



铭泰国际

METECH INTERNATIONAL LIMITED

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

ESTABLISHMENT OF A JOINT VENTURE

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Metech International Limited (the “**Company**” and collectively with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 22 April 2020 entered into a joint venture agreement (the “**JVA**”) with Mr. In Nany Sing Charlie (“**Charlie**”) (collectively with the Company, the “**Parties**”). Pursuant to the JVA, the Parties will establish a joint venture company (“**JV Company**”), to be incorporated in Singapore to carry out circular economy marketing and management services business in relation to recycling and trading in Singapore and PRC (“**Proposed Business**”). (the “**Joint Venture**”).

2. BACKGROUND

2.1 Following the disposal of the Group’s electronic waste management (“**EWM**”) business in April 2019, the Company had reorganized its recycling business to one that provides consulting and management services, as well as its supply chain management (“**SCM**”) and services business with the aim to head towards an asset-light and service focused business wherein:

- The principal business of Metech Recycling (Singapore) Pte. Ltd., a wholly owned subsidiary of the Company which was previously dealing in EWM and currently scaling down its metal trading business in Singapore; and
- Metech Reverslog Pte. Ltd. (“**MRL**” now known as Nolash Tech Pte. Ltd. (“**Nolash Singapore**”)), the other wholly owned subsidiary, was operating principally in the business of general wholesale trade (including general importers and exporters) and repair and maintenance of computer hardware, data processing equipment and computer peripherals. On 23 September 2019, the Company announced that Nolash Tech (Shanghai) Co., Ltd. (“**Nolash Shanghai**”), a wholly-owned subsidiary of Nolash Singapore, has entered into agreements with five companies in China to provide exclusive technical, operation and procurement (“**TOP**”) services to each for an annual service fee of RMB 10 million (approximately 2 million SGD) payable quarterly in advance. Upon further analysis, it has been found that certain tax benefits under the Shanghai Free Trade Zone are available to the Company if Nolash Singapore is undertake the TOP services directly using FTN account. The Company has therefore applied for the FTN account and received approval for the FTN account at the end of February 2020. The Company will review and renegotiate the service agreements with the five companies such that Nolash Singapore will replace Nolash Shanghai as the contracting party to the agreements.

2.2 The reorganisation aims to reduce the Group's reliance on the metal trading business and progress towards businesses that are more skilled and services based, capitalising on its reputation and extensive experience in the recycling industry.

3. INFORMATION ON CHARLIE

3.1 Charlie is a businessman who has extensive experience in trading, business management, capital sourcing, consulting, marketing, mergers and acquisitions.

4. SALIENT TERMS OF THE JVA

4.1 Formation and Incorporation of the JV Company

Pursuant to the JVA, the JV Company will have an issued and paid-up share capital of S\$100 divided into 100 Shares, which shall be subscribed for by the Parties hereto in the following numbers and shareholding percentages:

| Shareholder | Number of Ordinary Shares | Percentage of entire issued share capital |
|-------------|---------------------------|---|
| Company | 51 | 51% |
| Charlie | 49 | 49% |

The Parties agree that, subject to any adjustments in the event of any additional shareholders or otherwise pursuant to mutual agreement by the Parties, the shareholding of the Company and Charlie shall be 51%: 49%.

4.2 Board of Directors of the JV Company

Pursuant to the JVA, the board of directors of the JV Company shall comprise up to three (3) directors, whereby two (2) of them shall be nominated by the Company and one of them shall be nominated by Charlie to represent his interest.

Any decision to be made by the board of directors of the JV Company shall include the affirmative votes and/or signature of the director appointed by the Company.

4.3 Obligations of the Parties

Pursuant to the JVA, the Parties have agreed, among others, that their responsibilities in the Business shall be as follows:

- (a) Charlie shall be responsible for the securing of a management team who will be running the Business and day-to-day operations of the JV Company;
- (b) Charlie shall be responsible for providing the necessary business connections, client introductions, technology providers, recycling contractors, farming suppliers, financiers, expertise, SCM know-how and capabilities required in connection with performing the Business in the Territory;

- (c) MIL shall be responsible for the continued survival of the JV Company and its subsidiary, if any;
- (d) MIL shall be responsible for maintaining and/or procuring all relevant governmental permits, approvals and licences required in connection with the Business and its subsidiary of the JV Company in the Singapore, PRC and such other territory as the Parties may agree from time to time (the “**Territory**”);
- (e) the Parties will be jointly responsible for all other matters not specified in (a) to (d) above which are essential or beneficial for the Business.

4.4 **Dividend Policy**

If in respect of any accounting period in which the JV Company has profits available for distribution, the Parties shall procure that at least seventy-five percent (75%) of the profits are distributed by way of cash dividends by the JV Company within one (1) month after the end of such period.

5. **RATIONALE FOR AND BENEFITS OF THE JOINT VENTURE**

The Joint Venture is part of the Company’s plan to head towards an asset-light and service-oriented business and reduce its reliance on the metal trading business. The establishment of the JV Company will draw on the merits of the Company’s existing expertise in recycling and trading, while concurrently tapping on Charlie’s business connections, experience, strengths and industry experience in operations especially in jurisdiction such as Singapore and PRC.

6. **INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

As at the date of this announcement, none of the directors of the Company (the “**Directors**”) has interest, direct or indirect, in the Joint Venture. As at the date of this announcement, the Company has not received any notification from any of the Company’s controlling shareholders that it has any interest, direct or indirect, in the Joint Venture other than by reason of their shareholding interest in the Company.

7. **SERVICE AGREEMENT**

Save for the JVA, there is no service contract arising from the Joint Venture.

8. **DIRECTORS’ RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Joint Venture, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context

9. FURTHER ANNOUNCEMENTS

The Company will make further announcements, on the JVA and the Joint Venture, as appropriate and when there are developments on the same.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the JVA will be available for inspection during normal hours at the Company's registered office at 65 Tech Park Crescent, Singapore 637787 for a period of three (3) months from the date of this announcement.

11. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares in the Company as there is no certainty or assurance that the Proposed Business and/or Joint Venture and transaction contemplated thereunder will be consummated. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

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

Clement Tay

Chief Executive Director and Executive Director
22 April 2020

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 assume 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.

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