



(Incorporated in the Republic of Singapore)
(Company Registration No.: 198804700N)

5Digital to take 18.41% stake in Adazal, a Singapore-based social commerce company

- **Through 5Digital, MCE will invest S\$2.025 million via cash and MCE shares for a 18.41% stake in Singapore-based Adazal Private Limited (“Adazal”)**
- **The investment will provide 5Digital access to Adazal’s platform and increase the customised experience for 5Digital’s customers in its regional markets**
- **It will expand the market reach and adoption for 5Digital’s products and services in the Philippines and then in Vietnam**
- **To boost presence in Indonesia further with 5Digital’s initial investment and capitalising on the partnership with PT Gaido Digital Medika**

Singapore, 19 November 2021 — Catalyst-listed Metal Component Engineering Limited (“MCE” or the “Group”) is pleased to announce that it has, through its wholly-owned subsidiary, 5Digital Pte Ltd (“5Digital”), entered into conditional agreements with Adazal Private Limited and its Vendors to take a 18.41% stake in Adazal for approximately S\$2.025 million. The investment amount will be satisfied partly in cash of S\$1.0 million (to subscribe for new shares to be issued by Adazal) and the remaining S\$1.025 million through the allotment and issuance of approximately 20.7 million of new shares in MCE, at an issue price of S\$0.0495 per share, to three individual angel investors of Adazal (“Vendors”).

Headquartered in Singapore and propelled by an experienced team, Adazal is a social commerce company, which has built a platform - “Triber”, which contains a marketplace of influencers and leaders within community to sell online via social platforms. The platform includes live streaming, group purchasing and manages the end to end merchant and consumer data and logistics. The launch market has been Philippines and preparations have been made for the second market to be Vietnam. In its launch market of the Philippines, Triber has integrated with GCash, a popular payment platform with mini apps.

Social commerce has been fast expanding in Southeast Asia and recent investments have demonstrated investor appetite. Webuy, another Singapore-based social commerce company, had received US\$6 million in



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Series A investment in October 2020, with lead investors such as Wavemaker Partners¹. Another regional social commerce investment recently in September 2021 has been a US\$11.5 million Series A round for Indonesia-based Dagangan by Singapore-based fund, Monk's Hill Ventures². Recent 2021 "e-Conomy" report from Temasek, Google and Bain, has said that E-commerce has driven most of the market growth in 2021, with last year's CAGR about 62%, and is forecasted to make up over two-thirds of the region's GMV in 2030³. By then, online shopping is expected to become the norm for consumers of all ages, in both urban and rural areas, and almost 50% of retail spending will happen online, as compared with about only 10% now.

Chief Investment Officer of MCE, Mr Ahillan Pupalasingam, commented on this: **"Our capable team at 5Digital has been working tirelessly over the last many months to grow rapidly in the health and wellness sectors online, and through e-commerce. 5Digital has omni channel e-commerce services sitting on third party platforms, but with this synergistic investment, we can have access to the Adazal platform and that will increase the customised experience for 5Digital's ecosystem of customers in regional markets. Working together and leveraging on Adazal's platform, we can enhance the market reach and adoption for 5Digital's products and services in the Philippines and then soon in Vietnam. Moreover, Indonesia has been an important growth market for us and with our presence there along with the ePharmacy launch in progress with PT Gaido Digital Medika, we are confident that the usage of Adazal platform in Indonesia would be highly synergistic and mutually beneficial to both 5Digital and Adazal."**

5Digital is confident that over-the-counter health and wellness product sales can be pushed higher with utilising Adazal's social commerce expertise. The immediate markets for 5Digital's platforms include Singapore, Malaysia and Indonesia, and with Adazal adding Philippines followed by Vietnam to that list can potentially fuel the business growth for 5Digital significantly.

Please refer to MCE's announcement published on SGXNet on 19 November 2021 for further details on this proposed investment in Adazal, and any follow-up announcement(s) on this investment, in compliance with

¹ <https://www.businesstimes.com.sg/garage/social-e-commerce-platform-webuy-bags-us6m-in-series-a-funding>

² <https://www.businesstimes.com.sg/garage/monks-hill-ventures-leads-us115m-series-a-round-for-indonesias-dagangan>

³ <https://www.thinkwithgoogle.com/intl/en-apac/consumer-insights/consumer-trends/e-conomy-sea-2021/>



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the requirements of the Catalist Rules, as and when there are material developments in respect of this proposed investment in Adazal.

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About Metal Component Engineering

Metal Component Engineering (MCE) was founded in 1987 in Singapore. With consistent focus on quality and engineering innovation, the company has expanded its customer base by serving MNC (Multi-National-Corporation), EMS (Electronic Manufacturing Services), and SME (Small-Medium-Enterprise) globally. MCE has recently announced diversification into healthcare technology and services with investment into GainHealth, a direct-to-consumer and high-growth omnichannel health and wellness platform. The company is vertically integrated with licenced clinics with pharmacy, online self-branded e-commerce portals, and product placements on regional e-commerce portals.

For more information, visit www.mce.com.sg , www.5digital.com.sg and www.gainhealth.life

*This press release has been prepared by Metal Component Engineering Limited (“**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 (“**Catalist Rules**”).*

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.



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