



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

PROPOSED BONUS ISSUE OF WARRANTS

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of TEE International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company is proposing to undertake a bonus issue of up to 50,195,263 free warrants (the “**Bonus Warrants**”) on the basis of one (1) Bonus Warrant for every ten (10) 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**”), fractional entitlements to be disregarded (the “**Bonus Warrants Issue**”).

Each Bonus Warrant issued pursuant to the Bonus Warrants Issue shall carry the right to subscribe for one (1) new Share (the “**New Share(s)**”) at its Exercise Price (as defined below).

The Bonus Warrants Issue will be undertaken pursuant to the share issue mandate granted by shareholders of the Company (the “**Shareholders**”) at the annual general meeting of the Company held on 13 November 2017 (the “**General Mandate**”).

2. PRINCIPAL TERMS OF THE BONUS WARRANTS ISSUE

2.1 Terms of the Bonus Warrants

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

The terms of the Bonus Warrants are as follows:

Each Bonus Warrant will, subject to the terms and conditions to be set out in the Deed Poll, entitle the holder of the Warrant (the “**Warrant Holder**”) to subscribe for one (1) New Share at an exercise price of S\$0.215 (the “**Exercise Price**”) payable in cash. The Exercise Price represents a premium of approximately 8.59% to the volume weighted price of the Shares of approximately S\$0.198 for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 20 March 2018, being the last market day preceding the date of this announcement.

The Bonus Warrants are exercisable at any time during the period commencing on and including the date of issue of the Bonus Warrants and expiring at 5.00 p.m. on the market

day immediately preceding the thirtieth (30th) month after such date of issue of the Bonus Warrants (the “**Exercise Period**”) (unless such date is a date on which the register of members of the Company (the “**Register of Members**”) and/or register of Warrant Holders is closed or is not a market day on which the SGX-ST is open for securities trading, in which event the Exercise Period shall end on the date prior to the closure of the Register of Members and/or register of Warrant Holders or the immediate preceding market day, as the case may be), subject to the terms and conditions in the Deed Poll.

Any Bonus Warrant which remains unexercised upon the expiry of the Exercise Period shall thereafter lapse and cease to be valid for all purposes. An announcement of the expiry of the Bonus Warrants will be made and a notice will be sent to all Warrant Holders at least one (1) month before the relevant expiry date.

The Exercise Price and/or the number of Bonus Warrants to be held by each Warrant Holder will be subject to adjustments under certain circumstances in accordance with the terms and conditions provided in the Deed Poll.

The Bonus 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 Bonus Warrants on the Main Board of the SGX-ST, subject to, *inter alia*, there being an adequate spread of holdings of the Bonus Warrants to provide for an orderly market in the Bonus Warrants. Each board lot of the Bonus Warrants will consist of 100 Bonus 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 Bonus Warrants (i.e. lots other than board lots of 100 Bonus 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.

Upon the exercise of the Bonus Warrants during the Exercise Period and payment of the Exercise Price under the terms and conditions as set out in the Deed Poll, the Warrant Holders will be issued the New Shares. The New Shares arising from the exercise of the Bonus 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 Bonus Warrants, save as may be otherwise provided in the Deed Poll.

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. An offer information statement (the “**Offer Information Statement**”) in relation to and for the purpose of the Bonus Warrants Issue, which complies as to form and substance with the Sixteenth Schedule of the Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005, will be lodged with the Monetary Authority of Singapore (“**MAS**”) in due course. The final terms and conditions of the Bonus Warrants will be contained in the Offer Information Statement.

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 to the Bonus Warrants Issue, after all the necessary approvals have been obtained.

Fractional entitlements to the Bonus Warrants will be disregarded in arriving at the Entitled Shareholders' entitlements and will be 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 Bonus 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**").

The Bonus Warrants which would otherwise be allotted to Foreign Shareholders will, if determined as practicable at the absolute discretion of the Company, be sold on the SGX-ST and 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 entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post. Where such Bonus Warrants are sold 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 in respect of such sales. If the amount of net proceeds distributable to any single Foreign Shareholder is less than S\$10.00, such amount will be retained for the sole benefit of the Company or otherwise dealt with as the Directors may, in their absolute discretion, deem fit and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

If such Bonus Warrants cannot be or are not sold on the Main Board of the SGX-ST as aforesaid for any reason, the Bonus Warrants shall be 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 or CDP in connection therewith.

2.3 Authority and Number of Shares

The issue of the Bonus Warrants and the New Shares is proposed to be undertaken pursuant to the General Mandate. The General 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 General Mandate shall not exceed 50% of the total issued Shares as at the time of the General Mandate is obtained.

Based on the existing issued and paid-up share capital (excluding treasury shares) of the Company of 501,952,639 Shares ("**Existing Issued Share Capital**"), and assuming that no new Shares are allotted or issued before the Books Closure Date, up to 50,195,263 Bonus Warrants will be issued by the Company pursuant to the Bonus Warrants Issue, and assuming that the Bonus Warrants are fully exercised into New

Shares, the issued share capital of the Company would increase by up to 50,195,263 New Shares, representing 10.0% of the Company's Existing Issued Share Capital.

Accordingly, the Company will not be seeking specific approval from Shareholders for the Bonus Warrants Issue.

3. RATIONALE

The Directors are proposing the Bonus Warrants Issue to reward the Shareholders for their loyalty and continuing support towards the Company, and as a means to raise funds and provide additional financial flexibility to the Group. The Bonus Warrants Issue will provide Shareholders with the opportunity to increase their equity participation in the Company by subscribing for the New Shares through the exercise of the Bonus Warrants, which will in turn increase the Company's capital base and strengthen its balance sheet to support the expanding business operations and other financial needs of the Group in the future.

4. USE OF PROCEEDS ARISING FROM EXERCISE OF BONUS WARRANTS

As the Bonus Warrants are offered free to Shareholders, there will be no proceeds raised directly from the Proposed Bonus Warrants Issue.

Assuming all the Bonus Warrants issued are exercised within the relevant Exercise Period, the Company will receive gross proceeds of approximately S\$10.79 million. The estimated net proceeds from the exercise of the Bonus Warrants, after deducting professional fees and related expenses of approximately S\$0.06 million, is approximately S\$10.73 million (the "**Net Proceeds**").

The Company intends to utilise the Net Proceeds for financing working capital, reduction of existing loans and new investments. As the actual amount of Net Proceeds received by the Company from the exercise of the Bonus Warrants will depend on when and the extent to which such Bonus Warrants are exercised, the percentage allocation for the aforementioned intended uses cannot be determined as at the date of this announcement.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such Net Proceeds are materially disbursed, and whether the use of Net Proceeds is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the utilisation of such Net Proceeds in the Company's interim and full-year financial statements and annual report(s).

Where the Net Proceeds have been used for working capital purposes, the Company will disclose a breakdown with specific details on the use of the Net Proceeds in such announcement(s) and annual report(s). Where there is any material deviation from the stated use of Net Proceeds, the Company will announce the reasons for such deviation.

Pending 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 from time to time.

5. APPROVALS

The Bonus Warrants 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 Bonus Warrants and the New Shares on the Main Board of the SGX-ST having been obtained; and
- (ii) the lodgement of the Offer Information Statement in respect of the Bonus Warrants and the New Shares pursuant to the Securities and Futures Act (Cap. 289) of Singapore with the MAS.

The Company will be making an application to the SGX-ST for permission to deal in and for the listing of and quotation for the Bonus Warrants and New Shares on the Main Board of the SGX-ST. The listing of the Bonus Warrants on the SGX-ST will also be subject to there being an adequate spread of holdings of the Bonus Warrants to provide for an orderly market in the trading of the Bonus Warrants.

The Offer Information Statement will be lodged with the MAS in due course following, *inter alia*, the obtaining of the approval in-principle of the SGX-ST.

Appropriate announcements in relation to the aforesaid application and lodgement will be made in due course.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or, to the best of the Company's knowledge, the 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 true and fair 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

21 March 2018