



METECH INTERNATIONAL LIMITED

(Company Registration No. 199206445M)
(Incorporated in the Republic of Singapore)

THE PROPOSED CONSOLIDATION OF EVERY FIFTY (50) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Directors**") of Metech International Limited (the "**Company**") wishes to announce that the Company proposes to undertake a share consolidation of every fifty (50) existing issued ordinary shares in the capital of the Company (the "**Existing Shares**") held by shareholders of the Company (the "**Shareholders**") as at a books closure date to be determined by the Directors at a later date (the "**Books Closure Date**") into one (1) ordinary share in the capital of the Company (the "**Consolidated Shares**"), fractional entitlements to be disregarded (the "**Proposed Share Consolidation**").
- 1.2 As a result of the Proposed Share Consolidation, each Shareholder will receive one (1) Consolidated Share for every fifty (50) Existing Shares held prior to the Proposed Share Consolidation as at the Books Closure Date.

2. INFORMATION ON THE PROPOSED SHARE CONSOLIDATION

- 2.1 Under the Proposed Share Consolidation, every fifty (50) Existing Shares registered in the name, or standing to the credit of the securities account, of each Shareholder or Depositor (as the case may be) as at the Books Closure Date will be consolidated into one (1) Consolidated Share. Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded on the Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in board lots of 100 Consolidated Shares.
- 2.2 Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefits of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded.

- 2.3 Shareholders whose shareholdings, as at Books Closure Date, is less than fifty (50) Existing Shares or multiples of fifty (50) Shares should note that the Proposed Share Consolidation may result in (a) such Shareholders being no longer Shareholders or (b) rounding down to the nearest whole Consolidated Share with any fractions of Consolidated Shares (arising from the Proposed Share Consolidation) being disregarded. Such Shareholders who wish to remain as Shareholders upon completion of the Proposed Share Consolidation, should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. They may, subject to such advice on actions that they should take and their own investment policies and risk/return requirements, purchase additional Existing Shares so as to increase the number of Existing Shares held to a multiple of fifty (50) Shares as at the Books Closure Date.
- 2.4 As at the date of announcement, the Company has an issued and paid-up share capital of S\$177,480,000 comprising 4,501,984,229 Existing Shares. The Company has no treasury shares nor convertible securities outstanding as at the date of announcement. On assumptions that there will be no new Shares issued by the Company up to the Books Closure Date, and subject to Shareholders' approval being obtained for the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of S\$177,480,000 comprising of approximately 90,039,684 Consolidated Shares following the completion of the Proposed Share Consolidation.
- 2.5 The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any material changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and the disregard of the fractional entitlement.
- 2.6 Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at an extraordinary general meeting (the "EGM") to be convened, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be based on their holdings of Existing Shares as at the Books Closure Date.

3. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

- 3.1 The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders having taken into consideration the following:

(a) Reduction of volatility of the Share price

As the share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in lowly-priced shares may translate to higher transaction cost, relative to the trading price, for each board lot of Shares. In addition, lowly-priced shares may encourage speculation in the Shares, which may result in excessive share price volatility.

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding, and the trading price per Consolidated Share

should theoretically be proportionally higher than the trading price per Existing Share. This will reduce the fluctuation in magnitude of the Company's share price and market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.

(b) Increase in the market interest and attractiveness of the Company and its Shares

The Proposed Share Consolidation may improve the profile of the Company amongst the institutional investors and fund managers. It is expected that, all other things being equal, the theoretical trading price and net tangible asset ("NTA") of each Consolidated Share would be higher than the current trading price and NTA for each Existing Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation. The Proposed Share Consolidation may facilitate corporate actions and also increase market interest and activity in the Shares, and generally make the Shares more attractive to investors, thus providing a more diverse shareholder base.

3.2 **Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the above desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

3.3 For the past six-month period between March 2018 and August 2018, up to 21 September 2018 (being the last full market day preceding the date of this announcement), the absolute price of the Shares had traded in a range between S\$0.001 and S\$0.004. The relevant data, along with the transacted volume of the Shares for each month, are as follows:

	Highest Price (S\$) ¹	Lowest Price (S\$) ²	Volume of Traded Shares ³
March 2018	0.004	0.002	23,515,800
April 2018	0.003	0.002	3,913,200
May 2018	0.003	0.002	7,189,700
June 2018	0.003	0.001	43,362,100
July 2018	0.003	0.001	78,485,700
August 2018	0.003	0.001	4,695,400
1 September 2018 to 21 September 2018	0.003	0.001	11,271,900

Source: *ShareInvestor.com*

3.4 For the six-month period between March 2018 and August 2018, up to 21 September 2018 (being the last full market day preceding the date of this announcement), the six-month volume weighted average price (the "6-month VWAP") of each Share for trades done on the Catalist was S\$0.003.

¹ The highest price was based on the highest closing price for the Shares in a particular month.

² The lowest price was based on the lowest closing price for the Shares in a particular month.

³ The volume of traded Shares was based on the total volume of the Shares traded in a particular month.

Following the completion of the Proposed Share Consolidation, the theoretical adjusted 6-month VWAP of each Consolidated Share will be S\$0.15.

4. APPROVALS AND CONDITIONS

- 4.1 The Proposed Share Consolidation is subject to, *inter alia*, receipt of the approval-in-principle of the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Catalist of the SGX-ST and approval of the Shareholders by ordinary resolution of the Proposed Share Consolidation at an extraordinary general meeting of the Company (the “**EGM**”) to be convened.
- 4.2 An application will be made to the SGX-ST for the listing of, dealing in, and quotation for all the Consolidated Shares arising from the Proposed Share Consolidation, on the Catalist of the SGXST. The Company will make necessary announcement on the outcome of the application in due course.

5. DESPATCH OF CIRCULAR

Subject to the receipt of the approval in-principle from the SGX-ST, a circular containing notice of EGM and further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.

6. CAUTION IN TRADING

Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company’s securities. When in doubt, Shareholders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

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

Andrew Eng
Chief Executive Officer

24 September 2018

This announcement has 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**”). 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.

The contact person for the Sponsor is Mr Shervyn Essex, Registered Professional, RHT Capital Pte. Ltd., 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, telephone (65) 6381 6757.