



## METECH INTERNATIONAL LIMITED

(Company Registration No. 199206445M)

(Incorporated in the Republic of Singapore)

---

### ENTRY INTO A SALE AND PURCHASE AGREEMENT RELATING TO THE DISPOSAL OF SHARES IN SUBSIDIARY

---

#### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of Metech International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Metech Recycling (Singapore) Pte. Ltd. (the “**Seller**”), a wholly-owned subsidiary of the Company, has on 23 May 2022 entered into a sale and purchase agreement (the “**SPA**”) with Greenspace Enviro Pte. Ltd. (the “**Buyer**”), in relation to the proposed disposal of 60% equity interest in Blufu Water (Xinmin) Co., Ltd. (“**BWCL**”) by the Seller to the Buyer (the “**Proposed Disposal**”) for an aggregate consideration of SGD\$618,000 (the “**Sale Consideration**”).

#### 2. INFORMATION ON THE BUYER AND BWCL

As at the date of this announcement, the Buyer is a private company limited by shares and incorporated in Singapore on 9 December 2019, with its issued and paid-up capital of S\$100,000, consisting of 100,000 ordinary shares. The sole shareholder of the Buyer is Mr Wang Daming (“**Mr Wang**”) and the director of the Seller is Mr Sim Chek Tong (“**Mr Sim**”). To the best knowledge of the Board, the Buyer, BWCL, Mr Wang and Mr Sim do not hold any shares in the share capital of the Company and are independent third parties unrelated to any of the directors or controlling shareholders of the Company and their respective associates. The Seller had purchased its 60% equity interest in BWCL from the Buyer on 21 September 2021 for an aggregate consideration of SGD\$516,440.

BWCL is a private company limited by shares incorporated on 8 September 2020 in the People's Republic of China and located in Liaoning Province. As of the date of this announcement, the Buyer is the legal and beneficial owner of the 40% of the equity interests of BWCL, and BWCL has a registered capital of SGD\$100,000 and a paid-up registered capital of SGD\$100,000.

BWCL is principally involved in managing wastewater treatment plants owned by government. The projects undertaken by BWCL are, including but not limited to, sewage treatment, water pollution control, resource recycling service technology, environmental protection consultancy and technological developments.

#### 3. RATIONALE FOR THE PROPOSED DISPOSAL

As the Company does not have plans to devote more resources to expand the wastewater treatment business, the Proposed Disposal will enable the Company to realise its investment and utilise the sale proceeds received from the Proposed Disposal to focus on its lab-grown diamond business. There is no gain or loss on the Proposed Disposal.

#### 4. USE OF PROCEEDS

The Company expects to utilise the proceeds of the Proposed Disposal for general working capital requirements and business development of the Group.

#### 5. TERMS OF THE PROPOSED DISPOSAL

##### 5.1 Consideration

The Sale Consideration was negotiated and agreed between the Buyer and the Seller on an arm's length, willing buyer, willing seller basis, taking into account the net asset value of BWCL and the consideration paid by the Seller for the acquisition of BWCL, without introducer fee and shall be paid by the Buyer in cash in the following manner:

- (a) 50% of the Sale Consideration by way of a cashier's order in favour of the Seller upon signing of the SPA; and
- (b) the remaining 50% of the Sale Consideration within 15 days after signing of the SPA to the bank account of the Seller.

##### 5.2 Completion and Conditions Precedent

Completion of the SPA will take place on the date of written notification by the Seller to the Buyer of the fulfilment of the Seller of the conditions set out in the SPA, or such other time or date as the Parties may agree in writing.

Completion is conditional upon the following:

- (a) the Seller (and/or the Company) obtaining all necessary approvals, waivers or consents as may be required for the transactions contemplated under the SPA (including the SGX-ST's (if required), board and shareholders' approval (if required)). Where the SGX-ST's approval is required, and such approval is subject to conditions, such conditions being reasonably acceptable to the parties and if required by the SGX-ST, such conditions being fulfilled or satisfied on or before completion, and such approval remaining in full force and effect. If such condition set out in this Clause (a) is not satisfied, the Agreement shall automatically terminate with immediate effect; and
- (b) neither the Seller nor the Buyer having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the SPA and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened.

#### 6. RELATIVE FIGURES ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

Based on the Group's latest announced unaudited condensed interim financial statements for the six months ended 31 December 2021 ("1H2022"), the relative figures for the Proposed Disposal on the bases set out in Rule 1006 of the Catalist Rules are as follows:

<u>Listing Rules / Bases</u>	<b>Proposed Disposal (\$)</b>	<b>Group (\$)</b>	<b>Relative Figure (%)</b>
Rule 1006(a):	139,000 <sup>(1)</sup>	11,040,000	1.26

Net asset value of the assets to be disposed of, compared with the net asset value of the Group			
<u>Rule 1006(b):</u> Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	77,000 <sup>(2)</sup>	(972,000)	(7.92)
<u>Rule 1006(c):</u> Aggregate value of the consideration given or received, compared with the issuer's market capitalization based on the total number of issued shares excluding treasury shares	618,000	31,826,688 <sup>(3)</sup>	1.94
<u>Rule 1006(d):</u> Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable as no equity securities will be issued by the Company in connection with the Proposed Disposal.		
<u>Rule 1006(e):</u> The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable to the Proposed Disposal as it is not a disposal of mineral, oil or gas assets by a mineral, oil or gas company.		

**Notes:**

- (1) The net asset value attributable to the assets to be disposed of under the Proposed Disposal is calculated based on the Company's 60% indirect equity interest in BWCL, amounting to S\$232,000.
- (2) The net profits attributable to the assets to be disposed of under the Proposed Disposal is calculated based on the Company's 60% indirect equity interest in BWCL, amounting to S\$128,000.
- (3) The market capitalization of the Company was determined by multiplying the number of shares in issue of the Company of 151,555,655 by the volume weighted average price of such shares transacted on 23 May 2022 (being the market day preceding the date of the SPA) of SGD\$0.21 per share.

Under Rule 1007(1) of the Catalist Rules, if any of the relative figures computed pursuant to Rule 1006 involves a negative number, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A. As the relative figures computed under Rule 1006(b) exceeds 5% but does not exceed 75%, the Proposed Disposal constitutes a "disclosable transaction" within the meaning of Chapter 10 of the Catalist Rules pursuant to paragraph 4.4(b) of Practice Note 10A.

## 7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

Based on the Group's latest announced unaudited condensed interim financial statements for 1H2022, the pro forma financial effects of the Proposed Disposal are as follows:

### Effect of the Proposed Disposal on the net tangible assets ("NTA") per share of the Company

For illustrative purposes only, had the Proposed Disposal been completed on 31 December 2021 and based on the estimated consolidated financial statements of the Group for the six months ended 31 December 2021, the Proposed Disposal would have had the following impact on the NTA per Share of the Company:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
NTA attributable to equity holder of the Company (S\$'000)	11,040,000	11,519,000
Number of Shares	151,555,655	151,555,655
NTA per Share (S\$ cents)	7.28	7.60

### Effect of the Proposed Disposal on the earnings per share ("EPS") of the Company

For illustrative purposes only, had the Proposed Disposal been completed on 1 July 2021 and based on the estimated consolidated financial statements of the Group for the six months ended 31 December 2021, the Proposed Disposal would have had the following impact on the NTA per Share of the Company:

	<b>Before the Proposed Disposal</b>	<b>After the Proposed Disposal</b>
Net loss attributable to equity holders of the Company (S\$'000)	(972,000)	(1,049,000)
Weighted average number of Shares	116,883,247	116,883,247
LPS (S\$ cents)	(0.83)	(0.90)

Note:

- (a) As BWCL was acquired on 21 September 2021, the ownership of the 60% equity interests of BWCL was not accounted for in the financial statements for FY2021. As such, the financial impact of the Proposed Disposal above is prepared for the six months ended 31 December 2021.

## 8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the directors, and substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company, if any.

## 9. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be available for inspection during normal business hours at the Company's registered office at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523 for a period of three (3) months commencing from the date of this announcement.

Shareholders who wish to inspect the Documents may email [shareholder@metechinternational.com](mailto:shareholder@metechinternational.com) to make an appointment in advance so as to limit the number of people who are present at the registered office at any one time. Such arrangements are subject to prevailing regulations, orders, advisories and guidelines in relation to safe distancing measures implemented by the relevant authorities from time to time.

### Cautionary Statement

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made 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 of Directors of  
**Metech International Limited**

Samantha Hua Lei  
Executive Director and CEO

23 May 2022

---

*This announcement has 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 Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST").*

*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 Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd. at 6 Raffles Quay, #24-02, Singapore 048580, [sponsor@rhtgoc.com](mailto:sponsor@rhtgoc.com).*