



## TEHO INTERNATIONAL INC LTD.

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

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# PROPOSED DISTRIBUTION OF UP TO 53,714,286 ISSUED AND PAID-UP ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY

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## 1. INTRODUCTION

1.1 The Board of Directors (the "**Board**" or "**Directors**") of TEHO International Inc Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to:

(a) the Company's announcements dated:

- i. 24 January 2017 and 16 May 2017 relating to the Writ of Summons filed by the Company against two vendors of shares in TIEC Holdings Pte Ltd ("**TIEC**") (the "**Vendors**"), the Company's wholly-owned subsidiary;
- ii. 4 April 2017 and 22 May 2017 relating to the Writ of Summons filed by TIEC against the Vendors and Sevens Group Pte Ltd, and the Third Party Notice served by the aforesaid defendants;
- iii. 22 May 2017 relating to the Writ of Summons filed by TEHO Development Pte. Ltd., TIEC, TEHO Property Services Pte. Ltd., TEHO Property Consultants Pte. Ltd., TEHO Property Network Pte. Ltd. and TEHO Development (Cambodia) Pte. Ltd. against three former employees of the aforesaid plaintiffs,  
  
(collectively, the "**Proceedings**"); and
- iv. 14 January 2018 relating to a settlement agreement (the "**Settlement Agreement**") entered into by the Company in relation to the Proceedings, as a global settlement for the claims in paragraphs 1.1(a)(i) – (iii) above on a full and final settlement basis, and

(b) the Annual Report for the financial year ended 30 June 2018 of the Company, wherein it was disclosed at pages 78 and 111 in relation to the fair value of the Relevant Shares (as defined below) under the Group's capital reserve and that the Vendors have surrendered the Relevant Shares and agreed not to exercise their rights to the Relevant Shares pursuant to the Settlement Agreement respectively.

1.2 The Board wishes to announce that, pursuant to the Settlement Agreement, the Company is facilitating and assisting with a distribution of up to 53,714,286 issued and paid-up ordinary shares in the share capital of the Company (the "**Shares**") held by the Vendors (the "**Relevant Shares**") to the shareholders of the Company (the "**Shareholders**") (the "**Proposed Distribution**").

## 2. PROPOSED DISTRIBUTION

### 2.1 Entitled Shareholders

2.1.1 The Proposed Distribution will be effected by way of a distribution of the Relevant Shares to Entitled Shareholders (as defined below) in proportion to their shareholdings in the Company as at the books closure date to be determined by the Directors for the purpose of determining

the entitlement of Shareholders (the "**Books Closure Date**"), fractional entitlements to be disregarded.

- 2.1.2 Shareholders whose registered addresses as recorded in the Register of Members of the Company or in the Depository Register maintained by 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 service of notices and who hold Shares as at the Books Closure Date, save for the Vendors and the employees to whom an aggregate of 1,050,000 Shares vested on 1 November 2018 under the Teho Performance Share Plan, will be entitled to the Proposed Distribution (the "**Entitled Shareholders**").

## 2.2 Overseas Shareholders

- 2.2.1 The distribution of the Relevant Shares to Shareholders whose registered addresses (as recorded in the Register of Members of the Company or in the Depository Register maintained by CDP) are outside Singapore (the "**Overseas Shareholders**") may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Overseas Shareholders are required to inform themselves of, and to observe, any such prohibition or restriction at their own expense and without liability to the Company.

- 2.2.2 For practical reasons and in order to avoid violating applicable securities laws outside Singapore, the Relevant Shares will not be distributed to Overseas Shareholders who have not at least three (3) market days prior to the Books Closure Date, provided the Company's share registrar (RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619) or CDP, as the case may be, with addresses in Singapore for the service of notices or documents in accordance with the foregoing (the "**Relevant Overseas Shareholders**").

- 2.2.3 Arrangements will be made for the Relevant Shares which would otherwise have been distributed to the Relevant Overseas Shareholders and the aggregated fractional entitlements arising from the Proposed Distribution to be re-distributed to Entitled Shareholders (save for the Relevant Overseas Shareholders) on a *pro rata* basis, if any. No Relevant Overseas Shareholder shall have any claim whatsoever against the Company, the Vendors or CDP in connection therewith.

## 2.3 Basis for the Proposed Distribution

- 2.3.1 The final number of the Relevant Shares to be received by each Entitled Shareholder will depend on the total number of Shares held by the Entitled Shareholder as at the Books Closure Date, and the number of Shares held by the Relevant Overseas Shareholders. For illustrative purposes and based on the shareholdings of the Overseas Shareholders as at 31 December 2018, being an aggregate of 7,976,000 Shares,

- (a) assuming that all of the Overseas Shareholders provide the Company's share registrar or CDP (as the case may be) with addresses in Singapore at least three (3) market days prior to the Books Closure Date ("**Scenario 1**"), the Proposed Distribution will be carried out on the basis of approximately 0.299 Relevant Shares for each Share held by the Entitled Shareholders; and
- (b) assuming that none of the Overseas Shareholders provide the Company's share registrar or CDP (as the case may be) with addresses in Singapore at least three (3) market days prior to the Books Closure Date ("**Scenario 2**"), the Proposed Distribution will be carried out on the basis of approximately 0.313 Relevant Shares for each Share held by the Entitled Shareholders.

2.4 No payment will be required from the Entitled Shareholders for the Proposed Distribution. The Relevant Shares will be distributed free from encumbrances and together with all rights attaching thereto on and from the date the Proposed Distribution is effected.

2.5 The Board, having considered possible alternatives pursuant to the Settlement Agreement, is of the view that the Proposed Distribution is in the best interests of the Company and its shareholders.

### **3. CONSULTATION WITH SECURITIES INDUSTRY COUNCIL**

3.1 Mr Lim See Hoe ("**LSH**") is the Executive Chairman and Chief Executive Officer, and a controlling shareholder of the Company. As at the date of this announcement, LSH and parties acting in concert with him collectively hold 133,853,999 Shares, representing approximately 57.11% of the total number of Shares<sup>1</sup> and LSH individually holds 57,247,578 Shares, representing approximately 24.43% of the total number of Shares. Following the Proposed Distribution and based on the assumption that is no fractional entitlement allocated to LSH, the shareholding interest of LSH will increase from approximately 24.43% to approximately 31.73% under Scenario 1, and approximately 32.07% under Scenario 2. Accordingly, the Proposed Distribution will result in the shareholding interest of LSH in the Company to increase to more than 30%.

3.2 In this regard, in accordance with Note 5 on Rule 14.1 of the Singapore Code on Take-overs and Mergers (the "**Code**"), the Company has consulted and confirmed with the Securities Industry Council of Singapore that following completion of the Proposed Distribution, LSH would not be required to make a mandatory general offer for the Company pursuant to Rule 14 of the Code, notwithstanding that his shareholding interest in the Company would increase to more than 30%.

### **4. TAX IMPLICATIONS**

Shareholders who are in doubt as to their respective tax positions or the tax implications of the Proposed Distribution or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

### **5. FURTHER INFORMATION**

5.1 The Company will make further announcements of the Books Closure Date and the final basis for the Proposed Distribution via SGXNET in due course.

5.2 None of the Directors or controlling shareholders of the Company and their associates has any interest, direct or indirect, in the Proposed Distribution, other than through their shareholdings in the Company.

5.3 Shareholders should consult their legal, financial, tax or other professional advisor(s) if they have any doubt about the actions they should take.

### **BY ORDER OF THE BOARD**

Lim See Hoe  
Executive Chairman and Chief Executive Officer  
3 January 2019

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant

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<sup>1</sup> Unless otherwise stated herein, references in this announcement to the total number of Shares shall be to 234,374,614 Shares (excluding treasury shares).

rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The 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.

The contact person for the Sponsor is Mr David Yeong (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.