



铭泰国际

**METECH INTERNATIONAL LIMITED**

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

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**ESTABLISHMENT OF A JOINT VENTURE**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Metech International Limited (the “**Company** or **MIL**” and collectively with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 28 May 2021 entered into a joint venture agreement (the “**Joint Venture**” and the “**JVA**”) with Jurong Barrels & Drums Industries Pte Ltd (“**Jurong BD**”) (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 explore the provision of environmental services globally, with the immediate focus on water treatment in People’s Republic of China (“**PRC**”) (“**Proposed Business**”).

**2. BACKGROUND**

The Company has, since the disposal of its electronic waste treatment business in April 2019, made attempts to reorganise its recycling business and supply chain management business. In a strategic review post-AGM 2020, the Company and the five Clients mutually agreed to terminate the service agreements entered into in relation to the Technical, Operation and Procurement services (please refer to the Company’s announcements dated 12 December 2020 and 5 February 2021) and focus to continue with its engagement in the renewable and sustainability industries, capitalising on its reputation and experience in the recycling industry.

The Company will continue to explore opportunities to augment its supply chain management business, riding on the progress made since December 2020, while leveraging on its long history of involvement in the renewable and sustainability industries to build a new engine of growth.

**3. INFORMATION ON JURONG BD**

Jurong BD is a company incorporated in Singapore since 17 November 1983, with its registered address at 34 Gul Crescent, Singapore 629538. It has an existing issued and paid-up share capital of \$2 million comprising two million shares. As of date of this announcement, E.U Holdings Pte Ltd owns 60% of Jurong BD and the remaining 40% are owned by individuals.

Jurong BD specializes in the revitalisation and reconditioning of steel and plastic drums. It has recently started various investments in wastewater treatment projects in Singapore and China.

Jurong BD's controlling shareholders and management have had a long-standing business relationship with Metech's principal shareholders and management, after having traded with each other in the metal recycling industry for many years.

Save for prior trade dealings and business relationship set out above, Jurong BD and its shareholders are independent and unrelated parties to the Group, the Company's directors, chief executive officers and controlling shareholders.

#### **4. SALIENT TERMS OF THE JVA**

##### **4.1 FORMATION AND SHARE CAPITAL OF THE JV COMPANY**

Pursuant to the JVA, the JV Company will have an issued and paid-up share capital of S\$100,000 divided into 100,000 Shares, which shall be subscribed for by the Parties hereto in the following numbers and shareholding percentage:

<b>Shareholder</b>	<b>Number of Ordinary Shares</b>	<b>Percentage of entire issued share capital</b>
Company	70,000	70%
Jurong BD	30,000	30%

The entry into the JVA will be funded through internal resources and, at present, it is expected to not have any material impact on the net tangible assets or earnings per share of the Company for the financial year ending 30 June 2021.

##### **4.2 BUSINESS OF THE JV COMPANY**

The JV Company will be principally engaged in the environmental and sustainability economy, including water and waste recycling and treatment, as well as general trading and leasing of materials and equipment or such other business as the Parties may agree upon from time to time principally in but not limited to PRC and other parts of Southeast Asia.

##### **4.3 BOARD OF DIRECTOR OF THE JV COMPANY ("JV Board")**

Pursuant to the JVA, the board of directors of the JV Company shall comprise up to six (6) directors, whereby four (4) shall be nominated by the Company and two (2) by Jurong BD.

The Chairman shall be nominated by the Company and appointed by the JV Board. The Chief Executive Officer will be sourced objectively and appointed by the JV Board.

Subject to any admission of new shareholders or otherwise pursuant to mutual agreement by the Parties, the ratio of Directors on the Board nominated by the Company and Jurong BD respectively shall remain 4:2 at all times.

As the Company has majority on the JV Board, it will have oversight on the compliance and governance of the JV Company. The JV Company will employ a Chief Executive Officer with the requisite experience and familiarity with the applicable rules and regulations in which the JV Company operates in.

#### **4.4 OBLIGATION OF THE PARTIES**

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

- (a) MIL shall be responsible for overseeing the day-to-day operations of the JV Company in line with directions set by the JV Board;
- (b) MIL and Jurong BD shall be jointly responsible for the business development and funding of the JV Company;
- (c) Jurong BD shall be responsible for providing existing resources and their technical support (such as an oil-water separation facility already in PRC) to kick-start the JV Company; and
- (d) Jurong BD will charge a cost to the JV Company for the oil-water separation facility when a project is secured with contract.

#### **4.5 DIVIDEND POLICY**

If in respect of any accounting period the JV Company has profit available for distribution, Parties shall procure that at least twenty percent (20%) of the profit is distributed by way of cash dividend by the JV Company after the audited report has been signed for the period.

#### **5. ADDITIONAL WORKING CAPITAL**

When additional working capital is required by the JV Company, such funding shall be provided in the following sequence, unless otherwise agreed in writing between the Parties:

- (a) borrowings from financial institutions such as banks;
- (b) loans from shareholders, which shall bear interest payable by the JV Company at the rate from time to time determined to be two per cent (2%) above the prevailing prime rate; and
- (c) third-party loans extended by non-financial institutions such as a public or private company, or individual(s).

While shareholders have pledged to extend interest-bearing loans to the JV Company when required, the contribution of each party will not necessarily be proportionate to their shareholding. This will be subjected to its respective terms and conditions to be negotiated then.

#### **6. RATIONALE FOR AND BENEFITS OF THE JOINT VENTURE**

The Joint Venture is part of the Company's plan to remain engaged in the environmental and sustainability related industries as one of two business divisions.

As part of the Company's supply chain management business, which includes the provision of management and advisory of recycling and supply chain services, Joint Venture will allow the

Company to expand on its supply chain management business whilst not requiring significant capital outlay.

The establishment of the JV Company will draw on the merits of the Company's existing expertise in recycling and trading as well as extensive networks in PRC, while concurrently tapping on Jurong BD's business connections and experience, especially in Singapore.

## **7. 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.

## **8. SERVICE AGREEMENT**

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

## **9. 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.

## **10. 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.

## **11. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the JVA will be available for inspection during normal hours at the Company's registered office at 1 Raffles Place Tower 2, Level 19 Singapore 048616 for a period of three (3) months from the date of this announcement.

Shareholders who wish to inspect the JVA may email [shareholder@metechinternational.com](mailto:shareholder@metechinternational.com) to make an appointment in advance so to limit the number of people who are present at the registered

office at any one time. Such arrangements are subject to prevailing regulations, orders, advisories and guidelines in relation to safe distancing measures implemented by the relevant authorities from time to time.

By Order of the Board of Directors of  
**Metech International Limited**

Chay Yiowmin  
Independent Non-Executive Chairman  
31 May 2021

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*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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