

METAL COMPONENT ENGINEERING LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 198804700N)

PROPOSED SALE OF MCE INDUSTRIES (SHANGHAI) CO., LTD – UPDATES ON PAYMENT OF CONSIDERATION

1. INTRODUCTION

- 1.1 The board of directors (“**Board**” or “**Directors**”) of Metal Component Engineering Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 28 January 2020 (“**Announcement**”) on 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**”).
- 1.2 Unless otherwise defined, all capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Announcement.

2. UPDATES ON THE PAYMENT OF CONSIDERATION

- 2.1 Pursuant to the Agreement and as set out in paragraph 4.1.2 of the Announcement, the Consideration shall be payable in three tranches, with the First Tranche and Second Tranche payable within 30 days and 60 days after the signing of the Agreement, respectively. Please refer to the Announcement for further details.
- 2.2 The Board wishes to highlight that the Company had received a written notification from the Buyer that due to Covid-19 affecting travels from China to Hong Kong and Singapore, the Buyer is not able to make the payments within the original timeframe provided in the Agreement, and has requested for deferment of the payment dates for the First Tranche and Second Tranche (“**Deferred Payments**”) as follows:
- (a) Before 20 March 2020, the Buyer shall pay the First Tranche (being the amount of RMB25.0 million, equivalent to approximately S\$4.90 million) to the Company.
 - (b) Within 30 days from the lifting of the 14-day quarantine and travel bans to Chinese nationals/residents from entering Hong Kong and Singapore due to Covid-19, the Buyer shall pay the Second Tranche (being the amount of RMB37.0 million, equivalent to approximately S\$7.25 million) to the Company.
- 2.3 Having considered the current difficult and unprecedented circumstances caused by Covid-19 outbreak, the Board is of the view that it is in the interest of the Company and its shareholders to accept and agree to the request by the Buyer for the Deferred Payments.

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 Announcement, 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
10 March 2020

*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 Catalyst.*

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.