



铭泰国际

**METECH INTERNATIONAL LIMITED**

(Company Registration No. 199206445M)

(Incorporated in the Republic of Singapore)

---

**EIGHTH UPDATE: THE PROPOSED DISPOSAL OF THE COMPANY'S  
ELECTRONIC WASTE MANAGEMENT BUSINESS**

---

*Unless otherwise defined, all capitalized terms used in this announcement shall be the same meaning as ascribed to them in the Company's announcements dated 18 September 2018, 31 October 2018, 5 November 2018, 9 November 2018, 14 November 2018, 31 December 2018, 18 January 2019, 19 February 2019 and 8 March 2019 (the "**Announcements**") and the Circulars to Shareholders dated 8 October 2018 and 27 March 2019 (the "**Circulars**").*

The Board of Directors (the "**Board**") of Metech International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Announcements and Circulars in relation to the proposed disposals of the company's electronic waste management business in the United States of America and in Malaysia (together known as the "**Proposed Disposals**").

Further to the Company's announcement dated 8 March 2019, the Company had commissioned RSM Corporate Advisory Pte Ltd ("**RSMCA**"), an independent valuer, to perform an additional valuation (the "**Additional Valuation Report**") for the Proposed Disposals and to prepare the estimated **Market Value** range of 100% of the share capital of the following Proposed Disposals:

- 1) Metech Recycling (USA) Pte Ltd ("**MRUS**") and its subsidiaries (collectively known as "MRUS Group"); and
- 2) Metech Recycling (Malaysia) Pte Ltd ("**MRM**") and its subsidiary (collectively known as "MRM Group")

as at 31 December 2018 (the "**Valuation Date**").

For the purpose of this valuation, Market Value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion", as set out in the International Valuation Standards by the International Valuation Standards Council.

The following is an extract from the Additional Valuation Report and should be read by the Shareholders in conjunction with, and in full context of, the full text of the Independent Valuation Summary Letter as set out in the Appendix. All terms and expressions used in the extract below shall have the same meanings as those defined in the Additional Valuation Report, unless otherwise stated.

#### Valuation Summary

Indicative Valuation in S\$	
	Net Assets Value approach
MRUS Group	S\$0
MRM Group	S\$44,200

The Net Assets Value Approach was applied to estimate the Market Value range of 100% of the share capital of the Proposed Disposals as at the Valuation Date.

The Additional Valuation Report shall be made available for inspection during business hours at the Company's registered office from the release of this announcement till the Extraordinary General Meeting held on 12 April 2019.

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

**Simon Eng**  
Chief Executive Officer

Date: 5 April 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 Catalyst. The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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.*

4 April 2019

The Board of Directors  
**MeTech International Limited**  
65 Tech Park Crescent  
Singapore 637787

Dear Sirs

## 1. INTRODUCTION

RSM Corporate Advisory Pte Ltd ("RSMCA") has been engaged by Metech International Limited ("Metech" or the "Company") to provide assistance in estimating the market value ("Market Value" or "MV") range of 100% of the share capital of the following:

- 1) Metech Recycling (USA) Pte Ltd ("MRUS") and its subsidiaries (collectively known as "MRUS Group"); and
- 2) Metech Recycling (Malaysia) Pte Ltd ("MRM") and its subsidiary (collectively known as "MRM Group")

as at 31 December 2018 (the "Valuation Date").

This letter has been prepared for the purpose of inclusion in a public announcement ("Announcement") to be issued in relation to the proposed disposals of 100% of the share capital of MRUS Group and MRM Group to third parties (the "Proposed Disposals").

This letter is a summary of the information contained in our full valuation report (the "Valuation Report") dated 4 April 2019. Accordingly, this letter should be read in conjunction with the full text of the Valuation Report.

Unless otherwise stated, words and expressions defined in the Announcement for the purpose of obtaining shareholder's approval for the Proposed Disposals have the same meaning in this letter.

## 2. TERMS OF REFERENCE

### Scope of Work and Basis of Value

RSMCA has been appointed by Metech to conduct a valuation to estimate the Market Value range of 100% of the share capital of MRUS Group and MRM Group as at 31 December 2018.

For the purpose of this valuation, Market Value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion", as set out in International Valuation Standards 2017 by the International Valuation Standards Council.

### MRUS Group

MRUS Group has been in a net loss position for the financial years ("FY") ended 31 December 2015, 2016, 2018 and for the half year ended 30 June 2019. The management of Metech ("Management") has also projected net losses due to the uncertainties of MRUS Group's business prospects for the next five (5) years from FY2019 to FY2023, primarily due to the revocation of its E-Stewards license, a license required to operate in the Electronic Waste Management ("EWM") industry in the USA.

Hence, the Income Approach and the Market Approach was assessed to be not applicable to estimate the Market Value range of 100% of the share capital of MRUS Group.

We have applied the Net Assets Value ("NAV") Approach to estimate the Market Value range of 100% of the share capital of MRUS Group as at the Valuation Date.

#### MRM Group

Since commencing operations in FY2016, MRM Group had achieved minimal profitability. Management is of the view that the EWM industry in Malaysia is significantly saturated and competitive and has represented that there are uncertainties in obtaining the necessary regulatory licenses in Malaysia. As such, they do not expect revenues and profitability to increase significantly over the next five (5) years.

Hence, the Income Approach and the Market Approach was assessed to be not applicable to estimate the Market Value range of 100% of the share capital of MRM Group.

We have applied the Net Assets Value ("NAV") Approach to estimate the Market Value range of 100% of the share capital of MRM Group as at the Valuation Date.

RSMCA's compensation is not contingent upon the reporting of a pre-determined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

#### **Limitations of our Valuation Report and this letter**

This letter and the Valuation Report are addressed strictly to the Board of Directors (the "Board") and for the intended purpose as set out above and accordingly neither the Valuation Report nor this letter may be used or relied upon in any other connection by, and are not intended to confer any benefit on, any person (including without limitation the shareholders of Metech).

Our terms of reference do not require us to evaluate or comment on the rationale, or the strategic or long term perspective of the Proposed Disposals or future financial performance of MRUS Group and MRM Group. We are not required to express any view on the growth prospects or potential of MRUS Group and MRM Group.

The Valuation Report is also not intended to be and is not included in the announcement, and does not purport to contain all the information that may be necessary or desirable to fully evaluate the Proposed Disposals.

We did not conduct a comprehensive review of the business, operational or financial condition of MRUS Group and MRM Group and accordingly make no representation or warranty, expressed or implied, in this regard. We do not express any opinion on the commercial merits and structure of the Proposed Disposals, nor are we providing any opinion, expressed or implied, as to the price of the shares or the financial condition or performance of Metech upon the completion of the Proposed Disposals.

We do not provide assurance on the achievability of the future free cash flows results because events and circumstances may differ from the assumptions and expectations of Management; and achievement of the forecast results is dependent on the subsequent actions, plans and execution, as well as other external factors.

Our estimates of Market Value of MRUS Group and MRM Group are based upon prevailing market, economic, industry, monetary and other conditions and on the information made available to us as of the date of the Valuation Report. Such conditions may change significantly over a relative short period of time and we assume no responsibility and are not required to update, revise or reaffirm our valuation conclusion to reflect events or developments subsequent to the date of the Independent Valuation Summary Letter and the issuance of our final Valuation Report.

## **Reliance on Information**

In conducting our review and for the purpose of preparing our valuation range and the Valuation Report, we have held discussions with Management and we have read the information provided by them and other publicly available information, upon which our valuation analysis is based. Management have confirmed to us, that all material information available to them with respect to MRUS Group and MRM Group that is relevant for the purpose of our terms of reference, has been disclosed to us and that such information is fair and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us to be inaccurate or misleading in any material respect on MRUS Group and MRM Group.

We have assumed and relied upon, and have not independently verified the accuracy, completeness and adequacy of all such information provided or otherwise made available to us or relied upon by us as described above, whether written or verbal, and no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information.

Management is solely responsible for the accuracy and fair statement of the information provided to us for use in performing the valuation exercise. The basis and assumptions of the accuracy and completeness of the financial information of MRUS Group and MRM Group are solely the responsibility of Management and the Board of Directors.

## **3. KEY ASSUMPTIONS**

The Market Value of 100% of the share capital of MRUS Group and MRM Group is based on the information provided by and representations made by Management. The assumptions used reflect current expectations and views regarding future events and therefore, necessarily involve known and unknown risks and uncertainties affecting MRUS Group and MRM Group.

We relied on the following general assumptions in arriving at the Market Value of 100% of the share capital of MRUS Group and MRM Group as at 31 December 2018:

- 1) Information provided by Management, up to the date of the Valuation Report fairly reflects MRUS Group and MRM Group's financial and operating position;
- 2) MRUS Group and MRM Group are operating on a going concern basis and keep liquidity and capability to achieve the financial forecast;
- 3) The accuracy and completeness of the financial information provided to us;
- 4) The values of the assets and liabilities after adjustments are reflected at their Market Values; and
- 5) Other information and representations made to us by the Management during our discussions.

## **4. CONCLUSION**

In summary and as detailed in the Valuation Report, which should be read in conjunction with this letter to Management, as instructed, RSMCA has arrived at the MV for 100% of the share capital of the following as at 31 December 2018:

- 1) MRUS Group: **S\$0**; and
- 2) MRM Group: **S\$44,200**.

Yours faithfully,

For and on behalf of RSM Corporate Advisory Pte Ltd

A handwritten signature in black ink, appearing to read 'Terence Ang', written over a horizontal line.

Terence Ang  
Executive Director  
Chartered Valuer and Appraiser, Singapore