



Metech International Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number 199206445M)

RESPONSE TO SGX QUERIES

The Board of Directors (the “**Board**”) of Metech International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the queries from the Singapore Exchange Regulation Pte. Ltd. (“**SGX Regco**”) on 19 January 2023 in relation to the announcement dated 17 January 2023 in relation to the resignation of Mr Chay Yiowmin (“**Mr Chay**”), the Independent Non-Executive Chairman of the Company (the “**Resignation**”) (the “**17 Jan Cessation Announcement**”) and wishes to respond to the queries as set out below.

Unless otherwise defined, all capitalised terms have the same meanings as ascribed to them in the 17 Jan Cessation Announcement.

- 1) It was disclosed that Mr Chay thought it was an appropriate time to step down as an Independent Director (“**ID**”) in light of the appointment of Mr Zhang Keke.
 - (a) The effective date of Mr Chay’s cessation was 17 January 2023, and the Company released the announcement on his cessation at the end of the same day. When did Mr Chay indicate his intention to resign?

Company’s Response

The Company received an email from Mr Chay on 17 January 2023, timed at about 12.35 a.m., which formally notified the Company of his resignation as the Independent Non-Executive Chairman of the Company with immediate effect.

The Company’s sponsor was copied in on Mr Chay’s said email of resignation, and later that same morning, conducted the requisite exit interview with Mr Chay, following which the Company released the 17 Jan Cessation Announcement and an announcement regarding changes to the composition of the Board of Directors and Board Committees (the “**17 Jan Changes to Board and Board Committees Announcement**”) on or about 23:53 p.m. and 23:56 p.m., respectively, in the evening of 17 January 2023.

Following Mr Chay’s resignation, the Board proceeded to put into effect the appointment of Ms Samantha Hua Lei as a member of the Nominating Committee and the Remuneration Committee, *inter alia*, so that the Company’s Nominating Committee and Remuneration Committee would at least have a quorum to hold such board committee meetings. The appointment of Ms Samantha Hua Lei had been discussed previously but not put into effect until 17 January 2023.

The Company would like to convey and clarify that the appointment of Mr Zhang on 16 January 2023, which was approved by Mr Chay as a member of the Nominating Committee at the pertinent point, was made in order to satisfy the requirements regarding the

compositions of its Board, Audit, Nominating and Remuneration Committees, and was in no way connected or related to Mr Chay's decision to resign as the Independent Non-Executive Chairman of the Board which occurred subsequent to such appointment. Mr Chay resigned of his own volition.

In this regard, the Board sets out in full, below, the detailed reasons stated under the section "*Detailed Reason(s) for cessation*" of the 17 Jan Cessation Announcement:-

"Mr Chay Yiowmin has decided to resign to allow for board renewal, which was a point raised by shareholders at the previous general meetings. In light of the appointment of Mr Zhang Keke, Mr Chay Yiowmin thought that it would be an appropriate time to step down.

The Sponsor, after having interviewed Mr Chay Yiowmin, is satisfied that other than as disclosed in the announcement, there is no other reason for the cessation of Mr Chay Yiowmin as Independent Non-Executive Chairman of the Company".

Shareholders are urged to read the 17 Jan Cessation Announcement and the 17 Jan Changes to Board and Board Committees Announcement in their entirety.

- (b) With the Resignation, the current board comprises Executive Director and Chief Executive Officer, Ms Samantha Hua Lei and newly appointed ID, Mr Zhang Keke. Please elaborate on why this is an appropriate time for Mr Chay to step down, given that Mr Chay was the only remaining ID prior to the recent appointment of Mr Zhang Keke on 16 January 2023.

Company's Response

As stated in the Company's response to query 1)(a), Mr Chay approved of Mr Zhang's appointment and had subsequent to the appointment of Mr Zhang resigned of his own volition. Hence the timing of Mr Chay's resignation was not something within the control of the Company and it is, therefore, not able to comment or elaborate whether the timing of Mr Chay's resignation was appropriate or not.

In this connection, the Board would like to refer again to the full text of the reasons for cessation in respect of Mr Chay, as replicated above in the Company's response to query 1)(a).

The Company wishes to highlight that it is not aware of any other reasons for Mr Chay's resignation, other than what has been conveyed in the 17 Jan Cessation Announcement, which is consistent with Mr Chay's email in which he submitted his resignation.

- (c) With Mr Chay's cessation as an ID being one day after the appointment of Mr Zhang Keke. How does the Company ensure the smooth transition to the newly appointed ID, Mr Zhang Keke and the 2 other IDs to be appointed such that the Board (including IDs) is familiar with and has continuity over matters of the Group?

Company's Response

The current Board believes that the Company's executive director and financial controller are able to fully bring Mr Zhang up to date with the various developments of the Group. For audit matters, the Company's statutory auditors will no doubt be in a position to share with Mr Zhang any material issues (if any) including the audit and financial statements of the Group.

- (d) Pursuant to Catalist Rule 704(7), the 2 vacancies in the Audit Committee must be filled no later than 20 January 2023 and 16 April 2023. Please provide more details on the status of appointment of the 2 IDs to fill the Audit Committee?

Company's Response

The Company and its Nominating Committee are well aware that at the current time, the Company is not in compliance with the requisite compositions of its Board, Audit, Nominating and Remuneration Committees. As explained in the 17 Jan Changes to Board and Board Committees Announcement, the Company had on 13 January 2023 submitted an application to the SGX Regco for an extension of time to regularise the composition of its Board and Audit Committee, and it is doubling down on its efforts to identify suitable candidates for appointment as independent and non-executive directors so that the compositions of its Board, Audit, Nominating and Remuneration Committees are in compliance with the Companies Act, the Catalist Rules and the Code of Corporate Governance 2018.

One particular challenge that the Company faces in making suitable appointments is that in the Company's annual general meeting held on 21 October 2022 ("**2022 AGM**"), the resolution for the approval of directors' fees for the year ending 30 June 2023 was not carried by shareholders, and this has deterred potential candidates for directorship from coming forward for interviews.

- 2) Please confirm if there are any other reasons / concerns / unresolved differences / issues that led to the resignation of Mr Chay.

Company's Response

Save for the reasons as provided by Mr Chay under the section "*Detailed Reason(s) for cessation*" as set out in the 17 Jan Cessation Announcement, directors' fees for the financial year ending 30 June 2023 ("**FY2023**") which are owing to Mr Chay in respect of the period he was in office prior to his resignation have yet to be paid to him since the resolution to pay directors' fees tabled at the 2022 AGM was not carried. Other than the foregoing, the Company is not aware of any other reasons / concerns / unresolved differences / issues that led to the resignation of Mr Chay.

As stated above in the Company's response to query 1)(d), the resolution to pay the FY2023 directors' fees was not carried at the 2022 AGM. The payment of directors' fees is subject to shareholders' approval, and there is no certainty or assurance that directors of the Company will be entitled to claim any directors' fees due as long as the Company is unable to secure the necessary support from shareholders to approve the payment of such fees, notwithstanding that services have been rendered by the directors.

In addition, as previously announced, the Company has received two rounds of requisitions from certain shareholders on 26 September 2022 and 7 November 2022 respectively, in each case, calling for Mr Chay's removal as an independent director. While Mr Chay continued to stay in office, *inter alia*, after the resolution to remove Mr Chay as an independent director proposed under the requisition notice dated 26 September 2022 was defeated at the extraordinary general meeting held on 21 October 2022, the Board is unable to comment if such developments may have contributed to or otherwise had a bearing on Mr Chay's decision to resign as independent director of the Company.

- 3) There were 3 resignations of Directors or key management in the past 12 months.
- (a) Please provide the Nominating Committee's assessment, with supporting justifications, on whether there are issues or unresolved differences leading to the resignations, and whether there are concerns to be brought to the attention of shareholders.

Company's Response

By way of clarification, other than Mr Chay and Mr Tan Siji Macarthur, the other two Directors who ceased to hold office in the past 12 months, namely Mr Ricky Sim and Mr Chng Hee Kok, did not vacate their office as directors by way of resignation. Set out below is a recap of the various cessation of the directors of the Company in the past 12 months:

- (a) On 12 July 2022, Mr Tan Siji Macarthur resigned as non-executive non-independent director, and the reason he provided for his resignation was that he wanted to leave to focus on his own business.
- (b) On 26 September 2022, the Company received from certain shareholders a requisition notice wherein the resolutions proposed included a resolution to remove Mr Ricky Sim and Mr Chay as directors of the Company. Mr Ricky Sim and Mr Chng Hee Kok were due to retire by rotation and would have been put up for re-election at the 2022 AGM. However, Mr Ricky Sim declined to be put up for re-election and only Mr Chng Hee Kok stood for re-election, but the motion to reappoint Mr Chng Hee Kok was not carried at the 2022 AGM.

Therefore, other than Mr Tan Siji Macarthur and Mr Chay, Mr Chng Hee Kok and Mr Ricky Sim did not resign prior to the expiry of their term as directors, in accordance with the Company's constitution and the Catalist Rules.

The Nominating Committee is, therefore, not in a position to make an assessment of the cessation of Mr Chng Hee Kok and Mr Ricky Sim since Mr Chng Hee Kok's re-election was not carried, and Mr Ricky Sim declined to be put up for re-election. Therefore, Mr Chng Hee Kok and Mr Ricky Sim did not resign as such.

As for Mr Tan Siji Macarthur, who was a non-executive non-independent director, the Nominating Committee accepted the reasons provided by him for his resignation at the time, and to its best information, knowledge and belief, there were no issues or unresolved differences leading to the resignation of Mr Tan Siji Macarthur, and there were no concerns that should have been brought to the attention of shareholders at the time.

The queries regarding Mr Chay's resignation have been dealt with above.

- (b) Please provide the Sponsor's assessment, with supporting justifications, on whether there are issues or unresolved differences leading to the resignations, and whether there are concerns to be brought to the attention of shareholders.

Sponsor's Response

Novus Corporate Finance Pte. Ltd. (the "**Sponsor**") was appointed as the Company's continuing sponsor with effect from 16 July 2022. As such, the Sponsor is unable to comment on Mr Tan Siji Macarthur's resignation on 12 July 2022. It is further noted that Mr Chng Hee Kok was not re-elected at the Company's 2022 AGM, and Mr Ricky Sim retired after the 2022 AGM, and they

had not resigned. In respect of Mr Chay's resignation, the Sponsor interviewed Mr Chay and nothing has been brought to the Sponsor's attention that would indicate that the information in the 17 Jan Cessation Announcement was incorrect.

By Order of the Board of Directors of
Metech International Limited

Samantha Hua Lei
Executive Director and CEO

25 January 2023

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.