



METECH INTERNATIONAL LIMITED

(Company Registration No. 199206445M)

PROPOSED PLACEMENT OF 18,000,000 NEW ORDINARY SHARES (THE "PLACEMENT SHARES") IN THE CAPITAL OF METECH INTERNATIONAL LIMITED (THE "PLACEMENT")

1. INTRODUCTION

- 1.1 The board of directors (the "**Board**" or the "**Directors**") of Metech International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had, on 9 May 2024, entered into a subscription agreement (the "**Subscription Agreement**") with a subscriber (the "**Subscriber**"), details of which are set out in paragraphs 1.4 and 4.1.
- 1.2 Subject to and upon the terms of the Subscription Agreement, the Subscriber has agreed to subscribe and pay for, and the Company will allot and issue to the Subscriber, an aggregate of 18,000,000 Placement Shares at the price of S\$0.034 for each Placement Share (the "**Placement Price**"), amounting to an aggregate Placement consideration of S\$612,000.
- 1.3 The Placement will be undertaken pursuant to the private placement exemption under Section 272B of the Securities and Futures Act 2001 of Singapore ("**SFA**"). As such, no offer information statement, prospectus or other information statement will be issued by the Company and lodged with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") acting as agent on behalf of the Monetary Authority of Singapore ("**MAS**") in connection with the allotment and issue of the Placement Shares. No placement agent has been appointed in respect of the Placement.
- 1.4 The details of the allotment to the Subscriber is set out below.

Name of Subscriber	Number of Placement Shares to be issued	As a percentage of the Company's issued share capital as at the date of this announcement (%)⁽¹⁾	As a percentage of the Company's issued share capital after the Placement (%)⁽²⁾
Mr. Hock Wai Loong	18,000,000	11.88	10.62

Notes:

- (1) Based on the existing and paid-up capital of 151,555,655 ordinary shares in the capital of the Company as at the date of this announcement.
- (2) Based on the enlarged share capital of 169,555,655 ordinary shares in the capital of the Company immediately following the allotment and issuance of 18,000,000 Placement Shares.
- 1.5 The Placement Shares shall be issued as fully paid and free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank *pari passu* in all respects with the existing issued ordinary shares in the capital of the Company ("**Shares**") at the time of the issue, except that, the Placement Shares will not rank for any dividends, rights, allotments or other

distributions, the record date for which falls on or before the date of issue of the Placement Shares.

- 1.6 The Company will be making an application through its sponsor to the SGX-ST for the listing of, and quotation for, the Placement Shares on the Catalist Board of the SGX-ST ("**Catalist**"). The Company will make the necessary announcement in due course when the listing and quotation notice has been obtained from the SGX-ST.
- 1.7 The Placement Shares will not be issued to transfer a controlling interest in the Company and none of the Placement Shares will be placed to any of the persons set out as restricted persons under Rule 812 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

2. AUTHORITY TO ISSUE SHARES

- 2.1 The Placement Shares will be allotted and issued pursuant to the general mandate obtained from shareholders of the Company (the "**Shareholders**") at the extraordinary general meeting of the Company held on 14 March 2024 (the "**General Mandate**").
- 2.2 Pursuant to the General Mandate, the Directors are authorised to, among other things, allot and issue new Shares not exceeding 100% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) as at 14 March 2024, after adjusting for (a) new Shares arising from the conversion or exercise of any offers, agreements or options that might or would require Shares to be allotted and issued or any convertible securities which are issued and outstanding and/or subsisting at the time of the passing of the resolution; (b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding and/or subsisting at the time of the passing of the resolution, provided that such share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and (c) any subsequent bonus issue, consolidation or subdivision of Shares (the "**Base Figure**"), of which the aggregate number of Shares to be issued other than on a pro-rata basis to Shareholders shall not exceed 50% of the Base Figure.
- 2.3 As at 14 March 2024, the Company had 151,555,655 Shares in issue. Accordingly, the total number of Shares that may be issued pursuant to the General Mandate other than on a pro rata basis is 75,777,827 Shares. No Shares have been issued under the General Mandate to date and no adjustments as set out in paragraph 2.2 above are required to be made. The proposed allotment and issuance of 18,000,000 Placement Shares will fall within the maximum number of 75,777,827 Shares that may be issued pursuant to the General Mandate other than on a pro-rata basis, and as such, the prior approval of Shareholders is not required for the allotment and issue of the Placement Shares under the Placement.

3. PRINCIPAL TERMS OF THE PLACEMENT

3.1 Placement Price

The Placement Price of S\$0.034 for each Placement Share represents a premium of approximately 7.94% to the prevailing volume weighted average price of S\$0.0315 per Share for trades done on the Catalist on 9 May 2024, being the full market day on which the Subscription Agreement was signed.

3.2 **Completion**

Completion of the Placement ("**Completion**") under the Subscription Agreement shall take place on the date falling three (3) market days after all the conditions precedent (other than any condition which is to be satisfied at Completion) have been satisfied or waived (as the case may be), or such other date as the Company and the Subscriber may mutually agree (the "**Completion Date**").

If the conditions precedent described in paragraph 3.3 below are not waived or satisfied on the date falling on or before one (1) month from the date of the Subscription Agreement, or such other date as the Company and the Subscriber may mutually agree in writing, the Subscription Agreement shall terminate and be of no further effect (save for certain surviving clauses) and no party to the Subscription Agreement shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise, save for any rights, claims or remedies available or already accrued to either party prior to such termination.

3.3 **Conditions Precedent to Completion**

Pursuant to the terms of the Subscription Agreement, Completion is conditional upon, among other things:

- (a) in-principle approval from the SGX-ST for the listing and quotation of the Placement Shares on the Catalist not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the Catalist are required to be fulfilled on or before the Completion Date, they are so fulfilled to the satisfaction of the SGX-ST or waived by the SGX-ST;
- (b) the trading of the issued Shares on the Catalist not being suspended by the SGX-ST (other than a trading halt on a temporary basis requested by the Company) and the issued Shares not having been delisted from the Catalist;
- (c) the exemption under Section 272B of the SFA being applicable to the Placement under the Subscription Agreement;
- (d) the General Mandate subsisting and being in effect; and
- (e) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to the Company or the Subscriber.

The Subscriber may, and upon such terms as he thinks fit, waive compliance with the conditions set out in paragraphs 3.3(a) and (b) above and such condition so waived shall be deemed to have been satisfied.

4. **FURTHER INFORMATION ON THE SUBSCRIBER**

- 4.1 The Subscriber is an individual who approached the Company as a private investor and expressed interest in investing in the Company for his personal investment purposes. The Subscriber is not an investment company or fund, nor will the Subscriber hold the Placement Shares in trust, on behalf of or as a nominee of any person. The rationale for placing to the

Subscriber is for fundraising purposes as set out in paragraph 5 below. The name and the background of the Subscriber is set out in the table below.

Shareholders should note that the particulars of the Subscriber was provided by the Subscriber, and the Company and the Directors have not independently verified the accuracy or completeness of such information.

Name of Subscriber	Background of Subscriber
Mr. Hock Wai Loong (" Mr. Hock ")	Mr. Hock is a Defence Executive Officer in the Singapore Armed Forces. His designation is Formation Safety Officer of the Artillery formation. He has served in the current appointment for 2.5 years. Previously, he was an Army Officer for almost 25 years and had served in the Army with distinction.

The Subscriber has confirmed that (a) he has no connection (including business relationships) with the Company, its Directors and substantial Shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided under Rule 812 of the Catalist Rules; and (b) the Subscriber is not subscribing for the Placement Shares as an agent for or otherwise on behalf of any other person or entity and is subscribing for the Placement Shares solely for his own beneficial account and not with a view to another person acquiring an interest (as defined in Section 4(1) of the SFA) in the Placement Shares.

- 4.2 As at the date of this announcement, the Subscriber does not hold, directly or indirectly, any shares in the capital of the Company and is not related to any of the Directors or substantial Shareholders and their respective associates.

5. RATIONALE AND USE OF PROCEEDS

- 5.1 The Company is proposing to undertake the Placement for general working capital purposes. The Directors are of the opinion that the Placement is beneficial for the Group as this will improve its cash flow to support the working capital requirements of the Group, and strengthen the Company's financial position.
- 5.2 Based on the Placement Price, the estimated amount of proceeds from the allotment and issue of the Placement Shares, net of the estimated expenses of approximately S\$36,200 is approximately S\$575,800 (the "**Net Proceeds**").
- 5.3 The Company intends to utilise all the Net Proceeds for general working capital purposes.
- 5.4 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed, including whether the use was in accordance with the stated use and in accordance with the percentage allocated as announced and will provide a status report on the utilisation of such Net Proceeds in its annual report(s) and interim and full-year financial statements issued under Catalist Rule 705. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcements, interim and full-

year financial statements and annual report(s). Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

- 5.5 Pending the deployment of the Net Proceeds, such Net Proceeds may be placed as deposits with banks and/or financial institutions or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit from time to time.

6. CONFIRMATION BY THE DIRECTORS

The Directors are of the opinion that, as at the date of this announcement:

- (a) after taking into consideration the interest free loan from an employee available to the Group, the Group has sufficient working capital to meet its present requirements. Notwithstanding the above, the purpose of the Placement is to raise funds for general working capital to strengthen the Company's financial position, as disclosed in paragraph 5.1 of this announcement; and
- (b) after taking into consideration the interest free loan from an employee available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

The Group does not have any bank facilities.

7. PRO FORMA FINANCIAL EFFECTS OF THE PLACEMENT

- 7.1 The pro forma financial effects of the Placement on the Company's share capital and the Group's net tangible assets ("**NTA**") per Share and loss per Share ("**LPS**") as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following the completion of the Placement.

- 7.2 The pro forma financial effects of the Placement set out below were prepared based on the unaudited consolidated financial statements of the Group for the 18-months financial period ended 31 December 2023.

- 7.3 For the purpose of illustrating the financial effects of the Placement, the Company has assumed, *inter alia*, the following:

- (a) the effect on the share capital and NTA per Share of the Group is computed based on the assumption that the Placement was completed on 31 December 2023;
- (b) the effect on the LPS of the Group is computed based on the assumption that the Placement was completed on 1 July 2022; and
- (c) the expenses incurred in connection with the Placement amount to approximately S\$36,200.

7.4 Share Capital

The effect of the Placement on the share capital of the Group is as follows:

	Before the Placement	After the Placement
Issued Share Capital (S\$'000)	189,134	189,746
Number of Shares (excluding treasury shares and subsidiary holdings)	151,555,655	169,555,655

7.5 NTA per Share

The effect of the Placement on the NTA per Share of the Group is as follows:

	Before the Placement	After the Placement
NTA ⁽¹⁾ attributable to owners of the Company (S\$'000)	2,950	3,526
Number of Shares	151,555,655	169,555,655
NTA per Share (Singapore cents)	1.95	2.08

Note:

(1) NTA means total assets less the sum of total liabilities and intangible assets.

7.6 LPS

The effect of the Placement on the LPS of the Group is as follows:

	Before the Placement	After the Placement
Loss after income tax (S\$'000)	(6,832)	(6,832)
Number of Shares	151,555,655	169,555,655
LPS (Singapore cents)	(4.51)	(4.03)

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or (insofar as the Directors are aware), the substantial Shareholders or their respective associates, has any interest, direct or indirect, in the Placement (other than through (where applicable) their respective shareholdings or directorships 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 Placement 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. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement will be available for inspection at the Company's registered office at 2 Venture Drive #08-10 Vision Exchange, Singapore 608526 during normal business hours for a period of three months from the date of this announcement.

11. FURTHER ANNOUNCEMENTS

The Company will make further announcements to provide updates to Shareholders as and when appropriate.

12. CAUTIONARY STATEMENT

Completion is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Placement will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Wang Zhuo
Executive Director and CEO

10 May 2024

NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001

The Placement Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the MAS's Notice on the Sale of Investment Products (Notice No.: SFA 04-N12) and the MAS's Notice on Recommendations on Investment Products (Notice No.: FAA-N16).

*This announcement has been prepared by the Company and has been reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

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. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.