

METAL COMPONENT ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 198804700N)

**PROPOSED SALE OF MCE INDUSTRIES (SHANGHAI) CO., LTD
– RECEIPT OF DEPOSIT PAYMENT OF THIRD TRANCHE PAYMENT**

1. INTRODUCTION

1.1 The board of directors (“**Board**”) of Metal Component Engineering Limited (the “**Company**”) refers to the following announcements of the Company:

(a) dated 29 January 2020 (“**January 2020 Announcement**”), in relation to the signing of a conditional sale and purchase agreement in respect of the proposed sale of 100% equity interest in 美特尔金属工业（上海）有限公司 (MCE Industries (Shanghai) Co., Ltd) (“**MCE Industries**”) held by the Company to Hong Sheng Holding (Singapore) Pte. Ltd (the “**Buyer**”) (“**Proposed Sale**”);

(b) dated 10 March 2020, in relation to the updates on payment of consideration for the Proposed Sale (the “**Deferred Payment Arrangement**”);

(c) dated 13 March 2020, in relation to the receipt of first tranche payment under the Deferred Payment Arrangement;

(d) dated 22 January 2021 (“**January 2021 Announcement**”) in respect of further updates on the Deferred Payment Arrangement; and

(e) dated 1 February 2021, in relation to the receipt of deposit payment for second tranche payment under the Deferred Payment Arrangement.

1.2 Unless otherwise defined, all capitalised terms used herein shall have the same meaning as ascribed to them in the Announcement.

2. RECEIPT OF DEPOSIT PAYMENT OF THIRD TRANCHE PAYMENT

2.1 The Board wishes to announce that MCE Technologies (being the Company’s wholly-owned subsidiary in Suzhou, China) had received the net deposit payment of the Third Tranche of RMB 8.46 million (equivalent of S\$1.73 million based on the prevailing exchange rate of S\$1 : RMB 4.88, at the date of receipt) (“**Net Deposit**”). The Net Deposit comprised the Third Tranche payment of RMB 13.5 million, less (i) equity income taxes withheld of RMB 3.75 million to be payable by the Company, (ii) an amount of RMB 0.8 million required to top up the MCE Industries’ bank deposit to RMB 6.6 million, as stipulated in section 4.1.5 of the January 2020 Announcement, and (iii) expenses of RMB 0.5 million as stipulated in section 4.2.2(a) of the January 2020 Announcement.

2.2 The Company will make the necessary announcement as and when the Buyer pay the Company the entire Second Tranche and Third Tranche within a reasonable time after the Covid-19 pandemic has stabilized (there being no travel bans to Chinese nationals/residents entering Hong Kong and/or Singapore), and not later than 30 September 2021, in accordance with the January 2021 Announcement.

3. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Proposed Sale is subject to the fulfilment of the conditions precedent set out in the Revised Payment Agreement, and the conditional sale and purchase agreement dated 28 January 2020, and there is no certainty or assurance that the Proposed Sale will be completed. The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are further developments in respect of the Proposed Sale. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should exercise caution when trading in the shares of the Company. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary
15 April 2021

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**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 Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.