

METAL COMPONENT ENGINEERING LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 198804700N)

**TERMINATION OF THE CONDITIONAL SALE AND PURCHASE AGREEMENT IN
RESPECT OF THE PROPOSED ACQUISITION OF 51.0% OF THE ENTIRE ISSUED AND PAID-
UP SHARE CAPITAL OF ASIAFAME GROUP LIMITED**

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Metal Component Engineering Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the Company’s previous announcement dated 15 February 2019 (the “**Announcement**”) in relation to the Company’s proposed acquisition of 51.0% of the issued and paid-up share capital of Asiafame Group Limited on the terms and subject to the conditions of the Agreement (the “**Proposed Acquisition**”).

All capitalised terms used and not defined herein shall have the same meanings ascribed to them in the Announcement.

2. TERMINATION OF THE PROPOSED ACQUISITION

The Board wishes to announce that some of the Conditions Precedent for the Proposed Acquisition could not be fulfilled or waived by mutual consent of the parties by the long-stop date of 31 August 2019, and no further extension of time was agreed to by the parties. Accordingly, pursuant to the terms of the Agreement, the Agreement has, with effect from 31 August 2019, save for certain provisions such as provisions relating to confidentiality and costs, lapsed and ceased to have effect.

3. FINANCIAL IMPACT

Pursuant to the terms of the Agreement, the Company envisages that it will not be bearing any costs in relation to the Proposed Acquisition. Accordingly, the termination of the Proposed Acquisition is not expected to have any material adverse impact on the consolidated net tangible assets or earnings per share of the Company and the Group for the financial year ending 31 December 2019.

4. FUTURE PLANS

The Group will continue to explore potential and suitable acquisitions, joint ventures and strategic alliances, which generate sustainable revenue streams for the Group and represent a strategic diversification strategy for the Group towards improving its financial performance and position over a longer term.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary
1 September 2019

*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 number: 66364201.