

For Immediate Release

TEHO Development signs LOI for proposed 100% acquisition of ECG Property Services for S\$17 million

- **Proposed acquisition allows the Group to expand its operations in the property industry**
- **Consideration of S\$17 million to be paid through cash and shares**

Singapore, 25 September 2014 – Teho International Inc Ltd (“**TEHO**” or the “**Company**” together with its subsidiaries the “**Group**”), a diversified group with interests in the Marine, Offshore Oil & Gas and Property industries, is pleased to announce that its wholly-owned subsidiary, Teho Development Pte. Ltd. (“**TEHO Development**”) has entered into a non-binding letter of intent (“**LOI**”) with Cheng Lye Meng Eric (Zheng Laiming Eric) (“**Eric Cheng**”), Teo Hock Hoe, Loy Chee Yong and Liu Yining (“**Vendors**”) for the proposed acquisition of the entire issued and paid-up share capital of ECG Property Services Pte. Ltd. (“**ECG**”) (“**Proposed Acquisition**”).

ECG currently holds 100% of ECG Consultancy Pte. Ltd. and ECG Property Pte. Ltd. (collectively the “**ECG Group**”). The ECG Group is principally engaged in the business of real estate, consultancy, management, real estate agencies, valuation services and real estate activities such as business and management consultancy services (“**ECG Business**”). The ECG Group currently markets properties of the Company and has in place a service fee agreement with the Company for the marketing of properties.

Rationale for the Proposed Acquisition

The Board is of the view that the Proposed Acquisition is in the best interests of the Group as the ECG Business complement the property business of the Group. Upon the completion of the Proposed Acquisition, the addition of the ECG Group to the TEHO family will further expand the Group’s existing property business to include the operations of the ECG Group which the Group currently does not undertake. In addition, as announced on 14 August 2014, the Group intends to enter into a proposed joint venture in Cambodia to engage in real estate development and investment in Cambodia (“**Cambodia JV**”) and had entered into a memorandum of understanding in respect of the Cambodia JV. The completion of the Proposed Acquisition will also provide the Group with a fuller range of property services in order to undertake the Cambodia JV.

Teho International Inc Ltd.

Company Registration No. 200811433K

Consideration for the Proposed Acquisition

The total consideration of S\$17 million will be paid by way of a combination of cash and shares, with S\$5 million to be paid in cash and S\$12 million to be paid in shares which comprises 42,857,143 ordinary shares at S\$0.28 per share ("**Consideration Shares**").

The cash consideration of S\$5 million will be payable in two tranches to each of the Vendors in proportion to each of their shareholdings in ECG, with the first tranche of S\$3 million payable on the date of completion of the Proposed Acquisition ("**Completion Date**"), while the second tranche amounting to the balance of S\$2 million will be payable within 12 months from the Completion Date.

The share consideration of S\$12 million will be paid in the form of the allotment and issue of Consideration Shares to each of the Vendors in proportion to each of their shareholdings in ECG. Following the completion of the Proposed Acquisition, the total number of issued ordinary shares of the Company ("**Shares**") will be increased from 190,467,471 Shares to 233,324,614 Shares.

The Consideration Shares will be subject to a moratorium for six months from the date of issuance of the Consideration Shares, while upon expiry of the six month period, a further moratorium period of another six months shall be imposed on 50% of the Consideration Shares held by each Vendor.

The Proposed Acquisition bodes well for TEHO's diversification strategy as it will allow the Group to expand its operations in the local and overseas property market and will allow the Group to market its own property development projects in-house, reducing any reliance on third-party agencies.

Speaking on the Proposed Acquisition, Mr. Lim See Hoe, TEHO's Executive Chairman and CEO said, "The Proposed Acquisition will allow TEHO to tap on the expertise of the ECG Group in the property market and achieve better operational synergies through the marketing of any current and future property development projects that TEHO will be embarking on.

The ECG Group has a very good track record in the market and we are confident that the Proposed Acquisition will enhance our service offerings and provide the Group with significant opportunities for growth as well as to gain a larger foothold in the market."

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The Proposed Acquisition also marks the Group's second partnership with Dato' Eric Cheng, a multiple award winning entrepreneur and CEO of the ECG Group of Companies, after the completion of the acquisition of TIEC Holdings Pte. Ltd. in May 2014. Dato' Eric Cheng is very well-versed and experienced in the property landscape of Singapore, as well as the marketing of properties in Japan, Malaysia, The Philippines, Australia, United Kingdom and the United States and tapping on his vast knowledge of the property landscape will enable TEHO to scale new heights in the property industry of Singapore and other overseas markets.

Mr. Lim See Hoe, Executive Chairman and CEO of TEHO, continued, "We have recently announced our FY2014 results, with a second consecutive year of record revenue. The Proposed Acquisition marks a bright start to FY2015 and we look forward to being able to share more exciting news with our shareholders in the coming year."

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This press release should be read in conjunction with TEHO's announcement with the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 25 September 2014, which can be downloaded via www.sgx.com.

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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 acquisition of TIEC Holdings provides the Group with an entry into the property development and diversifies the Group’s businesses. TIEC Holdings is a real estate developer specialising in residential properties and mixed development projects in Singapore, with plans to venture abroad into Cambodia, Japan, Malaysia, The Philippines, Australia, United Kingdom and the United States. TEHO Development was incorporated to partake in the business of real estate development and investment.

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

This press release has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (“Sponsor”), SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Company’s Sponsor has not independently verified the contents of this press release. This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made, or reports contained in this press release. The contact person for the Sponsor is Ms. Alicia Kwan, Tel: (65) 6221-5590, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

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