



METECH INTERNATIONAL LIMITED
(Company Registration No. 199206445M)
(Incorporated in the Republic of Singapore)

**PROPOSED REPLACEMENT OF BONDS ISSUED BY THE COMPANY WITH
BONDS ISSUED BY METECH RECYCLING (SINGAPORE) PTE. LTD.**

Unless otherwise defined, all capitalised terms and references used in this announcement shall have the same meanings ascribed to them in the Announcements dated 13 November 2018 and 10 January 2019 (the "Previous Announcements").

The Board of Directors (the "**Board**") of Metech International Limited (the "**Company**") refers to the Company's Previous Announcements regarding Bond Issue 2018 and would like to update shareholders on the completion of a bond replacement exercise ("**Bond Replacement Exercise**"). Under the Bond Replacement Exercise, the bonds of S\$2,000,000 in principal amount issued by the Company under the Bond Issue 2018 ("**MIL-Bonds**") have been redeemed in full. In its place, Metech Recycling (Singapore) Pte. Ltd. (a wholly-owned subsidiary of the Company) ("**MRS**") issued bonds ("**MRS-Bonds**") in the principal amount of S\$2,000,000.

Bond Replacement Exercise

Prior to the completion of the Bond Replacement Exercise, the following course of actions were carried out:

- (i) approval for the early redemption of the MIL-Bonds was obtained from holders of the MIL-Bonds ("**Bondholders**") holding not less than 90% of the principal amount of the MIL-Bonds ("**Approving Bondholders**");
- (ii) the MIL-Bonds (which had a final maturity date of 21 January 2021) will be fully redeemed on 8 November 2019 ("**Redemption Date**") and the contractual agreements relating to the MIL-Bonds including the Trust Deed (between the Company and Watiga Trust Pte Ltd ("**Trustee**")) ("**Trust Deed**") and the Deed of Security over Shares (between Weng Hua Yu @ Simon Eng and the Trustee) both dated 10 January 2019 have been terminated and/or discharged;
- (iii) the Approving Bondholders, the Company, MRS entered into an agreement on 7 November 2019 ("**Novation Agreement**") pursuant to which the Approving Bondholders (collectively, the "**MRS-Bond Subscribers**") subscribed for the MRS-Bonds;

Terms of the Novation Agreement

- (i) the subscription amount of the MRS-Bonds was S\$2,000,000 and the key commercial terms of the MRS-Bonds relating to the interest rate (i.e. 8% per annum), future interest payment dates (i.e. 10 January 2020 and every quarter after that until 10 January 2021), the first maturity date and the final maturity date (i.e. 10 January 2020 and 10 January 2021 respectively) are identical to the terms of the existing MIL-Bonds as disclosed in the Previous Announcements. MRS shall therefore, in accordance with the Novation Agreement, return the first 50% of the principal of the MRS-Bonds to the MRS-Bond Subscribers on 10 January 2020;
- (ii) the Company is released from all its obligations and warranties as Issuer under the Trust Deed and the MIL-Bonds and MRS has effectively taken over these obligations and warranties pursuant to the Novation Agreement. In return, the Company acts as a guarantor and will guarantee MRS' payment and other obligations on the terms and conditions as provided for in the Novation Agreement.

Rationale for the Bond Replacement Exercise

The Company is of the opinion that it would be feasible for the bonds to be issued by MRS, which is the ultimate user of the proceeds. After a recent restructuring, MRS is now solely responsible to continue the metal trading aspect of the Group's supply chain management business.

Use of Proceeds

The proceeds from the MRS-Bonds will remain unchanged and be dedicated to the supply chain management business.

Save for their shareholding interests in the Company, none of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the MRS-Bonds.

Documents for Inspection

A copy of the Novation Agreement will be made available for inspection during normal business hours at the registered office of the Company at 65 Tech Park Crescent, Singapore 637787 for a period of three (3) months from the date of this announcement.

The Company will continue to update shareholders on any material developments in relation to the above matters.

For and on behalf of the Board of Directors of
METECH INTERNATIONAL LIMITED

Simon Eng
Chief Executive Officer

8 November 2019

*The announcement had been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

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

The contact person for the Sponsor is Mr. Shervyn Essex, Registered Professional, RHT Capital Pte. Ltd., 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619. Telephone: 6381 6757.