



TEHO INTERNATIONAL INC LTD.

(Incorporated in the Republic of Singapore on 10 June 2008)
(Company Registration Number: 200811433K)

PROFIT WARNING FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

The board of directors (the “**Board**”) of TEHO International Inc Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that following a preliminary review of the unaudited financial results of the Group for the financial year ended 30 June 2015 (“**FY2015**”), the Group is expected to record a net loss for FY2015.

Since the Group completed its acquisition of TIEC Holdings Pte. Ltd. towards the end of the financial year ended 30 June 2014, the Group operates in two business segments, namely the Marine, Offshore Oil & Gas segment and the Property Development segment. In the first half of FY2015, the Group completed the acquisition of ECG Property Services Pte. Ltd.. In the second half of FY2015, the Group completed the Cambodian joint venture agreement relating to the development of the residential project “The Bay”.

The net loss for FY2015 arose from the Property Development segment (“**PDS**”), and was mainly attributable to the following reasons:

- (1) The PDS had incurred substantial expenses on marketing, advertising and promotional activities relating to the joint venture in Cambodia developing the residential project “The Bay”. These marketing and promotional activities are essential and important to ensure success of the project. However, such expenses have to be expensed when incurred and cannot be capitalised in FY2015. Further, in accordance with revenue recognition principles in the financial reporting standards, the PDS has not recorded revenue arising from the project in FY2015. In line with the Group’s plan to grow the property development and real estate business, the PDS has also incurred professional fees for businesses in Cambodia as well as expenses for exploring business opportunities in the region. Some of these projects did not materialise; and
- (2) FY2015 was a challenging one for the Singapore property market as well in general, due to lacklustre market momentum arising from cooling measures implemented by the Singapore government. The open market value of the Group’s unsold units of development property in Singapore declined slightly compared to that in the previous financial year. Consequently, the Group expects an impairment charge in respect of the goodwill attributable to the PDS’ property development projects in Singapore.

Further details of the Group’s financial performance will be disclosed when the unaudited financial results for FY2015 are announced on or before 29 August 2015.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company. Persons in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

BY ORDER OF THE BOARD

Lim See Hoe
Executive Chairman and Chief Executive Officer
3 August 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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