



## TEE INTERNATIONAL LIMITED

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

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### PROPOSED BONUS WARRANTS ISSUE

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#### 1. INTRODUCTION

The Board of Directors (the “**Directors**”) of TEE International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company is proposing to undertake a bonus issue of up to 197,210,288 free warrants (“**Warrants**”), on the basis of two (2) Warrants for every five (5) existing ordinary shares in the capital of the Company (the “**Shares**”) held by Entitled Shareholders (as defined below) as at a books closure date to be determined by the Directors (the “**Books Closure Date**”), and each Warrant shall carry the right to subscribe for one (1) new Share (the “**New Share**”) at an exercise price of S\$0.25 (“**Bonus Warrants Issue**”).

#### 2. PRINCIPAL TERMS OF THE BONUS WARRANTS ISSUE

##### 2.1 Terms of the Warrants

The Warrants in respect of the Bonus Warrants Issue will be constituted by a deed poll to be executed by the Company for the purpose of constituting the Warrants (“**Deed Poll**”), which shall set out the terms and conditions of the Warrants in respect of the Bonus Warrants Issue and which may from time to time be amended, modified or supplemented.

Each Warrant issued pursuant to the Bonus Warrant Issue will, subject to the terms and conditions in the Deed Poll, entitle the warrant holder to subscribe for one (1) New Share, at the exercise price of S\$0.25 (“**Exercise Price**”).

The Exercise Price of S\$0.25, represents a discount of approximately 3.8 % to the price of approximately S\$0.26, being the volume weighted average price of the Shares for trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 9 April 2014, being the last market day preceding the date of this announcement.

The Warrants are exercisable during the period commencing on and including the date of the listing of the Warrants on the Main Board of the SGX-ST and expiring at 5:00 p.m. on the third (3<sup>rd</sup>) anniversary of the date of issue of the Warrants (“**Exercise Period**”). Any Warrant remaining unexercised upon the expiry of the Exercise Period shall lapse and cease to be valid for all purposes.

The Warrants will be issued in registered form and will be listed and traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on the Main Board of the SGX-ST, subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Each board lot of the Warrants will consist of 1,000 Warrants or such other board

lot size which the SGX-ST may require and as may be notified by the Company. Following the Bonus Warrants Issue, Entitled Shareholders who hold odd lots of Warrants (i.e. lots other than board lots of 1,000 Warrants) and who wish to trade in odd lots on the SGX-ST should note that they are able to do so on the Unit Share Market of the SGX-ST.

The Exercise Price and the number of Warrants to be issued pursuant to the Bonus Warrants Issue will be subject to adjustments under certain conditions in accordance with the terms and conditions of the Deed Poll.

Upon the exercise of the Warrants during the Exercise Period and payment of the Exercise Price under the terms and conditions as set out in the Deed Poll, the holders of the Warrants will be issued the New Shares. The New Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares for any dividends, rights, allotments or other distributions, the record date for which falls after the exercise date of the Warrants, save as may be otherwise provided in the Deed Poll.

The Exercise Price and the number of Warrants will be subject to adjustments under certain circumstances to be provided for in the Deed Poll.

## **2.2 Eligibility**

The Bonus Warrants Issue is proposed to be made to Shareholders whose registered addresses with the Company or with the Central Depository (Pte) Limited (“**CDP**”), as the case may be, are in Singapore as at the Books Closure Date or who have, at least three (3) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the services of notices and documents (the “**Entitled Shareholders**”). Notice of the Books Closure Date will be given at a later date in order to determine the entitlements of shareholders of the Company (“**Shareholders**”) to the Bonus Warrants Issue, after all the necessary approvals have been obtained. Fractional entitlements to Warrants will be disregarded 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.

For practical reasons and in order to avoid any violation of securities laws applicable in countries other than Singapore, the Warrants will not be offered to Shareholders whose registered addresses are outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior to the Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of the Warrants 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 allotments of the Warrants commence. Such sales will, 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 arising therefrom, after deduction of all expenses, will be dealt with in accordance with the terms set out in the offer information statement (the “**Offer Information Statement**”) to be issued by the Company in connection with the Bonus Warrants Issue.

Fractional entitlements to the Warrants will be disregarded in arriving at Entitled Shareholders’ allotments and will be dealt with in such manner as the Directors may in their absolute discretion deem fit for the benefit of the Company.

The terms and conditions of the Bonus Warrants Issue are subject to such change(s) as the Directors may, in their absolute discretion, deem appropriate. The final terms and conditions

of the Bonus Warrants Issue will be contained in the Offer Information Statement to be issued by the Company in due course.

### **2.3 Authority and Number of Shares**

The Warrants and the New Shares will be issued pursuant to the general share issue mandate (“**Resolution**”) obtained from Shareholders at the annual general meeting of the Company held on 26 September 2013, which allows the Directors to issue new Shares of up to 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to Shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of passing of the Resolution.

Based on the existing share capital of the Company of 493,025,721 Shares, up to 197,210,288 Warrants will be issued by the Company pursuant to the Bonus Warrants Issue, and assuming that the Warrants are fully exercised and converted into New Shares, the issued share capital of the Company would increase by up to 197,210,288 Shares, representing 40.0% of the Company’s existing issued share capital.

### **3. USE OF PROCEEDS ARISING FROM EXERCISE OF WARRANTS**

Assuming all the Warrants issued are exercised within the Exercise Period, the Company will receive gross proceeds of approximately S\$49.3 million. The estimated net proceeds from the exercise of the Warrants is approximately S\$49.2 million (the “**Net Proceeds**”), after deducting professional fees as well as related expenses amounting to an aggregate of approximately S\$0.1 million in connection with the Bonus Warrants Issue.

The Company intends to utilise the Net Proceeds for general corporate purposes, including refinancing of existing borrowings and financing of working capital, acquisition, investment and capital expenditure requirements of the Group as the Directors may deem fit. The percentage allocation for each intended use cannot be determined at this moment. The Company will make the necessary announcements and subsequently provide a status report on the use of such proceeds and any material deviations therefrom in its annual report.

Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, as the Directors may deem appropriate in the interests of the Group.

### **4. RATIONALE FOR THE WARRANTS ISSUE**

The Company is considering the Bonus Warrants Issue for the following reasons:

- (a) to reward the Shareholders for their loyalty and support towards the Company by providing them with an opportunity to increase their equity participation in the Company through the exercise of the Warrants; and
- (b) as and when the Warrants are exercised, the proceeds arising therefrom will expand and strengthen the capital base and balance sheet of the Company and provide additional resources and working capital required to support the growing and expanding business activities and operations of the Group.

## 5. CONDITIONS FOR THE BONUS WARRANTS ISSUE

The Bonus Warrants Issue is subject, *inter alia*, to the terms and conditions set out in the Offer Information Statement, and the following approvals being obtained:

- (a) the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Warrants and the New Shares on the Official List of the SGX-ST having been obtained; and
- (b) the lodgment of the Offer Information Statement in respect of the Warrants and the New Shares pursuant to the Securities and Futures Act (Cap. 289) of Singapore with the Monetary Authority of Singapore (the “**Authority**”).

The Company will be applying to the SGX-ST to seek its approval in-principle for the listing of, and quotation for, the Warrants and the New Shares on the Official List of the SGX-ST. The Offer Information Statement will be lodged with the Authority after, *inter alia*, the approval in-principle of the SGX-ST has been obtained.

## 6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the Directors and substantial shareholder(s) of the Company has any interest, direct or indirect, in the Bonus Warrants Issue other than through their respective shareholdings in the Company.

## 7. 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 Bonus Warrants 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 this announcement in its proper form and context.

By Order of the Board

Yeo Ai Mei  
Company Secretary

10 April 2014