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

ANNOUNCEMENT – UPDATE ON THE PROPOSED SCHEME OF ARRANGEMENT

The Board of Directors (the "**Board**" or the "**Directors**") of TEE International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcements on 7 August 2021, 17 August 2021, 7 September 2021, 8 September 2021, 19 October 2021, 1 November 2021, 29 November 2021, 23 March 2022, 31 March 2022, 20 June 2022, 29 June 2022, 21 September 2022, 27 September 2022, 24 February 2023, 13 April 2023, 8 May 2023 and 12 May 2023.

It also refers to the Company's announcement on 18 August 2022 and 20 January 2023 in relation to the proposed Conditional Subscription Agreement with Meta5 Pte Ltd.

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning in the previous announcements.

SCHEME EFFECTIVE DATE

The Board wishes to update that on 16 May 2023, a copy of the Order of Court approving the Scheme was lodged with the Accounting and Corporate Regulatory Authority and accordingly, the said Order took effect on and from 16 May 2023. In the circumstances, The Company's Scheme became effective on 16 May 2023, i.e. the Scheme Effective Date as defined in the Scheme.

THE KEY TERMS OF THE SCHEME

1. The Scheme comprises principally the following elements:

    1) the Company shall allot and issue up to a maximum of 5,821,942,284 Settlement Shares at the Subscription Price (i.e. the same price for the proposed share issuance to the Subscriber) to the Scheme Creditors in connection with the debt-to-equity conversion of the Eligible Debts;

    2) the Company shall make two cash payments amounting to a total of S$3,500,000 to the Scheme Creditors on a pari passu basis. The cash payments shall comprise (i) S$1,500,000 to be paid on the date which falls one month after the allotment and issuance of, *inter alia*, the Settlement Shares; and (ii) S$2,000,000 to be paid on the date which falls six (6) months after the first cash payment; and

    3) any net cash proceeds received from the Company's divestment of the issued shares of Powersource Philippines Distributed Power Holdings Inc ("Powersource Philippines", a wholly owned subsidiary of the Company holds approximately 21.05% of Powersource Philippines) shall be distributed to the Scheme Creditors on a *pari*

passu basis. Notwithstanding the foregoing, in the event that the divestment of the Powersource Shares is not completed within 24 months from the date of the Order of Court sanctioning the Proposed Scheme of Arrangement, the shares of Powersource Philippines shall be distributed *in specie* to the Scheme Creditors on a *pari passu* basis. and

4) any Debt which is not an Eligible Debt shall not be repaid under the Scheme and shall be forever and irrevocably and unconditionally released, waived and extinguished as against the Company.

The Company will be able to provide its Scheme Creditors with an estimated recovery of approximately 6.6% under the terms of the Scheme, in a conservative scenario. The estimated recovery will increase to approximately 8.1% on the assumption that the net proceeds received by the Company from the sale of the Powersource Shares is equivalent to the carrying amount of the Company's investment in Powersource Philippines, which is approximately S$4.9 million.

The Company is of the view that the proposed Scheme is in the best interests of all stakeholders involved, and that it will provide a better recovery to the Creditors as compared to a liquidation of the Company.

THE VOTING RESULTS

1. On 5 April 2023, the Scheme Managers completed the adjudication of the Proofs of Debt and sent the results of the adjudication to every creditor. Of the total sum of S$170,084,120 claimed under the Proofs of Debts, the Scheme Managers admitted S$158,722,569 being the total Unsecured and Contingent Claims under the Scheme.

2. For the purpose of voting, the Scheme Managers further ascertain the Adjudicated Amount of the Contingent Creditor by applying an estimated value to the Claim. In this respect, the total Adjudicated Amount of S$150,837,390 represented by 13 Creditors were admitted by the Scheme Managers for the purposes of voting, excluding that of Tramore Global Limited (shareholder of the Company) ("Tramore"), voted on The Company's Scheme. While Tramore approved the Scheme, its vote was wholly discounted by the Scheme Managers.

3. The tabulation of the voting results is set out below:

	For the Scheme	**Against the Scheme**
Creditors		
Adjudicated Amount in S$ (percentage of the total amount of Unsecured Claims and/or Contingent Claims voted)	S$150,837,390(100%)	S$0 (0%)
Number of Creditors (percentage of the total number of Creditors who attended and voted)	13 (100%)	0 (0%)

CONDITIONS PRECEDENT TO THE IMPLEMENTATION OF THE PROPOSED SCHEME OF ARRANGEMENT

The implementation of the Proposed Scheme of Arrangement is subject to the following conditions precedent being satisfied or waived in accordance with the terms of the Proposed Scheme of Arrangement:

(a) each of the following conditions having been satisfied and the scheme becoming effective thereafter:

(i) the approval of the Proposed Scheme of Arrangement by a majority in number representing three-fourths in value of the Eligible Debt at the meeting of the Scheme Creditors in connection with Proposed Scheme of Arrangement, being obtained;

(ii) the approval of the Proposed Scheme of Arrangement by the Court being obtained, with or without modifications, additions or conditions imposed by the Court pursuant to section 7(1) of the IRDA;

(iii) a copy of the Order of Court sanctioning the Proposed Scheme of Arrangement being lodged with ACRA in accordance with section 71(10) of the IRDA;

(b) no injunction or other order being issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Proposed Scheme of Arrangement or the transactions proposed herein or any part thereof;

(c) the in-principle approval of SGX-ST being obtained for the listing and quotation of the Settlement Shares, the Subscription Shares, the Option Shares, the Management Reward Shares, the RSM Shares and the Rights Shares;

(d) the receipt of a no-objection letter from the SGX-ST indicating that has no objection to the resumption of the trading of Shares;

(e) the grant by the SIC (and the SIC not having revoked or repealed such grant) of the Whitewash Waiver, subject to:

(i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Subscriber; and

(ii) the Independent Shareholders approving the Whitewash Resolution;

(f) the confirmation by the Subscriber that the conditions precedent set out in the Subscription Agreement are met (or waived);

(g) the approval of the Existing Shareholders being obtained at an extraordinary general meeting for:

(i) the allotment and issue of the Settlement Shares, the Subscription Shares, the Option Shares, the Management Reward Shares and the RSM Shares;

(ii) the proposed share consolidation of the existing Shares, the Settlement Shares, the Subscription Shares, the Management Reward Shares and the RSM Shares;

(iii) the Proposed Scheme of Arrangement;

(iv) the Proposed Rights Issue; and

(v) the Proposed Whitewash Resolution;

(h) all corporate (including approval by shareholders and/or board of directors), legal and regulatory approvals required for the allotment and issue of the Settlement Shares, including but not limited to any approvals required from the SGX-ST or under the laws of Singapore, have been obtained; and

(i) the completion of the Proposed Subscriber Transactions pursuant to the Subscription Agreement.

The Scheme will terminate on the Long Stop Date, *i.e.* 31 December 2023, if the aforementioned conditions have not been satisfied or waived in accordance with the terms of the Scheme.

The Group's corporate advisors and legal counsel in respect of the proposed restructuring are RSM Corporate Advisory Pte Ltd and Oon & Bazul LLP respectively. Creditors should direct any queries to SOAenquiry@teeintl.com.

Shareholders should direct any queries to the Company at SOAenquiry@teeintl.com.

The Company will make further announcements via SGXNET as and when there are any material developments and seek Shareholders' approvals for implementation of the Proposed Scheme of Arrangement in due course.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board
TEE International Limited

Phua Cher Chuan
Group Chief Executive and Managing Director

15 June 2023