singapore with limited liability)

(Company registration number: 200007107D)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 190,742,003 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.10 FOR EACH RIGHTS SHARE, ON THE BASIS OF THIRTY-EIGHT (38) RIGHTS SHARES FOR EVERY ONE HUNDRED (100) EXISTING ISSUED SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

The board of directors (the “**Directors**”) of TEE International Limited (the “**Company**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 190,742,003 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.10 for each Rights Share (the “**Issue Price**”), on the basis of thirty-eight (38) Rights Share for every one hundred (100) existing ordinary shares in the capital of the Company (the “**Shares**”), held by the shareholders of the Company (the “**Shareholders**”) as at the time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlements under the Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded.

The Rights Shares will be issued pursuant to the share issue mandate approved by Shareholders at the annual general meeting held on 26 September 2018 (the “**Share Issue Mandate**”). The Share Issue Mandate authorises, *inter alia*, the Directors to allot and issue new Shares whether by way of rights, bonus or otherwise and/or make or grant instruments that might or would require Shares to be issued, at any time and upon such terms and conditions and to such persons as the Directors may in their absolute discretion deem fit, provided that the aggregate number of Shares to be issued (including Shares to be issued in pursuance of the instruments made or granted) pursuant to the Share Issue Mandate shall not exceed 50% of the total issued Shares (excluding treasury shares and subsidiary holdings) as at the time of the Share Issue Mandate is obtained. Accordingly, the Company will not be seeking specific approval from the Shareholders for the Rights Issue as the basis of the Rights Issue falls within the limit of the Share Issue Mandate.

2. PROPOSED RIGHTS ISSUE

The Company is proposing to undertake the Rights Issue, at the Issue Price for each Rights Share on a renounceable basis to Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (the “**CDP**”), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least three (3) Market Days (as defined below) prior to the Books Closure Date, provided to the Company or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Entitled Shareholders**”).

Fractional entitlements to the Rights Shares will be disregarded and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for the Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

The Rights Shares are payable in full upon acceptance and/or application, and when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares. For this purpose, "record date" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the securities accounts of Shareholders must be credited with Shares in order to participate in such dividends, rights, allotments or distributions.

Entitled Shareholders will be at liberty to accept, decline, renounce or trade (during the provisional allotment trading period prescribed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**")) their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue (the "**Excess Rights Shares**").

In the allotment of Excess Rights Shares, preference will be given to Entitled Shareholders in satisfaction of their application for Excess Rights Shares, if any, provided that where there are insufficient Excess Rights Shares to allot to each application, the Company shall allot the Excess Rights Shares to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with its day-to-day affairs or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company will rank last in priority. The Company will also not make any allotments and issuance of any Excess Right Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

As at the date of this Announcement and based on the existing issued and paid-up share capital (excluding treasury shares) of the Company of 501,952,639 Shares ("**Existing Issued Shares**") and 50,195,020 outstanding unexercised bonus warrants issued by the Company which may be exercised on or prior to the closing date of the Rights Issue ("**Bonus Warrants**"), the issued share capital of the Company (excluding treasury shares and subsidiary holdings) will increase to 552,147,659 Shares in the event all the Bonus Warrants are exercised.

The issue price of S\$0.10 for each Rights Share represents a discount of approximately 45.4% to the last transacted price of S\$0.183 per Share on the Main Board of the SGX-ST on 28 November 2018 (being the last market day on which the Shares were transacted on the SGX-ST immediately preceding the date of this Announcement).

Based on the Existing Issued Shares and assuming (i) none of the existing Bonus Warrants are exercised on or prior to the Books Closure Date (as the exercise price per Bonus Warrant is significantly higher than the market price of the Shares at the close of trading on 29 November 2018 (being the date of this announcement)), and (ii) all of the Entitled Shareholders subscribe and pay for their pro rata entitlements of Rights Shares (the "**Maximum Subscription Scenario**"), the Company will issue 190,742,003 Rights Shares pursuant to the Rights Issue.

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue will be contained in the offer information statement (including the accompanying application forms) to be despatched by the Company to the Shareholders in due course (the "**Offer Information Statement**").

3. PURPOSE OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is proposing to undertake the Rights Issue to raise funds for the expansion and growth of existing business, acquisitions and new investments, and for general working capital requirements of the Group. The Rights Issue will also provide an opportunity to Shareholders who are confident of the future prospects and growth of the Company with an opportunity to subscribe for additional Shares.

In the Maximum Subscription Scenario, the Rights Issue will raise approximately S\$19,074,200 and the net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$200,000, will amount to approximately S\$18,874,200 (the “**Net Proceeds**”).

As the Rights Issue is non-underwritten and there are no undertakings by any Shareholder to subscribe for the Rights Shares, there will be no proceeds from the Rights Shares if none of the Rights Shares are subscribed for. Based on the reasonable opinion of the Directors, there is no minimum amount that needs to be raised from the Rights Issue taking into consideration the intended use of proceeds.

Use of Proceeds	Amount (S\$)	Percentage of Proceeds (%)
Expansion of and growth of existing business, acquisitions and new investments	15,099,360	80
General working capital requirements	3,774,840	20
Total	18,874,200	100

Pending the deployment of the Net Proceeds for the purposes mentioned above, such proceeds may be deposited with banks or financial institutions, invested in short-term money markets or marketable securities or used for any other purpose on a short-term basis as the Directors may deem fit.

The Company will make periodic announcements on the utilisation of the proceeds of the Rights Issue, as and when the funds from the Rights Issue are disbursed or utilised. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report.

4. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

The Company proposes to provisionally allot the Rights Shares to Entitled Shareholders (comprising Entitled Depositors, Entitled Scripholders and excluding Foreign Shareholders, as defined below) under the Rights Issue.

(A) Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date (the “**Entitled Depositors**”) will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at the Books Closure Date.

To be “Entitled Depositors”, depositors must have registered addresses in Singapore with CDP as at the Books Closure Date, or if they have registered addresses outside Singapore, they must provide CDP at 11 North Buona Vista Drive, #06-07 The Metropolis Tower 2, Singapore 138589 with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

(B) Entitled Scripholders

Shareholders whose Shares are not registered in the name of CDP but whose names appear in the Register of Members of the Company with registered addresses in Singapore as at the Books Closure Date (the “**Entitled Scripholders**”) will be

provisionally allotted Rights Shares on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at the Books Closure Date.

To be "Entitled Scripholders", Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date, or if they have registered addresses outside Singapore, must provide the Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 with addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. on the Books Closure Date by the Share Registrar, will be registered to determine the transferee's provisional allotments of Rights Shares entitlements.

(C) **Foreign Shareholders**

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, by 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**") and the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotment of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares standing to the credit of their respective Securities Accounts as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds distributable to any single Foreign Shareholder is less than \$10.00, such net proceeds will be retained for the sole benefit of the Company or dealt with as the Directors may, in their absolute discretion, deem fit in the interest of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar, Central Provident Fund ("**CPF**") Board or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Share Registrar, CPF Board or CDP in respect of such sales or proceeds thereof, of such provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign

Shareholder shall have any claim whatsoever against the Company, the Share Registrar, CPF Board or CDP in connection therewith.

5. APPROVALS

The proposed Rights Issue is subject to, *inter alia*, the following:

- (i) the approval in-principle of the SGX-ST for the dealing in, listing and quotation of the Rights Shares on the Main Board of the SGX-ST having been obtained (and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the rights Shares under the Rights Issue), and if such approval is granted subject to conditions, such conditions being acceptable to and fulfilled by the Company; and
- (ii) the lodgment of the Offer Information Statement together with all other accompanying documents (if applicable) pursuant to the Securities and Futures Act (Cap. 289) of Singapore with the Monetary Authority of Singapore.

The Company will be making an application to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares on the SGX-ST.

The Offer Information Statement will also be lodged with the Monetary Authority of Singapore and despatched to Entitled Shareholders in due course after, *inter alia*, obtaining the approval in-principle of the SGX-ST.

Appropriate announcements in relation to the above application, lodgement and despatch will be made in due course.

6. ADJUSTMENTS TO OTHER CONVERTIBLES

As a result of the Rights Issue, adjustments may be made to the number and/or exercise price of other convertibles of the Company (including the bonus warrants issued by the Company on 30 April 2018 pursuant to a bonus warrants issue). The Company will in due course make the relevant announcements and notify holders of the other convertibles of such adjustments.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the proposed Rights Issue, other than through their respective interests in the Shares.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the proposed Rights Issue and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

By Order of the Board

Yeo Ai Mei
Company Secretary
29 November 2018