



铭泰国际

METECH INTERNATIONAL LIMITED

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

RESPONSES TO SGX REGCO'S QUERIES

The Board of Directors (“**Board**” or “**BOD**”) of Metech International Limited (“**Company**” or “**Metech**”, together with its subsidiaries, “**Group**”) refers to the Company's announcement on 25 November 2020, in relation to the provision of an unlimited continuing guarantee to Phillip Commodities Pte Ltd (“**Phillip**”) (the “**Provision of CG**” or “**CG**”) (“**Announcement**”) by the Company on behalf of Nolash Tech Pte. Ltd. (“**Nolash Tech**”), a wholly-owned subsidiary of the Company and would like to announce its responses to the queries raised by Singapore Exchange Regulation (“**SGX RegCo**”). *Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed to them in the Announcement.*

Query 1: Based on the Company's FY2020 annual report, Nolash Tech's principal activities are stated as "Wholesale trade of a variety of goods without a dominant product and provision of Recycling Technology, Operations, Procurement Management Services". Please clarify whether trading of physical commodities is a new business direction for Nolash Tech, and if so, whether the management has relevant experience in running the new business;

Company's response: [Nolash Tech, formerly known as Metech Reverslog Pte. Ltd., is part of the Group's supply-chain management business which provides general wholesale trading of metal products, and provides management and advisory of recycling and supply chain services, had conducted trading of physical commodities with Phillip Commodities Pte. Ltd. \(an affiliate of Phillip Capital with common ultimate shareholders\) between FY2017 and FY2019. The current management led by the Deputy CEO, has the relevant experience as the entire team had been involved in Nolash Tech's commodity business since FY2017. Management has decided to renew the relationship as part of our effort to continue with the metal trading business.](#)

Query 2: Please disclose the Board's views on why the Company has to provide an unlimited continuing guarantee to Phillip Commodities Pte Ltd as compared to a limited continuing guarantee, as well as whether this is in the best interest of minority shareholders;

Company's response: [Based on our understanding of the matter, Phillip had requested for the Company to provide a corporate guarantee to support Nolash Tech's trading activities as part of their enhanced account opening procedures in view of the COVID-19 pandemic and its effect on the commodity trading business. To further clarify, Phillip is exposed to the risks from transactions generated by Nolash Tech, which is the principal that controls the quantity, price and time-line of each trade. The guarantee is in force \(viz. continuing\) only when transactions are outstanding, the value of which is decided by Nolash Tech and therefore the guarantee must be unlimited from the point of view of Phillip. Nolash Tech is the principal that controls all transactions.](#)

Query 3: Please clarify if the unlimited continuing guarantee covers amounts that were owed by Nolash Tech to Phillip Commodities Pte Ltd prior to the Provision of CG. What is the current amount outstanding from Nolash Tech to Phillip Commodities Pte Ltd?

Company's response: This CG is effective only upon signing and does not cover any prior liabilities. To clarify, there is no amount due to Phillip from Nolash Tech prior to the signing of the CG.

Query 4: Please clarify the tenure of the unlimited continuing guarantee.

Company's response: The CG shall be in effect for as long as there is an amount owing by Nolash Tech to Phillip. Nolash Tech has the right to terminate its relationship with Phillip whenever it deems fit, following which the CG will be terminated as well.

Query 5: Please clarify if it is common practice for such guarantees to be irrevocable even in the event of contestation by the principal, in this case, Nolash Tech

Company's response: To clarify, this is a commercial term given the nature of the business. Nolash Tech has irrevocable obligation to fulfil the conditions of each trade that it generates, and the guarantee that is meant to cover the trades generated by Nolash Tech is therefore irrevocable as well.

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

Chay Yiowmin

Independent Non-Executive Chairman
30 November 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 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.

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