

Metal Component Engineering Limited

(Incorporated in the Republic of Singapore)

(Company Registration No.: 198804700N)

ENTRY INTO TERM SHEET RELATING TO PROPOSED INVESTMENT IN MEDTEL HEALTHCARE PRIVATE LIMITED

1. INTRODUCTION

The board of directors (the "**Board**") of Metal Component Engineering Limited (the "**Company**") wishes to announce that the Company's wholly-owned subsidiary, Metal Precision Services Pte. Ltd. (the "**Investor**"), had on 27 July 2021 entered into a term sheet (the "**Term Sheet**") with MedTel Healthcare Private Limited ("**MedTel**"), to subscribe up to 10% of the issued and paid up equity share capital of MedTel (the "**Proposed Investment**").

The Term Sheet sets out the key commercially agreed terms in respect of the Proposed Investment and does not constitute an offer, agreement, agreement in principle, agreement to agree or commitment to provide financing. There is no binding commitment on the part of the Investor to conclude the Proposed Investment, till the negotiation, finalisation and execution of the definitive agreements relating to the Proposed Investment ("**Definitive Agreements**").

The Company will provide further details of the Proposed Investment upon the execution of the Definitive Agreements, and furnish necessary information in compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**").

2. INFORMATION ON THE PROPOSED INVESTMENT

2.1. Information on MedTel

MedTel is a company incorporated in 2017 under the India Companies Act, 2013. MedTel is currently engaged in the business of digital health services and offers an end-to-end medical IoT (Internet of Medical Things) platform which benefits patients by capturing their chronic medical conditions and care providers for better management of patients. MedTel's products require regional partnerships for medical devices, including sourcing and registration of these devices. MedTel is currently controlled and managed by its founders and directors, Mr. Lalit Ranjan Manik and Mr. Ajit Choudhury, who are also the majority shareholders of MedTel.

2.2. Rationale for the Proposed Investment

On 8 July 2021, the Company obtained its shareholders' approval for the diversification of business into healthcare business and e-commerce business ("**Diversification**"), as well as the acquisition of 85.07% equity interest in Gainhealth Pte Ltd ("**Acquisition**"). The Acquisition was completed on 13 July 2021. Following the Diversification and the Acquisition, the Company has been looking into potential investment to expand its new business. The Proposed Investment will provide value addition to the Company's plans in the digital health ecosystem investment.

2.3. Investment Amount

Pursuant to the Term Sheet, the Investor proposes to make an investment to subscribe up to 10% of the issued and paid up share capital of MedTel. The amount to be invested for the aforementioned subscription will be discussed and detailed in the Definitive Agreements.

It is mutually agreed by the parties that the Investor will make an initial deposit of INR 27,50,000 (Rupees Twenty Seven Lakhs Fifty Thousand only) (equivalent to approximately S\$50,926 based on an exchange rate of S\$1: INR 54) by 30 July 2021 or as mutually extended in writing by the parties. In the event of termination of the Term Sheet without the Definitive Agreements being

agreed and executed between the parties, MedTel shall refund in its entirety such amount to the Investor.

3. SALIENT TERMS OF THE TERM SHEET

3.1 Standstill Provisions

Pursuant to the Term Sheet, during the period between the date of signing of the Term Sheet and (i) the date of completion of the Proposed Investment or (ii) date of termination of the Term Sheet, whichever is earlier, MedTel shall not, without the prior written consent of the Investor:

- a. enter into any commitment or transaction for acquisition of property, business or any other asset, or do anything which is not contemplated by the Term Sheet and which would have a material adverse effect on the business of MedTel and the Proposed Investment, save and except in the ordinary course of business;
- b. solicit, initiate, negotiate or encourage any inquiries, discussions or proposals from any other person or entity relating to a possible acquisition of any part of the business or of the capital stock, securities or fund raising or any kind of equity structured financing, or any kind of debt financing, or assets of any of the MedTel;
- c. conduct the business of MedTel otherwise than in the ordinary course;
- d. enter into any commitment, transaction, arrangement or agreement with any related parties (as defined under the Indian Companies Act, 2013);
- e. incur any substantial indebtedness;
- f. appoint or relieve from the services of MedTel any senior employee; or
- g. make any change in the share capital of MedTel.

3.2 Termination

The Term Sheet shall terminate within 60 (sixty) days from its execution unless mutually extended by the parties therein or mutually cancelled by the parties in writing. It shall automatically be terminated upon the execution of the Definitive Agreements.

3.3 Definitive Agreements

The parties to the Term Sheet shall enter into the Definitive Agreements, which shall include a share subscription agreement and a shareholders' agreement, within 60 (sixty) days from the date of Term Sheet, which date may be mutually extended by the parties in writing.

4. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Investment (other than through their shareholdings in the Company).

5. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of the Catalyst Rules, as and when there are material developments in respect of the Proposed Investment and other matters contemplated in this announcement, including the signing of the Definitive Agreements.

6. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the Term Sheet is non-binding and is subject to the execution of the Definitive Agreements with terms and conditions to be agreed by the parties of the Term Sheet, and there is no certainty or assurance that the Proposed Investment will be completed or be proceeded. As such, shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. In the event of any doubt as to the action they should take, shareholders and potential investors should consult their financial, tax, legal or other professional advisers.

By Order of the Board

Lee Wei Hsiung
Company Secretary
27 July 2021

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").*

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 Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd., at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.