

For Immediate Release

TEHO achieves 2nd consecutive year of record revenue with 40.5% growth to S\$60.4 million in FY2014; first contribution from property development

- Growth of 28.7% in revenue from Marine, Offshore Oil & Gas segment
- Group now diversified through interests in property development in Singapore and recently announced MOU in Cambodia
- Net profit increases by 42.5% to S\$3.4 million as the Marine, Offshore Oil & Gas segment showed healthy signs of growth and maiden contribution in FY2014 from the Property Development segment
- Proposes first and final dividend of 0.8 Singapore cents per share to reward shareholders, representing a dividend payout of 32.5%

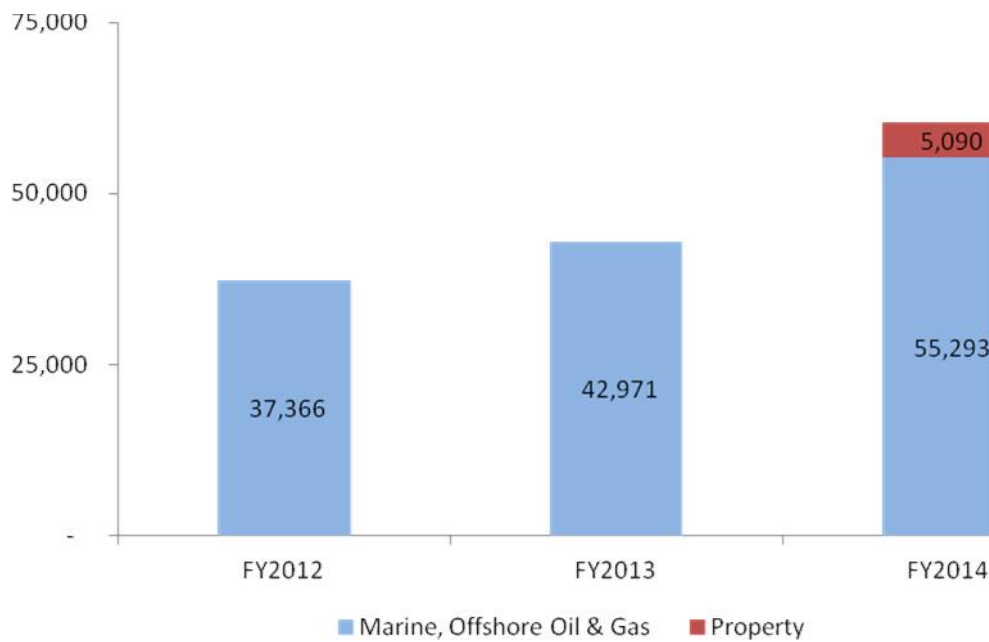
Singapore, 19 August 2014 – Teho International Inc Ltd (“Teho” or “the Group”), a diversified Group with interests in the Marine, Offshore Oil & Gas and Property Development industries, is pleased to announce a very healthy set of results for the full year ended 30 June 2014 (“FY2014”).

The Group’s achieved growth in both its top line and bottom line, marking another period of significant progress, as the Group achieved record revenue for the second year running with a 40.5% year-on-year (y-o-y) growth in revenue to S\$60.4 million and a 42.5% growth in net profit to S\$3.4 million.

Financial Highlights (S\$ '000)	FY2014	FY2013	% Change
Revenue	60,383	42,971	40.5
Gross profit	18,045	13,946	29.4
Gross profit margin	29.9%	32.5%	-
Other credits	137	122	12.3
Total operating expenses*	13,324	10,083	32.1
EBITDA	5,347	4,882	9.5
Net profit	3,392	2,381	42.5
Net profit margin	5.6%	5.5%	-
Earnings per share (cents)	2.46	2.05	20.0
NAV per share (cents)	31.56	24.31	29.8
Net Gearing	55.4	36.0	53.9

*Includes distribution costs, administrative and other operating expenses

The Group's revenue for FY2014 increased by 40.5% to S\$60.4 million, with contributions from the Group's newly acquired and incorporated companies. In FY2014, TEHO Water and TEHO EuROPE contributed S\$4.7 million and S\$4.0 million to the Group's increase in total revenue respectively while the newly acquired subsidiary, TIEC Holdings Pte Ltd ("TIEC") contributed S\$5.1 million in revenue despite the Group being only able to recognise one full month of revenue contribution post acquisition.



*Property segment revenue contribution of S\$5.1 million represents one month of consolidation post acquisition

In line with the healthy increase in revenue, the Group's gross profit in FY2014 increased by 29.4% to S\$18.0 million. Despite the growth in both revenue and gross profit, the Group's gross profit margin decreased slightly to 29.9% in FY2014, mainly due to a decrease in gross profit margin of TEHO Engineering Pte Ltd higher sub-contracting costs arising from additional sub-contract works performed to meet customers' requirements while the Property Development segment's gross profit margin was below that of the Group's overall gross profit margin. This was however, supplemented by an improved gross profit margin from TEHO Water.

The Group's total operating expenses increased by 32.1% to S\$13.3 million, mainly due to (i) the increased headcount and salaries arising from the consolidation of TEHO Water after its acquisition by the Group, (ii) an increase in travelling expenses as a result of the consolidation of TEHO Water after its acquisition by the Group and following the incorporation of TEHO EuROPE, and increase in the participation of trade exhibitions to boost the TEHO brand name and (iii) the increase in outward freight and handling charges.

Consequently, net profit for the Group grew by a very healthy 42.5% to S\$3.4 million in FY2014, representing a 2nd consecutive year of growth, translating to basic and diluted earnings per share of 2.46 cents for FY2014 (FY2013: 2.05 cents) and NAV per share of 31.56 cents, a 29.8% increase year-on-year.

Commenting on the Group's performance for the financial year, Mr. Lim See Hoe, TEHO's Executive Chairman and CEO said, "We are delighted to have achieved a 2nd consecutive year of record revenue as it shows that we are moving in the right direction. Our growth plans are beginning to take shape and we are poised for a very exciting future."

Outlook

As the Group expects the industries in which it operates in to remain competitive, there will be continued efforts to consolidate its operations and financial strengths in order to meet the challenging and competitive business outlook. The Group will also be on the lookout for business expansion opportunities, which may include acquisitions, joint ventures and/or strategic alliances to expand its business operations and enhance its growth prospects.

In August 2014, the Group announced its intention to expand into real estate development and investment in Cambodia via a joint venture. This marks the Group's second venture into property development after the acquisition of TIEC earlier this year, marking the Group's diversification into property development. The Group will make further announcements on the proposed joint venture in Cambodia as and when appropriate.

Mr. Lim See Hoe, Executive Chairman and CEO of TEHO, continued, "FY2014 has been a very productive year for TEHO as all our business segments have shown marked improvement. We are proposing a final dividend of 0.8 cents per share to thank our shareholders for placing their faith in the TEHO growth story, representing a dividend payout of 32.5%.

Moving forward, we will increase our efforts to further establish the TEHO brand in the market."

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About TEHO International Inc Ltd (Bloomberg code: TEHO SP)

TEHO International Inc Ltd. ("TEHO") is a diversified Group with interests in the Marine, Offshore Oil & Gas and Property industries. With its roots as a supplier of rigging and mooring equipment and related services, TEHO operates mainly in the marine and offshore O&G industries. TEHO is headquartered in Singapore and has an established track record of more than two decades with a sales and marketing network covering mainly South East Asia (including Singapore), East Asia, Australia, Europe and North America.

With the acquisition of TEHO Engineering and TEHO Water & Envirotec, TEHO enhanced its scope of products and services. TEHO Engineering specialises in supplying, servicing and trading of the following equipment to the marine and offshore oil and gas industries:- (i) electric heating and associated control systems and accessories in Singapore; (ii) marine and offshore oil and gas fire/shut off dampers, storm louvers and galley hoods in Singapore; (iii) marine water heaters in Singapore, Malaysia, Indonesia, Vietnam and China. TEHO Engineering is also an exclusive distributor for certain third party brands for the supply of mechanical products and systems mainly to the offshore oil & gas industry in Singapore and the South East Asian region. TEHO Water specialises in design and manufacture of its STS Reverse Osmosis Water Maker and other water treatment systems, servicing the marine and offshore O&G industries.

The incorporation of TEHO EuROPE B.V, with an office and warehouse of located in Rotterdam allows TEHO EuROPE to service the local market with capabilities towards servicing other Northern European ports such as Hamburg, Bremen and Antwerp. TEHO EuROPE specialises in synthetic fibre rope and steel wire rope for marine and offshore applications and has an expansive inventory with in-house rigging and testing capabilities.

The Group has set up TEHO Development Pte Ltd after the acquisition of TIEC Holdings Pte Ltd, a real estate developer specialising in residential properties and mixed development projects in Singapore. The acquisition provides the Group with an entry into property development and diversifies the Group's businesses. TEHO Development plans to venture abroad into Cambodia, Japan, Malaysia, The Phillippines, Australia, United Kingdom and the United States.

Please feel free to browse the corporate website: www.TEHO.com.sg

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