



**METECH INTERNATIONAL LIMITED**  
(Company Registration No.: 199206445M)  
(Incorporated in the Republic of Singapore)

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**COMPLETION OF SALE OF PROPERTY AT  
6200 ENGLE WAY, GILROY, CALIFORNIA 95020-7012**

**EXPIRY OF THE AGREEMENT WITH STREECH PROPERTIES, INC AND ENTRY INTO A NEW  
PURCHASE AND SALE AGREEMENT WITH EAGLES ASSOCIATES, LLC**

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*Unless otherwise defined herein or the context otherwise requires, all terms used herein have the same meanings as defined in the Company's announcement on 12 November 2015 in relation to the Sale of the said Property.*

**1. Introduction**

The Board of Directors (the "**Board**" or "**Directors**") of Metech International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its earlier announcement dated 12 November 2015 on the proposed Sale of the Property located at 6200, Engle Way, Gilroy, California 95020-7012 to Streech Properties, Inc. (the "**Original Purchaser**") by its subsidiary, Metech Recycling, Inc. (the "**Seller**").

The Board wishes to update that the Original Purchaser was not able to obtain the necessary financing to meet the terms and conditions as specified in the purchase and sale agreement (the "**Streech Agreement**") entered into by both the Seller and the Original Purchaser on 9 November 2015. Consequently, the Original Purchaser on 8 January 2016 issued a notice of termination with respect to the Streech Agreement to the Seller with the intention of reviving the Streech Agreement if they are able to obtain sufficient financing.

Following the notice, the Seller on 15 January 2016 entered into a separate and new purchase and sale agreement (the "**Eagles Agreement**") with Eagles Associates, LLC (the "**Successful Purchaser**"), also an unrelated party, for the sale of the Property (the "**Eagles Sale**"). The Consideration for the Eagles Agreement is the same as the Streech Agreement. The Board wishes to announce that the Eagles Sale was successfully concluded on 20 February 2016.

Please refer to the announcement dated 12 November 2015 for information on the Property.

**2. The Consideration**

The total Consideration paid by the Successful Purchaser is USD 3,500,000.00 which is the same as the minimum sum agreed under the Streech Agreement whereby the Seller could rescind from the Streech Agreement, should the Consideration fall below USD 3,500,000.00.

The Consideration is ninety percent (90%) of the Appraised Value of the Property as provided for in the Appraisal Report, as previously described in the announcement dated 12 November 2015.

### 3. Rationale for the Sale of the Property

The rationale for the Eagles Sale remains the same as in the earlier announcement. The Board is of the view that the Eagles Sale is in the best interest of the Group. The Eagles Sale will enable the Group to strengthen its working capital position and serves to unlock capital for business development.

### 4. Use of Proceeds

The proposed use of the net proceeds from the Eagles Sale remains unchanged from the earlier announcement. The net proceeds from the Eagles Sale will be used by the Group for its general working capital requirements and business development.

### 5. Financial Effects

The financial effects of the Eagles Sale set out below are for illustrative purposes only and should not be taken as an indication of the actual financial performance or position of the Group following the Eagles Sale nor a projection of the future financial performance or position of the Group after the Eagles Sale. The financial effects set out below are based on the Company's audited financial statements for the financial year ended 30 June 2015 ("**FY2015**") and Consideration of USD 3.5 million (approximately S\$4.72 million @ 1 US\$ = S\$1.3498).

#### (a) Net tangible assets ("**NTA**") per share

Assuming the Eagles Sale had been effected on 30 June 2015, the NTA per share of the Group would be as follows:

|                                    | Before the Eagles Sale | After the Eagles Sale |
|------------------------------------|------------------------|-----------------------|
| NTA<br>(S\$'000)                   | 12,975                 | 13,425                |
| Number of Issued Shares<br>(‘000)  | 2,812,372              | 2,812,372             |
| NTA per share<br>(Singapore Cents) | 0.461                  | 0.477                 |

#### (b) Earnings per share ("**EPS**")

Assuming the Eagles Sale had been effected on 1 July 2014, the EPS of the Group would be as follows:

|                                                    | Before the Eagles Sale | After the Eagles Sale |
|----------------------------------------------------|------------------------|-----------------------|
| Net profit/loss after tax<br>(S\$'000)             | (11,135)               | (10,685)              |
| Weighted average number of<br>issued shares (‘000) | 2,475,668              | 2,475,668             |
| EPS (Singapore Cents)                              | (0.450)                | (0.433)               |

The net book value of the Property as at 30 June 2015 was approximately S\$4.27 million. Based on the latest announced audited consolidated accounts of the Group for the full year ended 30 June 2015, the Eagles Sale will result in an estimated net gain of approximately S\$450,000 (after deducting related expenses).

## 6. Relative Figures Pursuant to Rule 1006 of the Listing Manual

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of the Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) are as follows:

| Rule    | Bases of computation                                                                                                                                                                                                                                               | Size of relative figure                                                                                  |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| 1006(a) | Net asset value of assets being disposed of compared with the Group's net asset value                                                                                                                                                                              | 31% <sup>(1)</sup>                                                                                       |
| 1006(b) | Net profits attributable to the assets disposed of compared with the Group's net profits                                                                                                                                                                           | Not applicable as there is no net profit attributable to the Property                                    |
| 1006(c) | Aggregate value of consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares                                                                                                  | 40% <sup>(2)</sup>                                                                                       |
| 1006(d) | The number of equity securities issued by the Company as consideration for an acquisition compared with the number of equity securities previously in issue                                                                                                        | Not applicable as this is a disposal                                                                     |
| 1006(e) | 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. | Not applicable as this is not a disposal of mineral, oil or gas assets by a mineral, oil and gas company |

Notes:

(1) Based on the latest announced unaudited consolidated accounts of the Group for the period ended 31 December 2015. The net asset value of the Property as at 31 December 2015 is approximately S\$4.2 million.

(2) Based on the Consideration of USD 3.5 million (approximately S\$5.04 million @ 1 US\$ = S\$1.4394) and the market capitalisation of the Company of S\$12,655,677 as at 15<sup>th</sup> January 2016 (determined by multiplying the existing number of shares in issue by S\$0.003, being the weighted average price of the Company's shares transacted on the market day preceding the date of the Eagles Agreement).

Based on the relative figures computed above, the Sale constitutes a discloseable transaction under Rule 1010 of the Catalist Rules. As none of the relative figures exceeds 50%, the Sale does not constitute a major transaction under Rule 1014, and accordingly, shareholders' approval is not required for the Eagles Sale.

**7. Directors' Opinion**

The Directors, having considered and reviewed, *inter alia*, the terms of the Eagles Sale, the rationale and the financial effects of the Eagles Sale, are of the opinion that the Eagles Sale is in the interest of the Company and its shareholders.

**8. Interest of Directors and Controlling Shareholders**

Save for their shareholding interests in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Eagles Sale.

**9. Directors' Service Contracts**

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

**10. Documents for Inspection**

A copy of the Eagles Agreement is available for inspection during normal business hours at the registered office of the Company at 65 Tech Park Crescent, Singapore 637787, for a period of three (3) months from the date of this announcement.

**11. Responsibility Statement for Directors**

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 Eagles Sale, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the 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 the announcement in its property form and context.

By Order of the Board  
**METECH INTERNATIONAL LIMITED**

Andrew Eng  
Chief Executive Officer  
21 February 2016

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd., for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

*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.*

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