



METECH INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 199206445M)

PROPOSED ENTRY INTO DEBT CAPITALISATION AGREEMENT

1. INTRODUCTION

The board of directors ("**Board**" or "**Directors**") of Metech International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refer to its announcements dated 25 March 2024 in relation to the entry into the S\$1.0 million interest-free loan agreement (the "**Loan Agreement**") with Mr. Cao Shixuan (the "**Lender**"), and the announcement dated 14 March 2025 in relation to, among others, the extension of the date of repayment for the partial loan amount of S\$496,000 (the "**Extended Loan**") to 24 June 2025 (the "**Extended Maturity Date**") (the "**Previous Announcements**").

Unless and otherwise defined herein, all capitalised terms shall have the meanings ascribed to them in the Previous Announcements.

Further the Previous Announcements, the Company wishes to inform shareholders of the Company ("**Shareholders**") that the Company had, on 30 June 2025, entered into a loan conversion agreement (the "**Debt Capitalisation Agreement**") with the Lender in relation to the partial repayment of the Extended Loan amounting to S\$296,000 (the "**Capitalised Loan**") through the allotment and issuance of new ordinary shares in the capital of the Company.

2. THE DEBT CAPITALISATION AGREEMENT

Pursuant to the Debt Capitalisation Agreement, the Company and the Lender have agreed to convert the Capitalised Loan, which was due on the Extended Maturity Date, into 13,454,545 new ordinary shares in the capital of the Company (the "**Conversion Shares**") at a conversion price of \$0.022 per Conversion Share (the "**Conversion Price**") (the "**Proposed Debt Capitalisation**"). The Conversion Shares will be allotted and issued in repayment of the Capitalised Loan.

In addition, the remaining portion of the Extended Loan amounting to S\$200,000, which is not part of the Proposed Debt Capitalisation, shall be repaid to the Lender in cash by the Company using its internal resources within seven (7) business days from the date of entry into the Debt Capitalisation Agreement.

There are no share borrowing arrangements entered into to facilitate the Proposed Debt Capitalisation.

No placement agent was appointed or is to be appointed in connection with the Proposed Debt Capitalisation and for the allotment and issuance of the Conversion Shares.

2.1 Information on Lender

As previously announced in the announcement dated 14 March 2025 and as at the date of this announcement, the Lender is currently employed as a manager of Zhongxin Minghua (Shanghai) International Trade Co., Ltd., a wholly-owned indirect subsidiary of the Company. The Lender is also currently a substantial Shareholder of the Company, holding a total direct and deemed interest of 27,196,900 shares in the capital of the Company (the "**Shares**"), representing 14.5% of the issued share capital of the Company. Please refer to paragraph 8 of this announcement for details of the Lender's shareholding prior to, and the resultant shareholding following, the completion of the Proposed Debt Capitalisation.

The Lender has more than 20 years of extensive experience in large-scale real estate projects, financial investment, crisis management, IT, mass media and the energy industry and had held notable senior positions in sizeable private and state-owned companies in Taiwan and China. The Lender's areas of expertise include strategic planning and implementation of sophisticated plans, as well as possessing a broad experience working with government bodies.

2.2 Salient terms of the Debt Capitalisation Agreement

(a) Conversion Price

The Capitalised Loan owing to the Lender will be converted at the Conversion Price of S\$0.022 per Conversion Share. The Conversion Price represents no discount or premium to the prevailing volume weighted average price of S\$0.022¹ per Share for trades done in respect of the Shares on the sponsor-supervised board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") ("Catalist") on 30 June 2025, being the full market day on which the Debt Capitalisation Agreement was signed.

The Conversion Price of S\$0.022 per Conversion Share was arrived at after taking into consideration, *inter alia*, the recent share price of the Company, the prevailing market conditions and financial performance of the Group, the rationale for the Proposed Debt Capitalisation as set out in paragraph 3 below, and following arm's length negotiations between the Company and the Lender.

(b) Conversion Shares

Subject to paragraph 2.2(c) below, the Conversion Shares shall, when allotted and issued, be authorised, allotted, validly issued and credited as fully paid-up, be free from claims, pledges, mortgages, charges, liens and encumbrances, and shall be fully transferable and shall rank *pari passu* in all respects with and carry all rights similar to the existing Shares including the right to receive dividends declared, made or paid, the books closure date of entitlement of which is on or after the date of issue of the Conversion Shares, and shall not be subject to any pre-emptive right, rights of first refusal or other rights in favour of any other party to purchase or receive the same.

The Company does not have any existing warrants or other convertibles. The proposed allotment and issuance of the Conversion Shares will result in a transfer of a controlling interest in the Company. Please refer to paragraph 4 of this announcement for more information regarding the transfer of a controlling interest.

(c) Conditions Precedent

The Proposed Debt Capitalisation is conditional upon the following conditions being fulfilled (or waived as the case may be) on or prior to the completion date:

- (i) the approval of the Board having been obtained in respect of the Proposed Debt Capitalisation, including but not limited to the allotment and issue of the Conversion Shares, and the same not having been withdrawn or revoked and if such consents or approvals are obtained subject to any conditions, such conditions being acceptable to the Company and the Lender;
- (ii) the receipt and non-withdrawal of the approval in-principle from the SGX-ST for the listing of and quotation for the Conversion Shares on the Catalist, which shall not be revoked or amended as at the date of completion of the Proposed Debt Capitalisation ("**Completion Date**") and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Lender;

¹ Source: London Stock Exchange Group Workspace (formerly known as Refinitiv Eikon)

- (iii) the Company having obtained all other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Debt Capitalisation and to give effect to the Proposed Debt Capitalisation being obtained and not having been withdrawn or revoked as at the Completion Date;
- (iv) the approval of the Shareholders being obtained at an extraordinary general meeting to be convened in respect of the Proposed Debt Capitalisation, including but not limited to (i) pursuant to Rule 812 of the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the allotment and issue of the Conversion Shares; and (ii) pursuant to Rule 803 of the Catalist Rules, the transfer of a controlling interest to the Lender which will take place upon the issue of the Conversion Shares to the Lender, and the same not having been withdrawn or revoked;
- (v) the allotment and issuance of the Conversion Shares by the Company to the Lender and the Proposed Debt Capitalisation not being prohibited by any statute, order, rule or regulation promulgated after the date of the Debt Capitalisation Agreement by any applicable legislative executive or regulatory body;
- (vi) there having been no occurrence of any event or discovery of any fact rendering any of the warranties set out in the Debt Capitalisation Agreement untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date; and
- (vii) the Company and the Lender not being in breach of any of the undertakings and the covenants in the Debt Capitalisation Agreement as at the Completion Date,

(each, a “**Condition Precedent**” and collectively, the “**Conditions Precedent**”).

(d) Completion

The completion of the Proposed Debt Capitalisation will occur on the date falling seven (7) business days after all of the Conditions Precedent have been satisfied and/or waived, or such other date as may be mutually agreed between the Company and the Lender (the “**Completion**”).

If any of the Conditions Precedent is not satisfied within six (6) months from the date of the Debt Capitalisation Agreement, the Debt Capitalisation Agreement shall lapse and cease to have effect as between the Company and the Lender. Accordingly, the Company and the Lender shall negotiate on the repayment of the Capitalised Loan.

(e) Repayment of the Capitalised Loan

Upon Completion of the Proposed Debt Capitalisation, the Capitalised Loan shall be deemed to be fully repaid, and the Company shall have no outstanding liabilities and no further obligation to repay the Capitalised Loan.

3. RATIONALE FOR THE PROPOSED DEBT CAPITALISATION

Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2024 (“FY2024”), the Group recorded a loss after tax amounting approximately to S\$2.6 million, net cash used in operating activities of approximately S\$0.25 million, negative working capital of S\$2.04 million and net liabilities of approximately S\$1.68 million.

In view of the financial performance of the Group for FY2024, and the uncertainties brought about by the global economic situation, along with geopolitical tensions, which may have an adverse impact on the Group's operations and performance, the Board has decided to undertake the Proposed Debt Capitalisation to strengthen its capital base by converting the Capitalised Loan into the equity of the Company. The Proposed Debt Capitalisation would be in the best interest of the Group and will enable the Group to (i) improve its working capital and the overall financial position of the Group; (ii) reduce its indebtedness, loss per share and net liabilities position; (iii) eliminate the need for any cash repayment for the Capitalised Loan in view of the current financial and cash position of the Group; and (iv) allow the Group to focus its resources on stabilising its business activities.

The Board is of the opinion that the successful completion of the Proposed Debt Capitalisation would allow the Group to apply more of its cash flow towards its ongoing and diversified business operations instead of being committed towards debt servicing and repayment. The Proposed Debt Capitalisation is also a show of confidence by the Lender in the viability and anticipated performance of the Group.

4. SHAREHOLDERS' APPROVAL REQUIRED FOR THE PROPOSED DEBT CAPITALISATION

Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without prior approval by shareholders in a general meeting. Under the Catalist Rules, a controlling shareholder is defined as a person who (a) holds directly or indirectly 15.0% or more of the total number of issued shares (excluding treasury shares) in the company, or (b) in fact exercises control over the company.

As at the date of this announcement, the Lender's total interest represents approximately 14.5% of the issued share capital of the Company. Upon Completion of the Proposed Debt Capitalisation and the allotment and issuance of the 13,454,545 Conversion Shares, the Lender will be interested in an aggregate of 40,651,445 Shares (comprising his direct and deemed interests), representing approximately 20.22% of the enlarged issued and paid-up share capital of the Company.

The Proposed Debt Capitalisation will therefore result in the Lender holding more than 15.0% of the Company's enlarged share capital upon Completion, thereby causing a transfer in a controlling interest (the “**Transfer of Controlling Interest**”). Accordingly, the Company is seeking the approval of Shareholders for the Transfer of Controlling Interest in accordance with Rule 803 of the Catalist Rules.

In addition, Rule 812 of the Catalist Rules provides that, among others, an issue of shares must not be placed to the issuer's substantial shareholders unless specific Shareholders' approval has been obtained.

Pursuant to Rule 812(2) of the Catalist Rules, the Lender and his associates shall abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolutions to approve the Proposed Debt Capitalisation and the issue and allotment of the Conversion Shares.

5. ADDITIONAL LISTING APPLICATION

The Company will be making an application through its sponsor to the SGX-ST for the listing of, and quotation for, the Conversion Shares on the Catalist. The Company will make the necessary announcements in due course when the listing and quotation notice has been obtained from the SGX-ST.

6. FINANCIAL EFFECTS OF THE PROPOSED DEBT CONVERSION

The financial effects of the Proposed Debt Capitalisation on the Group set out below are purely for illustrative purposes only, and are not intended to reflect the future financial performance or position of the Group immediately after the Completion of the Proposed Debt Capitalisation.

The financial effects of the Proposed Debt Capitalisation set out below have been prepared based on the Group's audited financial results for FY2024, being the most recently completed financial year of the Group, on the following bases and assumptions:

- (a) the financial effects of the Proposed Debt Capitalisation on the net tangible liability ("**NTL**") per Share is computed based on the assumption that the Proposed Debt Capitalisation was completed on 31 December 2024;
- (b) the financial effects on the Proposed Debt Capitalisation on the loss per Share ("**LPS**") is computed based on the assumption that the Proposed Debt Capitalisation was completed on 1 January 2024; and
- (c) the expenses in connection with the Proposed Debt Capitalisation have been disregarded.

Share Capital

	Number of Shares	S\$'000
Issued share capital as at the date of this announcement	187,555,655	190,214
Add: Conversion Shares to be allotted and issued	13,454,545	296
Enlarged share capital after Completion of the Proposed Debt Conversion	201,010,200	190,510

NTL

	Before the Proposed Debt Capitalisation (S\$'000)	After the Proposed Debt Capitalisation (S\$'000)
NTL	(1,681)	(1,385)
Number of Shares ⁽¹⁾	169,555,655	183,010,200
NTL per Share (cents)	(0.99)	(0.76)
Number of Shares ⁽²⁾	187,555,655	201,010,200
NTL per Share (cents)	(0.90)	(0.69)

LPS

	Before the Proposed Debt Capitalisation (S\$'000)	After the Proposed Debt Capitalisation (S\$)
Loss attributable to Shareholders	(2,476)	(2,476)
Weighted average number of Shares ('000) ⁽¹⁾	162,474	178,506
Loss per Share (cents)	(0.015)	(0.014)
Weighted average number of Shares ('000) ⁽²⁾	187,556	201,010
Loss per Share (cents)	(0.013)	(0.012)

Notes:

- (1) Based on the total outstanding issued Shares as at 31 December 2024.
- (2) The Company had, on 2 April 2025, issued and allotted 18,000,000 Shares pursuant to a debt capitalisation agreement for the partial loan amount of S\$504,000. Accordingly, the number of Shares has increased from 169,555,655 Shares as at 31 December 2024 to 187,555,655 Shares as at 2 April 2025 and as at the date of this announcement. Purely for illustrative purposes, the NTA per Share and LPS have been computed taking into account the abovementioned issuance and allotment.

7. CONFIRMATION BY DIRECTORS

The Proposed Debt Capitalisation will not result in any new cash proceeds for the Company. The Directors are of the opinion that after taking into consideration (i) the second S\$3.0 million interest-free loan extended by the Lender, of which approximately S\$1.81 million remains available as at the date of this announcement for disbursement at the request of the Company; (ii) the operations of the new health supplements business of the Group and the future plans of the Company; and (iii) the implementation of the Proposed Debt Capitalisation, the working capital available to the Group is sufficient to meet its present requirements.

8. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The shareholding interests of the Directors and substantial Shareholders of the Company, as a percentage of the share capital of the Company as at the date of this announcement, and as a percentage of the enlarged share capital of the Company after (and assuming) the Completion of the Proposed Debt Capitalisation are set out in the following table:

Name	Before the Proposed Debt Capitalisation		Details of the Proposed Debt Capitalisation			After the Proposed Debt Capitalisation	
	Total number of Shares held	Shareholding percentage ⁽¹⁾	Number of Conversion Shares to be issued on repayment	Number of Conversion Shares as a percentage of the existing share capital of the Company ⁽¹⁾	Number of Conversion Shares as a percentage of the enlarged share capital of the Company ⁽²⁾	Total number of Shares held	Total number of Shares held as a percentage of the enlarged share capital of the Company ⁽²⁾
Directors							
Pang Wei Hao	-	-	-	-	-	-	-
Er Kwong Wah	-	-	-	-	-	-	-
Lucy Yow Su Chin	-	-	-	-	-	-	-
Ng Ooi Hooi	-	-	-	-	-	-	-
Substantial Shareholders							
The Lender	27,196,900 ⁽³⁾	14.50%	13,454,545	7.17%	6.69%	40,651,445	20.22%
Simon Eng	19,859,146 ⁽⁴⁾	10.59%	-	-	-	19,859,146	9.88%
Hock Wai Leong	18,000,000	9.60%	-	-	-	18,000,000	8.95%
Ng Eng Tiong	16,150,000	8.61%	-	-	-	16,150,000	8.03%
Ang Poh Guan	11,910,000	6.35%	-	-	-	11,910,000	5.93%
Ng Cheng Huat	10,935,400 ⁽⁵⁾	5.83%	-	-	-	10,935,400	5.44%

Notes:

- (1) Based on the issued share capital of the Company comprising 187,555,655 Shares as at the date of this announcement and prior to the Proposed Debt Capitalisation.
- (2) Based on the enlarged share capital of the Company of 201,010,200 Shares after the issue and allotment of the 13,454,545 Conversion Shares pursuant to the Proposed Debt Capitalisation.
- (3) As at the date of this announcement, the Lender is presently interested in a total of 27,196,900 Shares, comprising his direct interest in 18,000,000 Shares and deemed interest in the 9,196,900 Shares held by Union Fubon (SG) Pte Ltd, of which the Lender is the sole shareholder and director.
- (4) Mr. Simon Eng has 3,625,769 Shares held under his nominee account with DBS Bank Ltd and 1,832,300 Shares registered under his Supplementary Retirement Scheme accounts. Mr. Simon Eng is also deemed interested in (i) the 4,475,700 shares held by his spouse, Ms. Hau Chan Yan and (ii) the 5,000,000 Shares held by Fort Canning (Asia) Pte Ltd ("**FCA**") by virtue of his 100% shareholdings in FCA.
- (5) Mr. Ng Cheng Huat has 10,935,400 Shares held under his nominee account with DBS Bank Ltd.

Save as disclosed in this announcement, none of the Directors or their associates, or substantial Shareholders of the Company or their associates, has any interest, direct or indirect, in the Proposed Debt Capitalisation other than through their respective directorships and/or shareholdings (if any) (as the case may be) in the Company.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Debt Capitalisation, the Company and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. EXTRAORDINARY GENERAL MEETING AND CIRCULAR TO SHAREHOLDERS

The Directors are proposing to convene an extraordinary general meeting ("**EGM**") to consider and if thought fit, to approve the Proposed Debt Capitalisation (including the Transfer of Controlling Interest to the Lender). A circular containing, *inter alia*, further information regarding the aforementioned proposed transaction, together with the notice of EGM, will be sent to Shareholders in due course.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Debt Capitalisation Agreement is available for inspection at the registered office of the Company at 2 Venture Drive, #08-10 Vision Exchange Singapore 608526 during normal business hours for a period of three (3) months from the date of this announcement.

12. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares in the Company. The Proposed Debt Capitalisation is subject to certain conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Debt Capitalisation will be completed or that no changes will be made to the terms thereof.

The Company will make the necessary announcements as and when there are further developments. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt as to the actions they should take.

Shareholders and potential investors should note that the Proposed Debt Conversion is subject to the fulfilment of, *inter alia*, the conditions set out above, including the obtaining of the relevant regulatory approvals, and accordingly should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax, or other professional advisers. Further announcements will be made by the Company as and when appropriate.

By Order of the Board of Directors of
Metech International Limited

Pang Wei Hao
Executive Director and Chief Executive Officer

30 June 2025

*This announcement has been reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange 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. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.