

CIRCULAR DATED 20 APRIL 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by TEE International Limited (“Company”). If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional advisers immediately.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Circular with the Notice of EGM (as defined herein) and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should at once hand this Circular with the Notice of EGM and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“SGX-ST”) assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.



TEE INTERNATIONAL LIMITED

(Incorporated in Singapore with limited liability)
(Company Registration Number: 200007107D)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED DISPOSAL, IN WHOLE OR IN PART, OF THE COMPANY'S
SHARES IN TEE LAND LIMITED**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	4 May 2019 at 9.30 a.m.
Date and time of Extraordinary General Meeting	:	6 May 2019 at 9.30 a.m.
Place of Extraordinary General Meeting	:	York Hotel Singapore, 21 Mount Elizabeth, Singapore 228516

CONTENTS

DEFINITIONS	3
LETTER TO SHAREHOLDERS	6
1. INTRODUCTION	6
2. THE DISPOSAL MANDATE	6
3. REQUIREMENT FOR SHAREHOLDER APPROVAL.....	6
4. INFORMATION ON TEE LAND.....	7
5. RATIONALE FOR THE PROPOSED DISPOSAL AND DISPOSAL MANDATE	9
6. TERMS OF THE DISPOSAL MANDATE	10
7. PROTECTION FOR SHAREHOLDERS	11
8. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL	12
9. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL	13
10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	14
11. DIRECTORS' RECOMMENDATIONS	14
12. EXTRAORDINARY GENERAL MEETING	14
13. ACTION TO BE TAKEN BY THE SHAREHOLDERS	15
14. DIRECTORS' RESPONSIBILITY STATEMENT	15
15. DOCUMENTS AVAILABLE FOR INSPECTION	15
NOTICE OF EXTRAORDINARY GENERAL MEETING.....	N-1
PROXY FORM	

DEFINITIONS

In this Circular, the following definitions shall apply throughout unless otherwise stated or the context otherwise requires:

“9MFY2019”	:	The nine-month period ended 28 February 2019
“Board”	:	The board of Directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 20 April 2019
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Company”	:	TEE International Limited
“Director(s)”	:	The director(s) of the Company as at the date of this Circular
“Disposal Mandate”	:	The mandate to authorise the Company to dispose of, in whole or in part, the Disposal Shares, the terms of which are set out in Sections 6 and 7 of this Circular
“Disposal Proceeds”	:	The proceeds from the Company’s disposal of the Disposal Shares under the Disposal Mandate
“Disposal Share(s)”	:	282,777,678 TEE Land Shares, being the Company’s entire interest in TEE Land as at the Latest Practicable Date
“Disposal Price”	:	Not less than S\$0.179 per TEE Land Share
“EGM”	:	The extraordinary general meeting of the Company in relation to the Proposed Disposal, the notice of which is set out on page N-1 of this Circular
“EPS”	:	Earnings per Share
“FY”	:	Financial year ending or ended 31 May, as the case may be
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	16 April 2019, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST as may be amended, modified or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Notice of EGM”	:	The notice of the EGM which is set out on page N-1 of this Circular
“NTA”	:	Net tangible assets
“Proposed Disposal”	:	The proposed disposal, in whole or in part, by the Company of the Disposal Shares
“Relevant Period”	:	The 12-month period commencing 17 April 2018 and up to the Latest Practicable Date

DEFINITIONS

“ Securities Account ”	:	A securities account maintained by a depositor with CDP but which does not include a securities sub-account maintained with a depository agent
“ SFA ”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“ SGX-ST ”	:	Singapore Exchange Securities Trading Limited
“ Share(s) ”	:	Ordinary share(s) in the issued and paid-up share capital of the Company
“ Shareholders ”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “ Shareholders ” shall, where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“ Substantial Shareholder ”	:	Shall have the meaning ascribed to it in Section 81 of the Companies Act and Section 2(4) of the SFA, being a person who: (a) has an interest or interests in one (1) or more Shares (excluding treasury shares) in the Company; and (b) the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the Shares (excluding treasury shares) in the Company
“ TEE Land ”	:	TEE Land Limited
“ TEE Land Group ”	:	TEE Land and its subsidiaries
“ TEE Land Share(s) ”	:	Ordinary shares in the issued and paid-up share capital of TEE Land
“ Top Capital ”	:	Top Capital Securities Pte. Ltd.
“ Top Group ”	:	Top Capital and its related entities
“ % ”	:	Per centum or percentage
“ S\$ ” and “ cents ”	:	Singapore dollars and cents respectively, being the currency of Singapore

The terms “**depositor**”, “**depository agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term “**treasury shares**” shall have the meaning ascribed to it in Section 4 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include firms, corporations and other entities.

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies

DEFINITIONS

Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Circular are of such laws and regulations (including the Listing Manual) as at the Latest Practicable Date.

Any discrepancies in the tables included herein between the amounts in the columns of the tables and the totals thereof and relevant percentages (if any) are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

All statements other than statements of historical facts included in this Circular are or may be forward looking statements. Forward-looking statements include but are not limited to those using words such as **“seek”**, **“expect”**, **“anticipate”**, **“estimate”**, **“believe”**, **“intend”**, **“project”**, **“plan”**, **“strategy”**, **“forecast”** and similar expressions or future or conditional verbs such as **“will”**, **“would”**, **“should”**, **“could”**, **“may”** and **“might”**. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements.

LETTER TO SHAREHOLDERS

TEE INTERNATIONAL LIMITED

(Incorporated in Singapore with limited liability)
(Company Registration Number: 200007107D)

Directors:

Mr. Bertie Cheng Shao Shiong (*Chairman and Independent Director*)
Mr. Phua Chian Kin (*Group Chief Executive & Managing Director*)
Mr. Phua Boon Kin (*Deputy Group Managing Director*)
Ms. Saw Chin Choo (*Executive Director*)
Mr. Lee Ah Fong (*Independent Director*)
Mr. Gn Hiang Meng (*Independent Director*)
Mr. Aric Loh Siang Khee (*Independent Director*)

Registered Office:

25 Bukit Batok
Street 22
TEE Building
Singapore 659591

20 April 2019

To: **Shareholders of the Company**

Dear Shareholders

THE PROPOSED DISPOSAL, IN WHOLE OR IN PART, OF THE COMPANY'S SHARES IN TEE LAND LIMITED

1. INTRODUCTION

- 1.1 The Directors propose to convene an EGM to seek Shareholders' approval for the proposed disposal, in whole or in part, of 282,777,678 TEE Land Shares, being the Company's entire interest in TEE Land (whether held directly or indirectly) as at the Latest Practicable Date ("**Disposal Shares**") ("**Proposed Disposal**"). The Disposal Shares represent approximately 63.28% of the existing issued and paid-up share capital of TEE Land, based on publicly available information as at the Latest Practicable Date.
- 1.2 The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Disposal and the Disposal Mandate (as defined herein) to be tabled at the EGM to be held at York Hotel Singapore, 21 Mount Elizabeth, Singapore 228516 on 6 May 2019 at 9.30 a.m..

2. THE DISPOSAL MANDATE

The Company proposes to seek approval from the Shareholders for a mandate to authorise the Company to dispose of, in whole or in part, the Disposal Shares, the terms of which are set out in Sections 6 and 7 of this Circular ("**Disposal Mandate**"). In the event the Company disposes in whole the Disposal Shares in accordance with the Disposal Mandate, the Company will cease to hold any TEE Land Shares.

3. REQUIREMENT FOR SHAREHOLDER APPROVAL

- 3.1 Chapter 10 of the Listing Manual governs the continuing listing obligations of a listed company in respect of acquisitions and realisations. Under Rule 1014 of the Listing Manual, Shareholders' approval must be obtained for "major transactions" within the meaning of Chapter 10 of the Listing Manual. Rule 1006 of the Listing Manual sets out the computation for relative figures for acquisitions and disposals of assets by a listed issuer. Shareholders' approval is required if any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds, for a disposal, 20% and such a transaction is classified as a "major transaction". In determining whether a disposal transaction or a series of disposal transactions is considered a major transaction, the SGX-ST may aggregate separate transactions completed within a 12-month period and treat these transactions as one transaction under Rule 1005 of the Listing Manual.

LETTER TO SHAREHOLDERS

- 3.2 In the event the Company disposes of all or any part of the Disposal Shares, the applicable relative figures computed on the bases set out in Rule 1006 of the Listing Manual may exceed 20%. While it may be that a single disposal transaction under the Disposal Mandate may, in itself, trigger the requirement of Shareholders' approval in accordance with Rule 1014 of the Listing Manual, the Directors believe that it is also possible that Shareholders' approval will be required if the Proposed Disposal is undertaken by way of separate, smaller transactions within a 12-month period and which the SGX-ST may aggregate and consider to be a single transaction. As such, the Company is seeking the prior approval of Shareholders for the Disposal Mandate.

4. INFORMATION ON TEE LAND

4.1 General Information

TEE Land is a subsidiary of the Company and was incorporated in Singapore on 18 December 2012 and subsequently listed on the Main Board of the SGX-ST on 6 June 2013. TEE Land is an established regional real estate developer and investor, with a presence in Singapore, Malaysia, Australia and New Zealand. The TEE Land Group undertakes residential commercial and industrial property development projects, as well as invests in income-generating assets. As at the Latest Practicable Date, the total paid-up capital of TEE Land is S\$142,238,075, comprising 446,876,000 TEE Land Shares. As at 31 May 2018, being the date of the last financial year end of the Company, the cost of investment attributable to the TEE Land Group in the Company's audited accounts is S\$72,928,116.

Shareholders can refer to TEE Land's website (<https://www.teeland.com.sg/>) for more information on TEE Land.

4.2 Financial Information

Based on publicly available information as at the Latest Practicable Date, a summary of the audited consolidated financial statements of the TEE Land Group for FY2017 and FY2018 and the unaudited consolidated financial statements of the TEE Land Group for 9MFY2019 is replicated below:

Consolidated Statements of Comprehensive Income

	Audited FY2017 (S\$'000)	Audited FY2018 (S\$'000)	Unaudited 9MFY2019 (S\$'000)
Revenue	94,690	111,921	87,477
Profit/(loss) before tax	3,305	(4,679)	(2,295)
Profit/(loss) after tax	289	(4,866)	(2,631)

Consolidated Statements of Financial Position

	Audited 31 May 2017 (S\$'000)	Audited 31 May 2018 (S\$'000)	Unaudited 28 February 2019 (S\$'000)
Non-Current Assets	85,763	49,323	45,979
Current Assets	333,730	411,396	380,557
Current Liabilities	130,635	158,976	118,298
Net Current Assets	203,095	252,420	262,259
Non-Current Liabilities	116,641	138,342	149,524
Share Capital	142,238	142,238	142,238
Total Equity	172,217	163,401	158,714

LETTER TO SHAREHOLDERS

4.3 Prices of TEE Land Shares

The following table sets out the historical trading prices of the TEE Land Shares on the SGX-ST for the stated periods and the premia/discount of the minimum Disposal Price of S\$0.179 per Disposal Share:

Period	Price per TEE Land Share ⁽¹⁾					
	Highest Price (S\$)	Premium of Minimum Disposal Price over Highest Price	Lowest Price (S\$)	Premium of Minimum Disposal Price over Lowest Price	Volume Weighted Average Price ("VWAP") ⁽²⁾ (S\$)	Premium/Discount of Minimum Disposal Price over VWAP
1 March 2018 to 31 March 2018	0.199	(0.020)	0.177	0.002	0.184	(0.005)
1 April 2018 to 30 April 2018	0.182	(0.003)	0.168	0.011	0.173	0.006
1 May 2018 to 31 May 2018	0.182	(0.003)	0.170	0.009	0.173	0.006
1 June 2018 to 30 June 2018	0.188	(0.009)	0.168	0.011	0.173	0.006
1 July 2018 to 28 July 2018	0.188	(0.009)	0.166	0.013	0.171	0.008
1 August 2018 to 31 August 2018	0.188	(0.009)	0.156	0.023	0.171	0.008
1 September 2018 to 30 September 2018	0.176	0.003	0.153	0.026	0.170	0.009
1 October 2018 to 31 October 2018	0.174	0.005	0.154	0.025	0.162	0.017
1 November 2018 to 30 November 2018	0.174	0.005	0.155	0.024	0.161	0.019
1 December 2018 to 31 December 2018	0.172	0.007	0.150	0.029	0.168	0.011
1 January 2018 to 31 January 2018	0.173	0.006	0.150	0.029	0.162	0.017
1 February 2019 to 22 February 2019	0.159	0.020	0.142	0.037	0.146	0.033
23 February 2019 to Latest Practicable Date	0.196	(0.017)	0.146	0.033	0.184	(0.005)
Relevant Period	0.196	(0.017)	0.142	0.037	0.180	(0.001)

Notes:

(1) Source: Shareinvestor Pte.Ltd.

(2) Off market transactions have been excluded from the calculation.

The minimum Disposal Price of S\$0.179 per Disposal Share also represents a premium of 25.17% over the highest traded price of S\$0.143 on 22 February 2019, being the last trading day for TEE Land Shares on the SGX-ST prior to the Company's announcement on 25 February 2019 of its entry into the non-binding term sheet with Top Capital for the disposal of up to 28.0% of the existing issued and paid-up capital of TEE Land.

LETTER TO SHAREHOLDERS

5. RATIONALE FOR THE PROPOSED DISPOSAL AND DISPOSAL MANDATE

- 5.1 The Company had spun off TEE Land via a listing on the Main Board of the SGX-ST on 6 June 2013. Taking into account challenging industry developments, and adopting a pro-active approach towards managing its business divisions, assets and investments, the Company considers it an opportune time to realise its investment in TEE Land in order to realise valuable cash proceeds which may be applied to expand the engineering and infrastructure businesses of the Company and reduce the indebtedness of the Group. The Disposal Mandate will facilitate and grant the Company flexibility in accomplishing the aforementioned realisation of investment in TEE Land when the relevant opportunities present themselves.
- 5.2 As at the Latest Practicable Date, the Company holds an aggregate of 282,777,678 TEE Land Shares (directly and indirectly), representing approximately 63.28% of the existing issued and paid-up share capital of TEE Land. In the event the Company disposes of all or any part of the Disposal Shares, in one or more transactions through various arrangements, the applicable relative figures computed on the bases set out in Rule 1006 of the Listing Manual may exceed 20%, thereby requiring specific Shareholders' approval under the Listing Manual. Please refer to Section 9 of this Circular for the illustrative relative figures computed on the bases set out in Rule 1006 of the Listing Manual in relation to the Proposed Disposal under the Disposal Mandate.
- 5.3 As announced by the Company on 25 February 2019, it had on 22 February 2019 entered into a non-binding term sheet with Top Capital to dispose up to 125,125,000 TEE Land Shares, representing approximately 28.0% of the existing issued and paid-up share capital of TEE Land, at an indicative price of between S\$0.179 to S\$0.201 per TEE Land Share.

Top Capital is a private company limited by shares incorporated in Singapore in October 2017 and is the investment arm of the Top Group founded by Mr. Yang Jintao ("**Mr. Yang**"). The Top Group is owned and managed by Mr. Yang and his family. Mr. Yang is an investment banker by training and a very successful businessman. He sits on the board of several companies.

Mr. Yang has communicated to the Company that he is considering acquiring the TEE Land Shares as a long term investment, and expects to provide strategic input and leverage on his network of contacts in the North Asia region to help TEE Land in its future business opportunities. He will continue to tap on the expertise and experience of the existing management of TEE Land, though he may also introduce industry contacts to bolster the depth and experience of the management team of TEE Land, where appropriate.

The indicative price set out in the term sheet is premised on the attributed net asset value of between S\$80 million and S\$90 million for TEE Land, representing a 46.0% and 39.2% discount on the unaudited net asset value of TEE Land of S\$148.1 million (excluding non-controlling interests) as provided for in TEE Land's financial statements as at 30 November 2018, respectively, and was determined mutually on a willing buyer and willing seller basis, taking into account, *inter alia*, the then prevailing market price of the TEE Land Shares, the financial position of TEE Land, the discounts to net asset values of share prices of property counters traded on the SGX-ST, and Top Capital's assessment of the future prospects of TEE Land.

Top Capital was introduced to the Company by Haitong International Securities (Singapore) Pte Limited in its capacity as placement agent ("**Placement Agent**"). Top Capital is an independent third party, and none of the Company, its Directors or Substantial Shareholders has any relationship (including business relationship) with any of Top Capital, its directors or substantial shareholders.

If the transaction with Top Capital is completed, the Company would post-disposal, hold an aggregate of 157,652,678 TEE Land Shares (directly and indirectly), representing approximately 35.28% of the existing issued and paid-up share capital of TEE Land.

- 5.4 As at the Latest Practicable Date, other than the non-binding term sheet with Top Capital, the Company has not formalised or entered into any definitive agreement with any party with respect to the Disposal Shares.

LETTER TO SHAREHOLDERS

- 5.5 The Directors are of the view that the time required for, and the uncertainty of posed by any specific requirement for, Shareholders' approval may deter potential purchasers for the Disposal Shares. The lead-time required for the preparation of the Shareholders' circular and for the convening of an extraordinary general meeting may also put the Company at risk of missing a window of opportunity for any potential sale of the Disposal Shares.
- 5.6 For the reasons specified above, the Board believes that it is important that the Company obtains prior Shareholders' approval for the Disposal Mandate in order for the Company to dispose of the Disposal Shares at opportune times. The Disposal Mandate will allow the Company to act flexibly and decisively on opportunities that will maximise the disposal value of the Disposal Shares but at the same time without compromising value realisation to Shareholders. Subject to the approval of Shareholders for the Disposal Mandate, the Directors will and shall exercise the authority conferred by the Disposal Mandate in the best interests of the Company.
- 5.7 The Company expects to receive net proceeds of approximately S\$49.60 million assuming that all the Disposal Shares are disposed at the minimum Disposal Price of S\$0.179 per Disposal Share ("**Disposal Proceeds**"), after deducting estimated expenses of approximately S\$1.01 million (comprising an estimated placement fee of approximately 1.5% of the Disposal Proceeds payable to any placement agents engaged by the Company in respect of the Proposed Disposal (including the Placement Agent) and professional costs and expenses). The Company intends to use the Disposal Proceeds to repay loan/bank borrowings, for general working capital of the Group and/or for any strategic investments or acquisitions which are more likely to enhance shareholder value, when suitable opportunities arise, including the proposal of cash distribution subsequently.

Pending the deployment of the Disposal Proceeds for such purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purposes on a short-term basis, as the Directors may deem appropriate in the interests of the Group.

6. TERMS OF THE DISPOSAL MANDATE

- 6.1 The terms of the Disposal Mandate are as follows:
- (a) all or part of the Disposal Shares may be disposed, in one or more transactions through various arrangements, such as tendering into a general offer, sale in the open market, divestment to financial or strategic investors or placement through brokerage houses, at the sole discretion of the Directors without seeking the specific approval of Shareholders for such disposals;
 - (b) all or part of the Disposal Shares shall be disposed at a price which the Directors deem fair and reasonable after taking into account the relevant factors and the consideration in respect of such disposal shall be satisfied in cash, provided that each disposal carried out under the Disposal Mandate will be at or above the minimum Disposal Price of S\$0.179 per Disposal Share (taking reference to the non-binding term sheet with Top Capital);
 - (c) if approved by Shareholders at the EGM, the authority conferred by the Disposal Mandate will continue in force for a period of one (1) calendar year commencing from and including the day following the day of the EGM (whereupon at the end of the period it will lapse, unless renewed) or until it is varied or revoked by the Company in a general meeting, whichever is the earlier. During the period the Disposal Mandate is in force, the Company may tender the Disposal Shares in acceptance of a general offer in respect of the TEE Land Shares and/or enter into a sale and purchase agreement with any prospective purchaser of the Disposal Shares, and such acceptance of general offer and/or entry into such sale and purchase agreement shall not be subject to the specific approval of Shareholders, notwithstanding that the completion date of the transaction may fall on a date after the Disposal Mandate has lapsed;

LETTER TO SHAREHOLDERS

- (d) the sale of the Disposal Shares (or any part thereof) shall not result in a breach of any agreement or legal instrument to which the Group is a party;
- (e) an intending purchaser for all or part of the Disposal Shares shall not be an interested person of the Company, unless the specific approval of Shareholders for such transaction is obtained in accordance with Chapter 9 of the Listing Manual;
- (f) any negotiation, if applicable, with an intending purchaser of all or part of the Disposal Shares shall be conducted on an arm's length and commercial basis, taking into consideration such factors as the Directors may deem fit in the interests of the Group; and
- (g) the Directors will in accordance with their fiduciary duties at law, act in the best interests of the Company in exercising any authority conferred by the Disposal Mandate.

For the purposes of sub-paragraph (e) above:

- (i) an **"interested person"** means a director, chief executive officer or controlling shareholder of the Company, or an associate of such director, chief executive officer or controlling shareholder;
- (ii) a **"controlling shareholder"** means a person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST), or in fact exercises control over the Company; and
- (iii) an **"associate"**, in relation to any director, chief executive officer or controlling shareholder (being an individual), means his immediate family (i.e. spouse, children, adopted children, step-children, siblings and parents), the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he or his immediate family together (directly or indirectly) have an interest of 30% or more; in relation to a controlling shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

6.2 If the Directors are not able to dispose of the Disposal Shares in accordance with the terms set out above, the Company will revert to Shareholders for a fresh mandate, for specific approval for the transaction pursuant to Rule 1014 of the Listing Manual, as applicable.

7. PROTECTION FOR SHAREHOLDERS

7.1 Minimum Disposal Price

In order to protect Shareholders' interests in respect of any disposal carried out under the Disposal Mandate, the Board will ensure that each transaction carried out under the Disposal Mandate will be at or above the minimum Disposal Price of S\$0.179 per Disposal Share.

7.2 Announcement of Disposals

The Company will also keep Shareholders informed of transactions conducted under the Disposal Mandate by doing the following:

- (a) if any single transaction conducted under the Disposal Mandate, or any further transaction (when aggregated with all previous transactions conducted under the Disposal Mandate) exceeds 5% of any of the relative figures computed on the bases set out in Rule 1006 of the Listing Manual, the Company will make an announcement setting out the information required under Rule 1010 of the Listing Manual. Such transactions are "discloseable transactions" as defined under Rule 1010 of the Listing Manual;

LETTER TO SHAREHOLDERS

- (b) if the transaction(s) conducted under the Disposal Mandate results in the Company having to make a notification of change in its shareholding to TEE Land under the SFA, the Company will make an announcement of the same;
- (c) the Company will make an immediate announcement of the transaction(s) conducted under the Disposal Mandate in accordance with Rule 704(18)(a), Rule 704(18)(b), Rule 704(18)(c) and Rule 704(18)(d) of the Listing Manual, as may be applicable; and
- (d) upon the earlier for the disposal of all the Disposal Shares or the expiry of the Disposal Mandate, the Company will make an announcement of such a fact.

8. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

- 8.1 The pro forma financial effects of the Proposed Disposal are purely for illustrative purposes and are neither indicative of the actual financial effects of the Proposed Disposal on the NTA and EPS of the Group, nor are they indicative of the actual financial performance or the financial position of the Group for FY2018, or the future financial performance or the financial position of the Group after the completion of the Proposed Disposal.
- 8.2 The pro forma financial effects have been prepared on the audited consolidated financial statements of the Group for FY2018, being the most recently completed financial year, and on the following key bases and assumptions:
- (a) the Disposal Shares are disposed in whole at the minimum Disposal Price of S\$0.179 per Disposal Share;
 - (b) for the purposes of illustrating the financial effects on the NTA per Share of the Group, it is assumed that the Proposed Disposal had been completed on 31 May 2018;
 - (c) for the purposes of illustrating the financial effects of the Proposed Disposal on the EPS of the Group, it is assumed that the Proposed Disposal had been completed on 1 June 2017;
 - (d) the NTA per Share is computed based on the 501,952,639 Shares (excluding 1,270,400 treasury shares) in issue as at 31 May 2018, and the EPS of the Group is computed based on the weighted average number of 501,952,639 Shares (excluding 1,270,400 treasury shares) Shares in issue for FY2018; and
 - (e) the transaction costs for the Proposed Disposal are assumed to be S\$1.01 million¹.

For the avoidance of doubt, these pro forma financial effects do not take into account (i) any corporate actions announced and undertaken by the Group; and (ii) any issuance of new Shares, on or after 1 June 2018.

NTA

	Before the Proposed Disposal	After the Proposed Disposal
NTA attributable to the Shareholders (S\$'000)	88,274	51,633
NTA per Share (cents)	18	10

¹ The transaction costs of approximately S\$1.01 million comprise an estimated placement fee of approximately 1.5% of the Disposal Proceeds payable to any placement agents engaged by the Company in respect of the Proposed Disposal (including the Placement Agent) and professional costs and expenses.

LETTER TO SHAREHOLDERS

EPS

	Before the Proposed Disposal	After the Proposed Disposal
Loss attributable to Shareholders (S\$'000)	(7,605)	(65,030)
Loss per Share (cents)	(1.52)	(12.96)

Based on the minimum Disposal Price of S\$0.179 per Disposal Share, there is an increase in the loss per Share after the Proposed Disposal as the Proposed Disposal is undertaken at a discount to the net asset value of TEE Land.

Loss on Disposal

Based on the minimum Disposal Price of S\$0.179 per Disposal Share, the Proposed Disposal is expected to result in an accounting loss of approximately S\$52.93 million at the Group level and S\$22.31 million at the Company level, as the Proposed Disposal is undertaken at a discount to the net asset value of TEE Land (amounting to S\$156.1 million as at 31 May 2018) and further assuming that disposal of all the TEE Land Shares is completed on 31 May 2018.

9. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL

Based on the unaudited consolidated financial statements of the Group for 9MFY2019 and the unaudited consolidated financial statements of the TEE Land Group for 9MFY2019, the relative figures computed pursuant to Rule 1006 of the Listing Manual are set out below:

Bases in Rule 1006	Size of Relative Figure
(a) Net asset value of Disposal Shares (S\$103.04 million), compared with the Group's net asset value as at 28 February 2019 (S\$96.83 million)	106.4%
(b) Net loss ⁽¹⁾ of S\$2.30 million ⁽²⁾ attributable to the Disposal Shares, compared with the Group's net loss ⁽¹⁾ of S\$5.07 million ⁽³⁾	45.2%
(c) Aggregate value of the consideration received from the Proposed Disposal compared with the Group's market capitalisation of S\$73.75 million ⁽²⁾	68.6% ⁽³⁾
(d) Number of equity securities issued by the Company as consideration for the Proposed Disposal, compared with the number of equity securities previously in the issue	N.A. ⁽⁴⁾
(e) Aggregate volume of proved and probable reserves to be disposed of compared with the Group's proved and probable reserves	N.A. ⁽⁵⁾

Notes:

- (1) "Net loss" means profit or loss before income tax, minority interests and extraordinary items.
- (2) The Company's market capitalisation is determined by multiplying the number of Shares in issue (being 646,882,476 Shares (excluding 1,270,400 treasury shares)) by the volume-weighted average price of the Shares (being S\$0.117) transacted on 15 April 2019 (being the last Market Day on which Shares were traded preceding the Latest Practicable Date).
- (3) Based on the assumption that the Disposal Shares are entirely disposed of under the Disposal Mandate at the minimum Disposal Price of S\$0.179 per Disposal Share.
- (4) This is not applicable as the Proposed Disposal does not involve any issuance of consideration shares.
- (5) This is not applicable as the Company is not a mineral, oil and gas company.

LETTER TO SHAREHOLDERS

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, based on the registers of Directors' interests in Shares and register of Substantial Shareholders' interests in Shares, respectively, are as follows:

Directors	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Mr. Bertie Cheng Shao Shiong ⁽²⁾	–	–	16,000,000	2.47
Mr. Phua Chian Kin ⁽³⁾	356,030,666	55.04	21,237,501	3.28
Mr. Phua Boon Kin	145,132	0.02	–	–
Ms. Saw Chin Choo ⁽⁴⁾	1,925,100	0.3	3,312	N.M. ⁽⁵⁾
Mr. Lee Ah Fong	–	–	–	–
Mr. Gn Hiang Meng	–	–	–	–
Mr. Aric Loh Siang Khee	–	–	–	–
Substantial Shareholders				
Mr. Phua Chian Kin	356,030,666	55.04	21,237,501	3.28

Notes:

- (1) Based on the issued share capital of the Company of 646,882,476 Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Mr. Bertie Cheng is deemed to have an interest in the 16,000,000 Shares held by his nominee, Hong Leong Finance Nominees Pte. Ltd..
- (3) Mr. Phua Chian Kin is deemed to have an interest in the 21,237,501 Shares held by his spouse, Mdm. Tay Kuek Lee and 20,000,000 ordinary shares held by OCBC Nominees Singapore Private Limited. A total of 345,977,000 Shares held by Mr. Phua Chian Kin are registered in the name of Hong Leong Finance Nominees Pte. Ltd., CIMB Securities (Singapore) Pte. Ltd., SBS Nominees Pte. Ltd., Phillip Securities Pte. Ltd., Maybank Nominees (S) Pte. Ltd., OCBC Securities Private Limited, RHB Securities Singapore Pte. Ltd., KGI Fraser Securities Pte. Ltd. and Haitong International Securities (Singapore) Pte. Ltd..
- (4) Ms. Saw Chin Choo is deemed to have an interest in the 3,312 Shares held by her spouse.
- (5) Not meaningful.

Save as disclosed above, none of the Directors or Substantial Shareholders, or their respective associates, has any interests, direct or indirect, in the Proposed Disposal, other than through their respective shareholding interests in the Company.

11. DIRECTORS' RECOMMENDATIONS

The Directors, having carefully considered, *inter alia*, the terms and rationale of the Proposed Disposal and the Disposal Mandate set out in Sections 5 to 7 of this Circular, are of the view that the Proposed Disposal (including the Disposal Mandate) is in the best interests of the Company and accordingly, recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Disposal and the Disposal Mandate to be proposed at the EGM as set out in the Notice of EGM despatched to Shareholders.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set on page N-1 of this Circular, will be held at York Hotel Singapore, 21 Mount Elizabeth, Singapore 228516 on 6 May 2019 at 9.30 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolution as set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

13. ACTION TO BE TAKEN BY THE SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the office of the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building Singapore 048544, not less than 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM, if he wishes to do so, in place of his proxy.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register at least 48 hours before the time fixed for the EGM, as certified by CDP to the Company.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Disposal Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular 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 Circular in its proper form and context.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by Shareholders at the registered office of the Company at 25 Bukit Batok Street 22, TEE Building, Singapore 659591 during normal business hours up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the Annual Report of the Company for FY2018; and
- (c) the announcement dated 10 April 2019 in relation to the unaudited consolidated financial statements of the Group of 9MFY2019.

Yours faithfully

For and on behalf of the Board of Directors of
TEE INTERNATIONAL LIMITED

Mr. Phua Chian Kin
Group Chief Executive and Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

TEE INTERNATIONAL LIMITED

(Incorporated in Singapore with limited liability)
(Company Registration Number: 200007107D)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of the shareholders (“**Shareholders**”) of TEE International Limited (“**Company**”) will be held at York Hotel Singapore, 21 Mount Elizabeth, Singapore 228516 on 6 May 2019 at 9.30 a.m. for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolution:

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular dated 20 April 2019 issued by the Company (“**Circular**”).*

ORDINARY RESOLUTION – THE PROPOSED DISPOSAL, IN WHOLE OR IN PART, OF THE COMPANY’S SHARES IN TEE LAND LIMITED

THAT:

- (a) approval be and is hereby given, for the purposes of Chapter 10 of the Listing Manual, for the Company to dispose, in whole or in part, of its 282,777,678 TEE Land Shares (whether held directly or indirectly), to the extent mandated and according to the terms under the Disposal Mandate as described in the Circular (“**Proposed Disposal**”); and
- (b) the Directors and any of them be and are hereby authorised to do all acts and things (including without limitation, executing all such documents and approving any amendments, alterations, or modifications to any such documents as may be required in connection with the Proposed Disposal) as they or each of them deem desirable, necessary or expedient to give effect to the matters referred to in the above paragraph of this Ordinary Resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

By Order of the Board

Yeo Ai Mei
Josephine Toh
Company Secretaries

Singapore
20 April 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote in his/her stead at the Extraordinary General Meeting ("**Meeting**").

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.
2. A proxy need not be a member of the Company.
3. Please see the enclosed Proxy Form and the Notes to Proxy Form for more information.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

TEE INTERNATIONAL LIMITED

(Incorporated in Singapore with limited liability)
(Company Registration Number: 200007107D)

(Please see notes overleaf before completing this form)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy TEE International Limited's shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We _____ (Name) _____ (NRIC/Passport Number)

of _____ (Address)

being a *member/members of **TEE INTERNATIONAL LIMITED** ("Company") hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("**Meeting**") of the Company to be held on 6 May 2019 at 9.30 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

Ordinary Resolution	¹ No. of Votes For	¹ No. of Votes Against
To approve the Proposed Disposal and the Disposal Mandate		

¹ If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the relevant box provided. Alternatively, please indicate the number of votes as appropriate in the boxes provided.

Dated this _____ day of _____ 2019

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s) or,
Common Seal of Corporate Shareholder

* Delete where inapplicable



PROXY FORM

Notes:

1. Please insert the total number of shares of the Company (“Shares”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the member shall specify the proportion of his/her shares to be represented by each proxy, failing which the appointment shall be deemed to be in the alternative.
4. A member who is a relevant intermediary entitled to attend and vote at the meeting is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
 6. The instrument appointing a proxy or proxies must be deposited at the office of the Company’s Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than 48 hours before the time appointed for the Meeting.
 7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.
 8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 20 April 2019.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.