



铭泰国际

METECH INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199206445M)

THE PROPOSED PLACEMENT OF:

- (A) **UP TO 22,500,000 NEW ORDINARY SHARES (“PLACEMENT SHARES”) IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S\$0.153 FOR EACH PLACEMENT SHARE; AND**
- (B) **UP TO 22,500,000 FREE WARRANTS, ON THE BASIS OF ONE (1) WARRANT FOR EACH PLACEMENT SHARE, WITH EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY**

1. INTRODUCTION

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 has on 28 August 2019 entered into a placement agreement (the “**Placement Agreement**”) with KGI Securities (Singapore) Pte. Ltd. as the placement agent (the “**Placement Agent**”).

Pursuant to the Placement Agreement, the Company has agreed to offer, by way of a private placement, and the Placement Agent has agreed, on a best efforts basis, to procure purchases for an aggregate of up to 22,500,000 Placement Shares, at an issue price of S\$0.153 (the “**Placement Price**”) for each Placement Share (the “**Proposed Placement**”). The Company has also agreed to issue up to 22,500,000 free, detachable, transferrable and non-listed warrants (the “**Warrants**”), on the basis of one (1) Warrant for each Placement Share, with each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (“**Warrant Share**”) at an exercise price of S\$0.153 (the “**Warrant Exercise Price**”) for each Warrant Share (the “**Warrants Issue**”) (collectively, the “**Proposed Placement cum Warrants Issue**”).

The Placement Shares, the Warrants and the Warrant Shares, when allotted and issued, shall be free from all claims, charges, liens and other encumbrances and the Placement Shares and Warrant Shares shall rank pari passu in all respects with the existing issued shares in the capital of the Company (the “**Shares**”) at the time of issue, save that they will not rank for any dividends, rights, distributions, allotments or other entitlements, the record date of which falls before the date of issuance of the Placement Shares or the relevant date of issuance of the Warrant Shares (as applicable).

The Proposed Placement cum Warrants Issue will be undertaken pursuant to Sections 272B of the Securities and Futures Act (Cap. 289). As such, the Company will not be issuing and lodging any prospectus or offer information statement in connection with the Proposed Placement and Warrants Issue with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), acting as agent on behalf of the Monetary Authority of Singapore (“**MAS**”).

The Proposed Placement cum Warrants Issue is non-underwritten and a placement commission of 2% of the net aggregate Placement Price of the Placement Shares will be paid to the Placement Agent pursuant to the Placement Agreement.

2. TERMS OF THE PROPOSED PLACEMENT CUM WARRANTS ISSUE

2.1 Summary of principal terms of the Proposed Placement cum Warrants Issue:-

- Issue size** : (a) Up to 22,500,000 Placement Shares; and
(b) Up to 22,500,000 Warrants, with each Warrant carrying the right to subscribe for one (1) Warrant Share.

Assuming that all the Placement Shares are issued and all the Warrants are exercised, 45,000,000 new Shares will be issued and the Company's issued and paid-up share capital will increase from 90,039,655 Shares as at the date of this announcement to 135,039,655 Shares.

The aggregate number of Placement Shares and Warrant Shares (assuming that all the Warrants are exercised) represents approximately 49.98% of the existing share capital of the Company and approximately 33.32% of the enlarged share capital of the Company following the completion of the Proposed Placement cum Warrants Issue (assuming that all the Warrants are exercised).

- Placement Price** : S\$0.153 for each Placement Share

The Placement Price represents a discount of approximately 9.13% to the volume weighted average price of S\$0.1675 per Share based on trades done on the SGX-ST on 27 August 2019 (being the full market day before which the Placement Agreement was entered into).

- Warrant Exercise Price** : S\$0.153 for each Warrant Share

The Warrant Exercise Price represents a discount of approximately 9.13% to the volume weighted average price of S\$0.1675 per Share based on trades done on the SGX-ST on 27 August 2019 (being the full market day before which the Placement Agreement was entered into).

- Exercise period** : The Warrants may be exercised at any time during the period commencing on and including the date of the issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding 36 months from the date of issue of the Warrants, unless such date is a date on which the register of members and the register of warrant holders of the Company is closed or is not a day on which the Catalist Board of the SGX-ST (the "**Catalist**") is open for securities trading ("**Market Day**"), in which event, the last day of the exercise period shall be the immediately preceding Market Day on which the register of members and the register of warrant holders of the Company remain open, subject to the terms and conditions of the Warrants as set out in the Deed Poll (the "**Warrants Exercise Period**"). The Warrants which have not been exercised after the date of expiry shall lapse and cease to be valid for any purpose.

- Gross proceeds** : The gross proceeds from the issue of the Placement Shares will be approximately S\$3.44 million and from the issue of the Warrant Shares (assuming all the Warrants are exercised) will be approximately S\$3.44 million.

Conditions precedent : Completion of the Proposed Placement cum Warrants Issue is conditional upon *inter alia* (the “**Conditions**”):-

- (a) the Company having received the approval-in-principle for the listing and quotation of the Placement Shares and Warrant Shares on the SGX-ST and such approval not having been revoked or amended, and, where such approval is subject to conditions, such conditions being acceptable to the Placement Agent and the Company and, to the extent that any conditions for the listing and quotation of the Placement Shares and Warrant Shares on the SGX-ST are required to be fulfilled on or before the Completion Date (as defined below), they are so fulfilled; and
- (b) the transactions contemplated under the Proposed Placement cum Warrants Issue not being prohibited by law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgement or directive promulgated or issued by any legislative, executive, judicial or regulatory body or authority (including without limitation, the MAS and the SGX-ST)) in Singapore or other jurisdictions which is applicable to the Company or the Placement Agent.

2.2 Terms of the Warrants

The principal terms and conditions of the Warrants are set out below:-

Constitution of the Warrants : The Warrants will be constituted by the deed poll to be executed by the Company (the “**Deed Poll**”), and are subject to the terms and conditions of the Warrants as set out in the Deed Poll.

Form and subscription rights of the Warrants : The Warrants will be issued in registered form.

Each Warrant will carry the right to subscribe for one (1) Warrant Share at the Warrants Exercise Price during the Warrants Exercise Period.

The Warrants may only be exercised in whole and not in part. If the Warrants are not exercised upon expiry of the Warrants Exercise Period, all the Warrants shall lapse and cease to be valid for any purpose.

Listing, transferability and detachability of the Warrants : The Warrants are transferable and will not be listed on the Catalist.

The Warrants will be detachable from the Placement Shares on issue.

Adjustments : The Warrants Exercise Price and/or the number of Warrants will, after their issue, be subject to adjustments under certain circumstances prescribed by the Warrant Conditions. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issues and certain capital distributions.

Any such adjustments shall (unless otherwise provided under the Catalist Rules from time to time) be announced by the Company to the SGX-ST via an announcement on SGXNET.

- Winding up** : Where there is a members' voluntary winding-up of the Company, each holder of Warrants ("**Warrantholder**") may elect to be treated as if he had immediately prior to the commencement of such winding up exercised the Warrants and had on such date been the holders of the Warrant Shares to which he would have become entitled pursuant to such exercise. The Company shall give notice to each Warrantholder in accordance with the terms and conditions to be set out in the Deed Poll of the passing of any such resolution.
- Notice of expiry** : The Company shall, not later than one (1) month before the expiry of the Warrants Exercise Period (the "**Expiry Date**"), announce the expiry of the Warrants Exercise Period on SGXNET. In addition, the Company shall not later than one (1) month before the Expiry Date, take reasonable steps to notify all Warrantholders in writing of the Expiry Date, and such notice shall be delivered by post to the address of the relevant Warrantholder.
- Alteration to terms** : Unless made in accordance with the Deed Poll, any alteration to the terms of the Warrants to the advantage of the Warrantholders after the issue thereof shall be subject to the approval of shareholders of the Company ("**Shareholders**") in a general meeting.
- Governing law** : The Warrants and the Deed Poll are governed by the laws of the Republic of Singapore.

The above terms and conditions of the Warrant Issue are subject to such changes as the Directors may deem fit. The full details and final terms and conditions of the Warrants are set out in the Deed Poll.

2.3 **Completion**

Subject to the terms and conditions of the Placement Agreement, completion ("**Completion**") shall take place on such date to be agreed between the Company and the Placement Agent, falling within seven (7) business days after the satisfaction of the Conditions, or such other date as the Company and the Placement Agent may agree in writing ("**Completion Date**").

On Completion:-

- (a) the Company shall procure the crediting of the Placement Shares in the designated securities accounts provided by the Placement Agent; and
- (b) the Placement Agent shall procure that the Company receives the net aggregate Placement Price of the Placement Shares which the Placement Agent has procured the purchase of under the Placement Agreement by cashier's order drawn on a bank in Singapore or by telegraphic transfer and made in favour of the Company or as it may so direct.

2.4 Rules 803, 804 and 812 of the Catalyst Rules

The Placement Shares, Warrants and Warrant Shares will not be issued to a person who is a Director or substantial shareholder of the Company ("**Substantial Shareholder**") or any other person in the categories set out in Rule 812(1) of the Listing Manual Section B: Rules of Catalyst of the SGX-ST ("**Catalist Rules**"), save for the exceptions specified in Rule 812(3) or unless such purchases are otherwise agreed to by the SGX-ST.

In accordance with Rule 804 of the Catalyst Rules, no Director, or associate of such Director, may participate directly or indirectly in the Proposed Placement cum Warrants Issue, unless specific Shareholders' approval for such participation is obtained. Accordingly, the Placement Shares, Warrants and Warrant Shares will not be issued to the Directors or Substantial Shareholders and/or any of their associates or any persons that fall under Rule 812 of the Catalyst Rules.

In accordance with Rule 803 of the Catalyst Rules, the Placement Shares and Warrant Shares when issued, will not transfer a controlling interest in the Company.

2.5 Authority to issue Shares

The Placement Shares and the Warrant Shares will be allotted and issued pursuant to the authority granted by Shareholders at the Company's annual general meeting held on 31 October 2018 (the "**2018 AGM**") (the "**Share Issue Mandate**"). The Share Issue Mandate authorises the Directors of the Company to allot and issue new Shares not exceeding 100.0% of the total number of issued Shares as at the date of the 2018 AGM (excluding treasury shares), of which the aggregate number of new Shares to be issued other than on a pro rata basis to existing Shareholders shall not exceed 50.0% of the total number of issued Shares as at the date of the 2018 AGM (excluding treasury shares).

As at the date of the 2018 AGM, the Company had 4,501,984,229 issued Shares and no treasury shares. Subsequent to the 2018 AGM, Company had sought Shareholder's approval in relation to a share consolidation exercise which was completed on 14 November 2018 (the "**Completion of Share Consolidation**"). As at the date of the Completion of Share Consolidation, the issued share capital of the Company comprises 90,039,655 consolidated shares. As such, under the Share Issue Mandate, the maximum number of new Shares to be issued other than on a pro rata basis is 45,019,827 Shares. Since the Completion of the Share Consolidation, the Company has not issued any new Shares under the Share Issue Mandate. Accordingly, the proposed allotment and issue of up to 22,500,000 Placement Shares and 22,500,000 Warrant Shares are within the limit of the Share Issue Mandate.

3. RATIONALE AND USE OF PROCEEDS

The Company is undertaking the Proposed Placement cum Warrants Issue to strengthen the financial position and cash position of the Group and will allow the Group to be less reliant on external sources of funding, thereby potentially incurring fewer expenses related to external funding, for general corporate activities including, but not limited to, expansion in consulting and management services and/or for strategic alliances.

Assuming that all the Placement Shares are issued and none of the Warrants are exercised ("**Minimum Subscription Scenario**"), the estimated net proceeds from the Proposed Placement cum Warrants Issue (the "**Net Proceeds**") will be approximately S\$3,342,500, after deducting estimated costs and expenses of approximately S\$100,000 relating thereto.

Assuming that all the Placement Shares are issued and all the Warrants are exercised ("**Maximum Subscription Scenario**"), the Net Proceeds will be approximately S\$6,785,000, after deducting estimated costs and expenses of approximately S\$100,000 relating thereto.

The Company intends to utilise the Net Proceeds in the following manner:-

Use of Proceeds	Amount (Minimum Subscription Scenario)	Percentage of Proceeds (Minimum Subscription Scenario)	Amount (Maximum Subscription Scenario)	Percentage of Proceeds (Maximum Subscription Scenario)
Repayment of the Bond Issue through FundedHere which shall fall due in January 2020	S\$1.00 million	30%	S\$1.00 million	15%
General working capital	S\$1.84 million	55%	S\$4.63 million	68%
To fund general corporate activities including, but not limited to, expansion in consulting and management services and/or for strategic alliances	S\$0.50 million	15%	S\$1.16 million	17%
Total	S\$3.34 million	100%	S\$6.79 million	100%

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be placed in deposits with financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's half and full-year financial statements issued under Chapter 7 of the Catalist Rules and the Company's annual report. 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 announcements and the status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

4. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT CUM WARRANTS ISSUE

The pro forma financial effects of the Proposed Placement cum Warrants Issue on the Group, as set out below, are computed based on the unaudited consolidated financial statements of the Group for the financial year ended 30 June 2019 ("FY2019"), and the following assumptions:

- (a) all the Placement Shares and Warrant Shares are issued;
- (b) for purposes of computing the effect of the Proposed Placement cum Warrants Issue on the net asset value ("**NAV**") per Share of the Group, it is assumed that the Proposed Placement cum Warrants Issue had been completed on 30 June 2019 (being the end of the most recently completed financial period);
- (c) for purposes of computing the effect of the Proposed Placement cum Warrants Issue on the earnings per Share ("**EPS**") of the Group, it is assumed that the Proposed Placement cum Warrants Issue had been completed on 1 July 2018 (being the beginning of the most recently completed financial period); and

- (d) the expenses incurred by the Company in connection with the Proposed Placement cum Warrants Issue amount to S\$100,000.

	Before the Proposed Placement cum Warrants Issue	After the allotment and issue of the Placement Shares, before the exercise of any Warrants	After the allotment and issue of all the Placement Shares and Warrant Shares
Number of issued and paid up Shares	90,039,655	112,539,655	135,039,655
EPS for FY2019	(1.86) cents	(1.49) cents	(1.24) cents
NAV per share as at 30 June 2019	2.73 cents	2.18 cents	1.82 cents

The financial effects of the Proposed Placement cum Warrants Issue set out above are purely for illustrative purposes only and neither indicative of the actual financial results of the Proposed Placement cum Warrants Issue on share capital, NTA per share and EPS, nor do they represent the future financial performance and/or position of the Company and/or the Group immediately after the completion of the Proposed Placement cum Warrants Issue.

5. ADDITIONAL LISTING APPLICATION

The Company will apply to the SGX-ST, through its continuing sponsor, for the admission and listing and quotation of the Placement Shares and Warrant Shares on the Catalist. The Company will make the necessary announcements once the listing and quotation notice has been obtained.

6. CONFIRMATION BY THE DIRECTORS

The Directors are of the opinion that:-

- (a) after taking into consideration the Group's present internal resources, operating cashflows and present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the above, the Proposed Placement cum Warrants Issue is undertaken to provide funds for the purposes as described in paragraph 3 of this announcement; and
- (b) after taking into consideration the Group's present internal resources, operating cashflows, present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or (in so far as the Directors are aware) any Substantial Shareholders or their respective associates have any interest, whether direct or indirect, in the Proposed Placement cum Warrants Issue other than through their shareholdings in the Company.

8. DOCUMENTS AVAILABLE FOR INSPECTION

The Placement Agreement and Deed Poll will be available for inspection at the Company's registered office at 65 Tech Park Crescent, Singapore 637787 for a period of three (3) months commencing from the date of this announcement.

9. RESPONSIBILITY STATEMENTS

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 Placement cum Warrants issue, the Company and its subsidiaries, 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. FURTHER ANNOUNCEMENTS

Further announcements on the Proposed Placement cum Warrants Issue will be made in due course as and when appropriate.

11. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading their Shares. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

For and on behalf of the Board of Directors of
METECH INTERNATIONAL LIMITED

Simon Eng
Chief Executive Officer

2 September 2019

The announcement had 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 Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinion made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Shervyn Essex, Registered Professional, Registered Professional, RHT Capital Pte. Ltd., 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, tel: 6381 6757.