



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

BOND ISSUE THROUGH FUNDED HERE PTE LTD

Introduction

The Board of Directors (the "**Board**" or "**Directors**") of Metech International Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 13 November 2018 entered into a Term Sheet Agreement (the "**Term Sheet Agreement**") with Funded Here Pte. Ltd. (Company Registration No.: 201436205N), a company incorporated in Singapore and having its registered office at 3 Philip Street #09-01, Singapore 048693 (the "**Service Provider**") to issue non-convertible bonds (the "**Bond Issue**") for a sum of S\$2 million (the "**Loan**").

The Service Provider is the holder of a capital market service licence, regulated by the Monetary Authority of Singapore and provides crowdfunding services through its online platform, www.fundedhere.com (the "**Website**"). Under the Term Sheet Agreement, the Company will use the platform to issue the non-convertible bonds to investors registered on the Website (the "**Investors**").

The Bond Issue

For this Bond Issue, the Service Provider is the arranger where it invites accredited investors to subscribe to the Bond Issue. If the Bond Issue is successful, the Service Provider will be paid an administrative fee which is a percentage of the sum raised. The Service Provider will hold the investors' funds until the Bond Issue is closed and it has appointed a Security Trustee (the "**Trustee**") to handle the funds.

The Company will have to enter into a Loan Agreement (the "**Loan Agreement**") with the Trustee before the Loan can be disbursed. The Loan Agreement serves to regulate the bondholders' rights and obligations in relation with the Bond Issue. The Trustee enters into the Loan Agreement on behalf of the bondholders and is granted authority to act on behalf of the bondholders to the extent provided for in the Loan Agreement.

Salient Terms of the Term Sheet Agreement

(a) Tenure

The tenure for the Loan is 24 months where 50% of the principal is due in 12 months and the next 50% in the next 12 months.

(b) **Coupon Rate**

The Coupon Rate is 8% per annum (the “**Coupon Rate**”) which will be paid out quarterly on the last day of the month. Interest of 12% will be imposed on late payment and will apply to the Coupon Rate as well as the principal sum.

(c) **Administration Fee**

The Service Provider charges an administration fee of 1.5% of the Loan raised.

(d) **Security**

Mr. Simon Eng, being the largest shareholder of the Company, will pledge his equity stake in the Company to the Trustee as security under the Loan Agreement.

Rationale for the Bond Issue

The Company is of the opinion that the Bond Issue presents the best way to raise capital for the Company. Based on current market conditions, the Company is not confident that it will be able to get loans from traditional lenders such as banks and finance companies. The Company prefers not to raise capital from the security market, given its current share price and liquidity.

Use of Proceeds

The full amount of S\$2 million will be dedicated to the supply chain management business. The Company is confident that the supply chain business will be able to give a return above the Coupon Rate.

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 Bond Issue.

Documents for Inspection

A copy of the Term Sheet 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) month from the date of this announcement.

Cautionary Statement

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors should note that there is no assurance that the Bond Issue mentioned in this announcement will materialise. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisors.

Future Updates

The Company will provide updates on the status of the Bond Issue and any documents that are being entered into, including and not limited to the Loan Agreement and any security documents.

By Order of the Board
METECH INTERNATIONAL LIMITED

Simon Eng
Chief Executive Officer
13 November 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.