



## Metech International Limited

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

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### RESPONSE TO SGX QUERIES

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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 Securities Trading Limited (“**SGX-ST**”) on 10 November 2023 in relation to the Company’s announcements (the “**Announcements**”) dated 9 November 2023 in relation to appointments of Mr Chng Hee Kok as the Independent Non-Executive Chairman and Mr Er Kwong Wah as an Independent Director 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 Announcements.*

#### **SGX-ST’s Queries**

We refer to Metech International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announcement on 9 November 2023 regarding the appointments of Mr Chng Hee Kok (“**Mr. Chng**”) and Mr Er Kwong Wah (“**Mr. Er**”) as the Independent Non-executive Chairman (“**Chairman**”) and Independent Director (“**ID**”) respectively.

Please provide clarifications to the following:

- 1) **From the AGM results in October 2022, we note that shareholders had voted against the reappointment of Mr Chng as an ID and Mr Chng stepped down after the AGM. Please provide details on the NC’s assessments and justification in the current appointment of Mr Chng as the Independent, Non-executive Chairman on the board.**

#### **Company’s Response:**

The Board and NC have identified several key requirements for incoming independent directors, in particular, the need for an experienced person to guide the Company.

The Nominating Committee (“**NC**”) is aware that Mr. Chng was not re-appointed as an ID at the AGM convened in respect of the financial year ended 30 June 2022, and had considered this in its assessment. Nonetheless, the NC has also considered Mr. Chng’s wealth of experience in corporate governance matters, given his experience as an ID on other Singapore public-listed companies, especially given his familiarity with the Company and his insights into the current state of the Company.

Mr. Chng has been on the board of several listed companies and possesses a wide business network. The NC, having reviewed and assessed the qualifications and experience of Mr. Chng, is of the opinion that Mr. Chng is a suitable candidate to be nominated to the Board and can contribute positively to the Company. After considering all these points, the Board approved and appointed Mr. Chng as an ID and Chairman of the Board.

The Board would also like to highlight that Mr. Chng's appointment is subject to shareholders' approval at the Company's upcoming AGM which is targeted to be convened by December 2023.

- 2) Please provide details on the NC's assessment and justification on suitability of Mr Er as an ID of the Company. Please disclose how Mr Er's appointment can provide "greater balance and diversity of skills, experience and knowledge" for the Board.**

Company's Response:

Please refer to the Company's response to query 1 above in relation to the key requirements of incoming independent directors which were identified by the Board.

Mr. Er spent 27 years in the service of the Singapore Government and held very senior-level Permanent Secretary appointments. After retiring from the civil service, he was appointed as the Executive Chairman of Sembawang Maritime and Logistic Ltd until 2001 when he left to take up the position of Executive Director of East Asia Institute of Management. Mr. Er retired from this institution at the end of 2016.

Currently, Mr. Er serves as an ID of Luxking Group Holdings Ltd. and Nutryfarm International Limited. As an ID, he has held positions as either Chairman or Member of the various board committees in Audit and Risk Management, Nominating and Remuneration. Over the past 20 years, Mr. Er has served as ID of at least 15 public-listed companies in Singapore and Hong Kong. He is well-versed with the Listing Rules and related regulatory requirements of both stock exchanges.

Furthermore, Mr. Er was also conferred the PPA (Gold) Award (Public Administration Medal, Gold) in 1990, PBM Award (Public Service Medal) in 2004, the BBM Award (Public Service Star) in 2009 and MOE Service to Education Award in 2013. He was also conferred a Knighthood by the Government of France in 1991.

With Mr. Er's rich and vast experience in both the public and private sectors and his pre-eminent qualifications, the Nominating Committee is of the view that Mr. Er would be able to contribute his valuable business network which would help with the Company's strategic growth needs at this present time. Being such a senior figure, Mr. Er would also be able to provide valuable advice to the Board and the executive team, bringing much-needed wisdom and experience to its collective decision-making.

The Board, having considered the recommendation of the NC and having reviewed and considered the qualifications, working experience and suitability of Mr. Er, is of the view that Mr. Er has the requisite experience and capability to assume the responsibility as a director of the Company.

- 3) Please provide the NC's consideration on the efficacy of the board as well as the board composition vis-à-vis the requirements of the Group now and moving forward.**

Company's Response:

Please refer to the Company's response to query 1 above in relation to the key requirements of incoming independent directors which were identified by the Board.

As announced on 10 October 2023, an application was made to the SGX-ST through its continuing sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), for an extension of time to (A) hold the AGM for the financial year ended 30 June 2023 ("FY2023") and (B) issue the

Company's Sustainability Report for FY2023 (the "**Extension Application**"). Certain reasons for the Extension Application relate to audit matters concerning (a) the impairment treatment of the Group's assets, and (b) the going concern assessment of the Group. These are the certain challenges the Company has to overcome immediately.

As an ID, both Mr. Chng and Mr. Er have served on other boards as either the Chairman or a member of the board committees, particularly, the Audit Committee. Further, as mentioned in queries 1 and 2, both Mr. Chng and Mr. Er possess valuable and wide business networks, which can provide opportunities for the Company for strategic leverage. Thus, the NC is of the view that having both Mr. Chng and Mr. Er on the Board would enable the Company to tap on their experience with a view to address and obtain input on the audit matters as announced in the Extension Application.

The NC will continue to review and assess the Board's composition from time to time to ensure that its size, structure, composition, requisite skills, and performance meet the requirements of the Group, both in the present and future. This includes the development and evaluation of the performance of each director.

**4) Please provide the Sponsor's assessment and justifications on all of the above.**

Sponsor's Response:

In assessing the suitability of Mr. Chng for the role of Chairman and Mr. Er as an ID of the Company, the Sponsor had assessed the qualifications and professional experiences of Mr. Chng and Mr. Er. The Sponsor had conducted independent background checks, desktop searches, reviews of their curriculum vitae and disclosure forms, and interviews with both directors prior to their appointment as part of the due diligence process. The Sponsor would also like to highlight that the appointments of both Mr. Chng and Mr. Er will be subject to shareholders' approval at the Company's upcoming AGM.

Having considered the NC's assessment and the Sponsor's due diligence that was performed, nothing has come to the attention of the Sponsor that would indicate that both Mr. Chng and Mr. Er are not suitable to act as directors of the Company.

The Sponsor notes that the NC, on behalf of the Board, conducts regular reviews and assessments of the Board's composition, with an aim to maintain a well-balanced mix of skills, experience, and backgrounds among the Board members, ensuring effective governance. With a Board comprising directors with diverse expertise and experience, the Board is able to collectively provide efficient direction for the Company, and nothing has come to the Sponsor's attention that the Board is not effective as a whole, and cannot meet the requirements of the Group now and moving forward.

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

Wang Zhuo  
Executive Director and CEO

15 November 2023

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*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.*