

CIRCULAR DATED 28 FEBRUARY 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. This Circular is issued by the Company. If you are in any doubt about its contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional independent adviser immediately.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings given to them in the Section titled "Definitions" of this Circular.

If you have sold or transferred all your shares in the Company, you should immediately inform the purchaser or transferee or bank, stockbroker or agent through whom the sale or transfer was effected that this Circular, Notice of EGM, Proxy Form and Request Form may be accessed on the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at www.metechinternational.com.

A printed copy of this Circular will NOT be despatched to Shareholders as the Company's Constitution provides for the use of electronic communications, subject to the Catalist Rules. Accordingly, only hardcopies of the Notice of EGM, Proxy Form and Request Form will be mailed to Shareholders. Shareholders who would like a printed copy of this Circular should complete the Request Form and return it to the Company via email to shareholder@metechinternational.com or by post to the Company's registered office at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523, in either case, by 6 March 2024.

This Circular has been prepared with assistance and legal advice from Altum Law Corporation, and has been reviewed by the Company's Sponsor, Novus Corporate Finance Pte. Ltd., in compliance with Rule 226(2)(b) of the Catalist Rules.

This Circular has not been examined or approved by the SGX-ST, and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

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.

metech

铭泰国际

Metech International Limited

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

- 1. PROPOSED RATIFICATION OF THE COMPLETED ACQUISITION OF 29% OF THE ISSUED SHARES OF ASIAN ECO TECHNOLOGY PTE. LTD. PREVIOUSLY HELD BY X DIAMOND CAPITAL PTE. LTD.;**
- 2. PROPOSED PAYMENT OF THE SUM OF S\$63,380 AS DIRECTORS' FEES FOR THE EXISTING NON-EXECUTIVE DIRECTORS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023, TO BE PAID IN FULL;**
- 3. PROPOSED PAYMENT OF THE SUM OF S\$122,312 AS DIRECTORS' FEES FOR THE PREVIOUS NON-EXECUTIVE DIRECTORS WHO HAVE RESIGNED DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2023, TO BE PAID IN FULL; AND**
- 4. PROPOSED ADOPTION OF SHARE ISSUE MANDATE.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	11 March 2024 at 9.00 a.m.
Date and time of EGM	:	14 March 2024 at 9.00 a.m.
Place of EGM	:	Raffles Marina, 10 Tuas West Drive, Singapore 638404

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DEFINITIONS

The following definitions apply throughout in this Circular except where the context otherwise requires:

“29% AET Shares”	:	Has the meaning given to it in Section 1.1(a) below.
“2022 EGM”	:	The extraordinary general meeting held on 21 October 2022, immediately after the Company’s AGM.
“2022 Requisitions”	:	Collectively, the requisition notices received by the Company on 24 August 2022 from Messrs. JurisAsia LLC, acting for the First Requisitioning Members, and on 25 August 2022 and 26 September 2022 from Messrs. MYap Law, acting for the Second Requisitioning Members.
“2022 November Requisitions”	:	Collectively, the requisition notices received by the Company on 4 November 2022 from Mr. Ng Eng Tiong and on 7 November 2022 from Mr. Ng Cheng Huat and Mr. Ang Poh Guan.
“5 March 2023 Announcement”	:	Has the meaning given to it in Section 2.2.3 below.
“AC”	:	The audit committee of the Company as at the relevant time.
“Acquisition”	:	Has the meaning as defined in Section 1.1(a) below.
“AET”	:	Asian Eco Technology Pte. Ltd.
“AET Shares”	:	The ordinary shares in the share capital of AET.
“AGM”	:	The annual general meeting of the Company in relation to FY2022, held on 21 October 2022.
“AGT”	:	Asian Green Tech Pte. Ltd.
“Asset Acquisition Agreement”	:	The asset acquisition agreement entered into between AET and XDC, dated 19 October 2021, under which AET agreed to acquire the CVD Machines from XDC.

DEFINITIONS

“Associate”	:	(a) in relation to any individual, including a Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i.) his immediate family; (ii.) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii.) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more.
“Board”	:	The board of Directors of the Company as at the relevant time.
“Business Day”	:	A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore.
“Catalist”	:	Catalist, the sponsor-supervised board of the SGX-ST.
“Catalist Rules” or “CR”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, supplemented or modified from time to time.
“CDP”	:	The Central Depository (Pte) Limited.
“CEO”	:	The Chief Executive Officer of the Company as at the relevant time.
“Chairman”	:	The Chairman of the Board of the Company as at the relevant time.
“Code”	:	The Code of Corporate Governance 2018.
“COO”	:	The Chief Operating Officer of the Company as at the relevant time.
“Committees”	:	Collectively, the AC, NC and RC of the Company.

DEFINITIONS

“Constitution”	:	The constitution of the Company as at the Latest Practicable Date.
“Circular”	:	This circular to Shareholders dated 28 February 2024.
“Circular relating to the 2022 Requisitions”	:	The circular dated 29 September 2022, relating to the 2022 Requisitions.
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time.
“Company”	:	Metech International Limited.
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact, exercises control over the Company.
“CPF”	:	The Central Provident Fund.
“CVD Machines”	:	Has the meaning given to it in Section 2.1.8 below.
“Directors”	:	The directors of the Company as at the relevant time.
“Diversification Circular”	:	The Company’s circular dated 24 December 2021 in relation to the diversification of the Company’s business to carry on the Lab-Grown Diamond Business.
“Diversification Resolution”	:	Has the meaning given to it in Section 2.1.3 below.
“EGM”	:	The extraordinary general meeting of the Company to be held at Raffles Marina, 10 Tuas West Drive, Singapore 638404, on 14 March 2024 at 9.00 a.m.
“EPS”	:	Has the meaning given to it in Section 2.7.1 below.
“Existing Directors”	:	Means the Directors as at the Latest Practicable Date, as set out in Section 3.2.1(a), save for Mr. Wang Zhuo who is the Executive Director and CEO of the Company, and each an “Existing Director” .
“Excluded Amount”	:	Has the meaning given to it in Section 2.2.7 below.

DEFINITIONS

“FP2023”	:	The twelve-month financial period ended on 30 June 2023.
“FY2022”	:	The financial year ended 30 June 2022.
“FY2023”	:	The financial year ended 31 December 2023, following the change of financial year end from 30 June to 31 December, as announced on 8 December 2023 by the Company.
“Group”	:	The Company and its subsidiaries as at the Latest Practicable Date, and “ Group Company ” shall mean any one of such companies.
“Instruments”	:	Has the meaning given to it in Section 4.1(b) below.
“JVA”	:	The joint venture agreement dated 24 September 2021 entered into between AGT and XDC, as defined in Section 2.1.1 below.
“Lab-Grown Diamond Business”	:	Has the meaning given to it in Section 2.1.1 below.
“Latest Practicable Date”	:	22 February 2024, being the latest practicable date prior to the publication of this Circular.
“LPS”	:	Has the meaning given to it in Section 2.7.1 below.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“Notice of EGM”	:	The notice of EGM set out on pages N-1 to N-6 of this Circular, and separately published on the SGXNET and the Company’s website.
“NC”	:	The nominating committee of the Company as at the relevant time.
“Notice of Default and Termination”	:	Has the meaning given to it in Section 2.2.1 below.
“NTA”	:	Net tangible assets.
“Ordinary Resolutions”	:	The ordinary resolutions set out in the Notice of EGM, and each an “ Ordinary Resolution ”.
“Practice Note 10A”	:	Practice Note 10A of the Catalist Rules.

DEFINITIONS

“Previous Directors”	:	Collectively, Mr. Tan Siji Macarthur, Mr. Ricky Sim Eng Huat, Mr. Chay Yiowmin, Mr. Zhang Keke and Mr. Long Zheng, all of whom were non-executive independent Directors, and Mr. Chng Hee Kok (in respect of his previous appointment with the Company in FY2023, from 1 July 2022 to 21 October 2022), and each a “Previous Director” . The details of their resignation or cessation of service are set out in Section 3.1 below.
“Proposed Directors’ Fees”	:	Has the meaning given to it in Section 1.1(c) below.
“Proposed Existing Directors’ Fees”	:	Has the meaning given to it in Section 1.1(b) below.
“Proposed FP2023 Directors’ Fees”	:	Has the meaning given to it in Section 3.1.5 below.
“Proposed Previous Directors’ Fees”	:	Has the meaning given to it in Section 1.1(c) below.
“Proposed Ratification”	:	Has the meaning given to it in Section 1.1(a) below.
“Proposed Share Issue Mandate”	:	Has the meaning given to it in Section 1.1(d) below.
“Proxy Form”	:	The proxy form set out on pages P-1 to P-2 of this Circular, and separately published on the SGXNET and the Company’s website.
“RC”	:	The remuneration committee of the Company as at the relevant time.
“Register of Directors’ Shareholding”	:	The register of Directors’ respective shareholdings in the Company.
“Register of Substantial Shareholders”	:	The register of Substantial Shareholders of the Company.
“Request Form”	:	The request form sent together with the Notice of EGM and Proxy Form to be filled up and returned by Shareholders who would like a printed copy of this Circular.
“Revised Second Requisition Notice”	:	Has the meaning given to it in section 2.8 of the Circular relating to the 2022 Requisitions, a copy of which was attached to the said circular as Appendix B.

DEFINITIONS

“Second Requisitioning Members”	:	Being Mr. Ng Cheng Huat, Mr. Lim Hean Nerng and Mr. Ang Poh Guan, collectively in respect of the Second Requisition Notice or the Revised Second Requisition Notice, as the case may be.
“Second Requisition Notice”	:	The notice of requisition dated 25 August 2022 sent by the Second Requisitioning Members, which notice was received and announced by the Company on the SGXNET on 25 August 2022, a copy of which is attached to the Circular relating to the 2022 Requisitions as Appendix A.
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time.
“SGXNET”	:	Singapore Exchange Network, a system network used by listed companies for sending information and making announcements to the SGX-ST or any other system networks prescribed by the SGX-ST for the purpose of making that information available to the market.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Shareholders”	:	The registered holders of the ordinary shares of the Company in the register of members of the Company, except where the registered holder is CDP, in which case, the term “Shareholders” shall, in relation to such shares and, where the context so admits, mean the Depositors whose Securities Accounts are credited with such shares.
“Shares”	:	Ordinary shares in the share capital of the Company, and each a “Share” .
“Sponsor”	:	Novus Corporate Finance Pte. Ltd.
“SRS”	:	The Supplementary Retirement Scheme.
“SRS Investors”	:	Investors who hold Shares under the SRS, and each a “SRS Investor” .
“SRS Operators”	:	Agent banks approved by CPF under the SRS.
“Substantial Shareholder”	:	Has the meaning given to it in section 81(1) of the Companies Act.
“Transaction Documents”	:	All transaction documents prepared and executed in relation to and/or in connection with the Acquisition.
“XDC”	:	X Diamond Capital Pte. Ltd.

DEFINITIONS

“S\$” and “cents” : Singapore dollars and cents respectively.

“%” or “per cent.” : Percentage or per centum.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in section 81SF of the SFA. The term “**subsidiary**” shall have the meaning ascribed to it in section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in interpreting and construing the content of this Circular.

Any reference to “**Section**” is to a section of this Circular. Any reference in this Circular to any statute or enactment is a reference to that statute or enactment, as amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaims any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, or to update any information that is made up or determined with reference to the Latest Practicable Date, even if new information becomes available or other events occur after the Latest Practicable Date, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS



铭泰国际

Metech International Limited

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

Directors

Mr. Chng Hee Kok	(Independent Non-Executive Chairman)
Mr. Wang Zhuo	(Executive Director and Chief Executive Officer)
Mr. Ng Cheng Huat	(Non-Independent Non-Executive Director)
Ms. Lucy Yow Su Chin	(Independent Director)
Mr. Er Kwong Wah	(Independent Director)

Registered Office

100G Pasir Panjang Road,
#04-07 Interlocal Centre,
Singapore 118523

Date: 28 February 2024

To: The Shareholders of Metech International Limited

Dear Sir/Madam,

1. INTRODUCTION

1.1. The Directors are convening the EGM, by way of a physical meeting at Raffles Marina, 10 Tuas West Drive, Singapore 638404, on 14 March 2024 at 9.00 a.m. to seek Shareholders' approval for the following resolutions:

- (a) The proposed ratification of the acquisition (the "**Proposed Ratification**") by Asian Green Tech Pte. Ltd. ("**AGT**"), a wholly-owned subsidiary of the Company, of the 29% shareholding (the "**29% AET Shares**") held by X Diamond Capital Pte. Ltd. ("**XDC**") in Asian Eco Technology Pte. Ltd. ("**AET**") on 3 March 2023 (the "**Acquisition**"). Further details about AET and the Acquisition can be found in Section 2 below;
- (b) The proposed payment of the sum of S\$63,380 in Directors' fees for the Existing Directors for FY2023, to be paid in full (the "**Proposed Existing Directors' Fees**");
- (c) The proposed payment of the sum of S\$122,312 in Directors' fees for the Previous Directors for FY2023, to be paid in full (the "**Proposed Previous Directors' Fees**" and together with the Proposed Existing Directors' Fees, the "**Proposed Directors' Fees**"). Further details about the Proposed Directors' Fees can be found in Section 3 below; and
- (d) The proposed adoption of a share issue mandate (the "**Proposed Share Issue Mandate**"). Further details about the Proposed Share Issue Mandate can be found in Section 4 below,

collectively, the resolutions are also referred to as the "**Proposed Resolutions**" and each, a "**Proposed Resolution**".

LETTER TO SHAREHOLDERS

- 1.2. The purpose of this Circular is to provide Shareholders with information relating to the Proposed Resolutions to be tabled at the EGM. This Circular has been prepared solely for the purpose of seeking Shareholders' approval for the Proposed Resolutions by way of the Ordinary Resolutions set out in the Notice of EGM, and may not be relied upon by any other persons (other than Shareholders to whom this Circular is addressed and made available by the Company) or for any other purpose.
- 1.3. For the avoidance of doubt, the Proposed Resolutions are not inter-conditional and accordingly, subject to the relevant Shareholders' approval being obtained, each Proposed Resolution will proceed with or without the other Proposed Resolutions taking place and *vice versa*.
- 1.4. Altum Law Corporation has been appointed legal adviser to the Company as to Singapore law in relation to the Proposed Resolutions and the preparation of this Circular.
- 1.5. The SGX-ST does not assume any responsibility for the accuracy of any statements or opinions made or reports contained in this Circular (if any).

2. THE PROPOSED RATIFICATION OF THE ACQUISITION

2.1. Information on AET

- 2.1.1. AET was incorporated as a joint venture company under the joint venture agreement ("**JVA**") entered into between AGT and XDC on 24 September 2021 to carry on the business of the manufacturing and distribution of lab-grown diamonds (the "**Lab-Grown Diamond Business**"). On incorporation of AET on 27 September 2021, AGT and XDC subscribed for 255,000 and 245,000 AET Shares (at an issue price of S\$1.00 for each AET Share subscribed for) respectively, representing 51% and 49% of the then issued share capital of AET.
- 2.1.2. Following the incorporation of AET and the entry into of the JVA, the Company obtained approval of its Shareholders, at an extraordinary general meeting on 11 January 2022, for the diversification of the Group's core business to include the Lab-Grown Diamond Business, as explained in the Diversification Circular.
- 2.1.3. In the Diversification Circular, the following ordinary resolution (the "**Diversification Resolution**") was tabled before Shareholders for their approval, the text of which is provided below:

"ORDINARY RESOLUTION 1

THE PROPOSED DIVERSIFICATION OF THE CORE BUSINESS OF THE GROUP TO INCLUDE THE [LAB-GROWN DIAMOND BUSINESS]

[RESOLVED] THAT:

- (a) *approval be and is hereby given for the diversification by the Company and its subsidiaries of its core business to include the [Lab-Grown Diamond Business]¹ that involve activities described in Section 2 of the [Diversification Circular], and any other activities related to the [Lab-Grown Diamond Business];*

¹ Defined terms in square brackets have been included in the extract above for consistency with defined terms used in this Circular.

LETTER TO SHAREHOLDERS

- (b) *the Company be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the [Lab-Grown Diamond Business] on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to any such investment, purchase, acquisition or disposal; and*
- (c) *the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document and deed(s), as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he may think fit.”*
- 2.1.4. The Diversification Resolution principally empowered the Directors to carry on the Lab-Grown Diamond Business. It included the authority to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity involved in the business of lab-grown diamonds, on such terms and conditions as the Directors deem fit.
- 2.1.5. For more information on the diversification of the Company’s business to include the Lab-Grown Diamond Business and the formation of AET, Shareholders are encouraged to refer to the Diversification Circular dated 24 December 2021.
- 2.1.6. Prior to the Acquisition, on 17 April 2022, XDC sold 100,000 of its AET Shares to a Mr. Wu Yongqiang (“**Mr. Wu**”) for S\$4,000,000, representing 20% of the total shareholding percentage of AET Shares then held by XDC. After the sale, the shareholding percentages of AGT, XDC and Mr. Wu in AET were 51%, 29% and 20%, respectively.
- 2.1.7. Even though there are provisions in the JVA requiring a shareholder of AET to first offer (“**Pre-emptive Right**”) any AET Shares it wishes to sell to an existing shareholder, AGT did not exercise the Pre-emptive Right as it already held 51%, and was of the view that any available funds would be better deployed for the working capital needs of the Lab-Grown Diamond Business.
- 2.1.8. On 23 June 2022, each of AGT, XDC and Mr. Wu subscribed for additional new AET Shares and were issued 2,362,652, 1,343,468 and 926,530 AET Shares, respectively, at the issue price of S\$1.00 per AET Share issued. Following issuance of the additional AET Shares, AGT, XDC and Mr. Wu held 2,617,652, 1,488,468 and 1,026,530 AET Shares, respectively, representing 51%, 29% and 20% of the issued share capital of AET. The purpose for the issuance of the new AET Shares was to capitalise the aggregate loan of S\$4,632,650 advanced by AGT, XDC and Mr. Wu, in accordance with their respective shareholding percentages, for the purpose of purchasing the five (5) chemical vapour disposition machines (the “**CVD Machines**”) under the Asset Acquisition Agreement.

LETTER TO SHAREHOLDERS

2.2. Acquisition of the 29% AET Shares from XDC

- 2.2.1. On 17 January 2023, the Company announced that AGT had issued a notice of default and termination to XDC in accordance with clause 7.2 of the JVA (the “**Notice of Default and Termination**”). The Notice of Default and Termination was issued on the grounds that XDC had materially and incurably breached multiple obligations and duties, resulting in an event of default under clause 7.1 of the JVA. Under the Notice of Default and Termination, AGT exercised its prerogative and terminated the JVA with XDC, with immediate effect from the date of the said notice. For an understanding of the circumstances, breaches and grounds of default alleged against XDC leading to the Notice of Default and Termination, Shareholders are encouraged to read the announcement released on 17 January 2023.
- 2.2.2. By the Notice of Default and Termination, the Company, through AGT, gave notice to XDC that it intended to acquire all of the 29% AET Shares held by XDC, pursuant to clause 7.3 of the JVA. In accordance with the provisions of clause 7.3 of the JVA, AGT was entitled to acquire the 29% AET Shares at 80% of the NTA per share of AET.
- 2.2.3. On 5 March 2023, the Company announced that it had completed the Acquisition on 3 March 2023 for a consideration of S\$1.00, on the basis that AET had a negative NTA value of S\$1,100,000, and a negative NTA value per share of S\$0.2144 as at 17 January 2023, the date of the Notice of Default and Termination (the “**5 March 2023 Announcement**”). The consideration amount was settled in cash from the Group’s internal resources.
- 2.2.4. As at the Latest Practicable Date, following completion of the Acquisition on 3 March 2023, AGT holds 4,106,120 AET Shares, representing 80% of the issued share capital of AET. The remaining 20% of the issued share capital of AET is held by Mr. Wu.
- 2.2.5. Under Chapter 10 of the Catalist Rules, in an acquisition, where any of the relative figures computed on the bases set out in CR1006 exceeds 75% but is less than 100%, the acquisition is classified as a major transaction. A major transaction must be made subject to the approval of Shareholders given in a general meeting.
- 2.2.6. In the 5 March 2023 Announcement, in respect of CR1006(b), which required the net profits attributable to the assets acquired to be compared with the Group’s net profits, the Company used (a) the latest available accounts of AET for the six-month period ended 31 December 2022, and (b) its then latest unaudited financial statements for the financial period ended 31 December 2022 (announced on 14 February 2023).
- 2.2.7. Based on the computation, as disclosed in the 5 March 2023 Announcement, the relative figure computed under CR1006(b) was, approximately, negative 9.46%, (based on 29% of the net loss of S\$649,000 reported by AET and a net loss of S\$1.99 million reported by the Group for the same financial period). The Company, however, excluded from its computation an amount of S\$4.35 million, being impairments and provisions made in AET (the “**Excluded Amount**”). In note (1) to the table of computation under paragraph 3 of the 5 March 2023 Announcement, the Company explained that the Excluded Amount represented atypical losses that were not generated from the ordinary business operations of AET, were infrequent in nature and unlikely to recur in the foreseeable future as they arose from numerous issues and irregularities by XDC and its representatives. Therefore, it was of the view that it was more meaningful to exclude the Excluded Amount from its computation under CR1006(b).

LETTER TO SHAREHOLDERS

- 2.2.8. In the same note, the Company illustrated that if the Excluded Amount had been taken into consideration, the relative figure under CR1006(b) would be, approximately, negative 22.9% instead.
- 2.2.9. In respect of CR1006(c), the Company (a) computed the aggregate value of the consideration given for the 29% AET Shares as approximately S\$405,000, derived from 29% of the absolute NTA value of AET, which as at 31 December 2022 was approximately negative S\$1,397,000, in accordance with paragraph 3.2(b) of Practice Note 10A, and (b) compared the purchase consideration with the Company's market capitalisation of S\$7,426,227, derived at by multiplying the then total issued Shares of 151,555,655 by the volume weighted average price of S\$0.049 as at 2 March 2023, i.e., the Market Day preceding the completion of the Acquisition. The relative figure as computed and disclosed in the 5 March 2023 Announcement was, approximately, 5.45%.
- 2.2.10. CR1007(1) states that if any of the relative figures computed pursuant to CR1006 involves a negative figure, the provisions of Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances set out in Practice Note 10A, or if not so provided, at the discretion of the Exchange, in which case, the Sponsor should consult the Exchange. While the Company was of the view, as disclosed in the 5 March 2023 Announcement, that taking into account the Excluded Amount in computing the relative figure under CR1006(b) would not be meaningful and did not reflect a fair and true view of the financial results of AET and the Company, the Sponsor, however, advised the Company that the Excluded Amount should have been taken into account in computing the relative figure under CR1006(b), in line with the definition of "net profits" as set out in CR1002(3)(b).
- 2.2.11. Accordingly, taking guidance from the Sponsor, the Company has reviewed the bases of its computations disclosed in the 5 March 2023 Announcement, and has now determined that:
- (a) Since none of the relative figures as re-computed on the bases set out in CR1006 exceeds 75%, as shown in the table appended to Section 2.3.1 below, the Acquisition is not a major transaction as defined under CR1014.
 - (b) However, arising from the negative figure under CR1006(b), the Acquisition does not fall within the circumstances delineated in paragraph 4.3 of Practice Note 10A (which exempts the relevant transaction from announcement and Shareholders' approval) and paragraph 4.4 of Practice Note 10A (which requires the relevant transaction to be announced in accordance with CR1010, CR1011, CR1012 and CR1013, as applicable), CR1014 is applicable to the Acquisition in accordance with paragraph 4.6 of Practice Note 10A.
- 2.2.12. The Company has further taken guidance from its legal adviser and has considered that in accordance with paragraph 2.5(a) of Practice Note 10A, where a proposed acquisition will result in a reduction of the issuer's net profits or net asset value by 20% or more, based on the latest audited financial statements, and assuming that the proposed acquisition had been effected at the end of that financial year, and in accordance with paragraph 2.5(b) of Practice Note 10A, where the asset proposed to be acquired is loss-making or is in a net liability position, these are considered, under paragraph 2.5 of Practice Note 10A, to be indications that the transaction could change the risk profile of an issuer.

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2.2.13. The Company, therefore, deems the Acquisition to be a significant transaction in that it has in accordance with paragraph 2.5 of Practice Note 10 changed its risk profile as (i) it contributed to an increase of the Company's losses by 26.1%, based on its FP2023 unaudited financial results², and (ii) notwithstanding that the Company already owned 51% of AET prior to the Acquisition, it recognises that at the time the Acquisition was completed, AET was loss making and in a net liability position, and the 29% AET Shares represented a part of the loss making and net liability position.

2.3. Computation of Relative Figures under Rule 1006 of the Catalyst Rules

2.3.1. Accordingly, the Company has now re-computed the relative figures initially disclosed in the 5 March 2023 Announcement as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
(b)	The net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the Group's net profits.	(22.9) ⁽¹⁾
(c)	The aggregate value of the consideration ⁽²⁾ given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	49.2% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable

Notes:

(1) Pursuant to CR1002(3)(b), "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. The Excluded Amount of S\$4.35 million representing impairments and provisions has now been included in computing the relative figure under CR1006(b), as (a) the definition of "net profits" under CR1002(3)(b) does not provide for the exclusion of impairments and provisions, and (b) impairment losses and provisions are part of the broader accounting process that contributes to the determination of net profit or loss. Based on the unaudited consolidated financial statements of the Company for the financial period ended 31 December 2022 which was the latest financial figures available prior to the completion of the Acquisition on 3 March 2023, the loss of AET

² On 8 December 2023, the Company had announced a change of its financial year end from 30 June to 31 December. Please refer to Section 2.7 for the illustrative financial effects.

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(including the Excluded Amount of S\$4.35 million) would have been approximately S\$4,999,000. Based on 29% AET Shares, the share of loss attributable to the asset acquired would be approximately S\$1,449,710. Compared with the Group's loss before tax in the same financial period, i.e., 31 December 2022, of approximately S\$6,336,000, the relative figure should have been approximately 22.9%.

- (2) Pursuant to CR1006(c), the relative figure as computed and disclosed in the 5 March 2023 Announcement was 5.45%, which was based on the absolute value of the negative NTA value of AET of approximately S\$405,000, derived from (a) 29% of the absolute NTA value of AET, which as at 31 December 2022 was approximately negative S\$1,397,000, in accordance with paragraph 3.2(b)(iv) of Practice Note 10A, and (b) compared the purchase consideration with the Company's market capitalisation of S\$7,426,227, derived at by multiplying the then total issued Shares of 151,555,655 by the volume weighted average price of S\$0.049 as at 2 March 2023, i.e., the Market Day preceding the completion of the Acquisition.
- (3) In determining the aggregate value of consideration given for the Acquisition, the Company took into consideration both paragraphs 3.2(b)(ii) and (b)(iv) of Practice Note 10A, and accordingly, the aggregate value of consideration given for the Acquisition comprises of the absolute value of the negative net asset value of 29% of AET of S\$405,325 (i.e., S\$1,449,710), the total loans of S\$3,250,000 advanced by the Company to AET (comprising S\$650,000 in non-interest bearing loans and S\$2,600,000 in interest bearing loans) and the nominal consideration paid of S\$1.00. The value of consideration given for the 29% AET Shares would, therefore, be S\$3,655,326. Compared with the Company's market capitalisation of S\$7,426,227 on 2 March 2023 (i.e., based on 151,555,655 issued shares multiplied by the volume weighted average price of S\$0.049 on the market day preceding the date of transfer of the 29% AET Shares), the relative figure under CR1006(c) would be approximately 49.2%.

2.3.2. As the 29% AET Shares are unlisted shares and there is no open market value available for them, their value (as required to be disclosed by CR1010(5)) was determined as S\$405,000, as disclosed in the 5 March 2023 Announcement, derived from 29% of the absolute value of the negative NTA value of AET, which as at 31 December 2022 was approximately S\$1,397,000. However, since the 29% AET Shares should have been considered an asset of XDC, the value required to be disclosed under CR1010(5) should be S\$1,488,468, derived from the aggregate of S\$245,000 and S\$1,343,468 subscription consideration paid by XDC for its subscription of 245,000 and 1,343,468 AET Shares (being their book value as there was no open market value available), less S\$100,000 for the 100,000 AET Shares sold to Mr. Wu on 17 April 2022.

2.3.3. In view of the reasons set out above in Sections 2.2.11 to 2.2.13 above, the Company is, therefore, convening the EGM to seek Shareholders' approval for the Proposed Ratification.

2.4. Rationale for the Acquisition

2.4.1. In entering into the JVA with XDC, the Company had envisioned a collaborative partnership where the Company, through AGT, would oversee the management, operation, development and marketing of the Lab-Grown Diamond Business, while XDC would contribute technical expertise in the manufacturing and development aspects, and broker introductions to clients and vendors in China. Following the establishment of AET and approval by Shareholders for the Company to carry out the Lab-Grown Diamond Business on 11 January 2022, the Group initially reported a total revenue of S\$5.22 million, of which the Lab-Grown Diamond Business accounted for S\$2.78 million, or approximately 53% of the total revenue reported for FY2022.

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- 2.4.2. In an announcement made on 5 August 2022, the Company declared that AET's production facilities at Kallang, Singapore, were ready for the commercial production of lab-grown diamonds, having received the requisite "fire safety certificate" issued by the Singapore Civil Defence Force. The announcement also highlighted the successful completion of a pilot test production of the lab-grown diamond facilities. In addition, the Company also disclosed, through an announcement made on 14 July 2022, that Zhongxin Minghua (Shanghai) International Trade Co., Ltd (formerly known as Nolash (Shanghai) Pte Ltd.), a wholly-owned subsidiary of Metech Dynamics Pte. Ltd., a sister company of AET, had attained registered membership status with the Shanghai Diamond Exchange, effective from 13 July 2022.
- 2.4.3. Unfortunately, the envisioned partnership was disrupted when XDC deviated from the agreed-upon terms under the JVA. XDC not only obstructed AGT from appointing directors onto the board of AET, a provision expressly stipulated in the JVA, but also contravened various other provisions of the JVA which were not capable of rectification. These unexpected and irreparable breaches compelled the Company, through AGT, to issue the Notice of Default and Termination to XDC with the singular objective of protecting its investment in AET, which also had the unfortunate consequence of marking the end of what was intended to be a mutually beneficial collaboration.
- 2.4.4. Following issue of the Notice of Default and Termination to XDC, AGT exercised its right of acquisition against XDC and compulsorily acquired the 29% AET Shares XDC held in AET, pursuant to clause 7.3 of the JVA.
- 2.4.5. Under the challenging circumstances of multiple breaches and defaults occasioned by XDC, the Company had to exercise its rights of compulsory acquisition under clause 7.3 of the JVA to protect and preserve the Company's investment in AET. Notwithstanding, in exercising its rights of compulsory acquisition against XDC, the Company believes that the Acquisition will allow it to consolidate its control over AET, and ensure that the business and operations of AET can continue without any further disruption and become more stable and seamless, with the Company as the overwhelming majority owner. Furthermore, with consolidated control, the Company will be in a better position to manage and mitigate against any potential further loss or damage caused by the previous actions of XDC and its representatives, and to protect AGT's interest in AET, and, in turn, the interests of the Company and its Shareholders in AET.
- 2.4.6. As a result of the challenges caused by the breaches of XDC, the financial performance of the Group for FP2023 has been notably disappointing. However, the Company remains optimistic about the prospects of the Lab-Grown Diamond Business and the lab-grown diamond industry for the following reasons:
- (a) the Company has reached an out-of-court settlement for the legal proceedings against Mr. Deng Yiming ("**Mr. Deng**"), which, *inter alia*, includes an agreement for the Company and Mr. Deng or his associates or affiliated company to work together to expand the Lab-Grown Diamond Business, further details of which are set out in Section 2.5.6 below;
 - (b) the Company believes that demand and markets for lab-grown diamonds will continue to experience continuous development and growth, driven by a confluence of factors, including rising consumer awareness about ethical sourcing, environmental concerns, and technological breakthroughs in diamond synthesis;

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- (c) in particular, demand for lab-grown diamonds has seen a surge from millennials and Gen Z consumers who prioritise purchasing sustainable products; and
- (d) in addition, the flexibility in customising lab-grown diamonds to specific preferences and designs has also contributed to their popularity.³

2.4.7. While the Company is sanguine about the market opportunities, it is aware that there exists perception barriers to overcome, as older consumers continue to attach prestige and value to higher-priced natural diamonds. Notwithstanding, in a recent article by CNBC dated 8 November 2023⁴, it was reported that global sales of lab-grown diamonds increased to US\$12 billion, up 38% year-over-year, citing an analysis by New York-based Paul Zimnisky, a diamond industry analyst. The Company sees growth from a host of sectors from the fashion industry to use of lab-grown diamonds in the technology industry.

2.5. Information on XDC and the Legal Proceedings against Mr. Deng

2.5.1. As announced on 24 September 2021, XDC is an exempt private limited company incorporated in Singapore on 13 May 2019 and was, at the relevant time, owned by (a) Mr. Deng, (b) Ms. Xu Kang, and (c) Mr. Yang Hanyu. The business activities of XDC were in the wholesale of jewellery made from precious metals and stones and the manufacture of piezo-electric devices.

2.5.2. XDC had represented to the Company that it possessed the technical expertise in producing and developing lab-grown diamonds, and under the Asset Acquisition Agreement, sold the CVD Machines to AET for the Lab-Grown Diamond Business.

2.5.3. XDC is not an interested person as defined under Chapter 9 of the Catalist Rules, nor is XDC or any of its directors or shareholders an Associate of any Director or Controlling Shareholder of the Company.

2.5.4. As announced on 13 March 2023 and 21 March 2023, AET had commenced legal action against Mr. Deng in the High Court of Singapore ("**High Court**") in relation to:

- (a) the missing diamond seeds and loose diamonds which had not been satisfactorily addressed by Mr. Deng, who was last known to be in possession of them; and
- (b) the sale of the CVD Machines to AET at an inflated price in excess of the fair market value at the time of the sale on 19 October 2021.

³ Excerpt extracted from the report published by MarkWide Research in September 2023, titled "*Global Diamond-like Carbon (DLC) Market Analysis – Industry Size, Share, Research Report, Insights, Covid-19 Impact, Statistics, Trends, Growth and Forecast 2023-2030*", which can be accessed via the link (<https://markwideresearch.com/global-diamond-like-carbon-dlc-market>).

⁴ The article, titled "Getting engaged? Amid lab-grown diamond boom, here's what to know about man-made vs. natural gems", was published on CNBC on 8 November 2023, which can be accessed via the link (<https://www.cnbc.com/2023/11/08/natural-diamonds-may-still-be-worth-the-cost-despite-lab-grown-boom.html>).

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- 2.5.5. As announced subsequently on 10 August 2023 and 17 October 2023, summary judgement was granted against Mr. Deng and he was ordered to pay AET costs totalling S\$34,000, excluding disbursements, in relation to AET's claim relating to the missing diamond seeds and loose diamonds. The summary judgement further declared that Mr. Deng had held the diamond seeds and loose diamonds as a constructive trustee for AET and ordered for damages to be assessed and be paid by Mr Deng to AET. The damages were subsequently assessed to be approximately S\$483,000, with interests payable at 5.33% per annum from 13 March 2023 until payment.
- 2.5.6. The Company subsequently announced on 13 December 2023 that an amicable out-of-court settlement had been reached with Mr. Deng in relation to the abovementioned legal proceedings, the key terms of such settlement are as follows:
- (a) the parties shall withdraw and/or the terminate the abovementioned legal proceedings;
 - (b) the Company and Mr. Deng shall work together to expand the Lab-Grown Diamond Business, whereby Mr. Deng or his associate or affiliated company will provide professional technical support for, including without limitation, resumption of the mass production of the diamonds by using the CVD Machines and maximisation of the economic and commercial benefits of the CVD Machines; and
 - (c) Mr. Deng shall pay to the Company damages of S\$483,000, as awarded by the High Court, highlighted in Section 2.5.5 above.
- 2.5.7. The Board was and still is of the view that such settlement is in the interest of the Company. Following the amicable resolution of the legal proceedings, the Board can devote its attention and the Group's resources to the Lab-Grown Diamond Business, and rely on the expertise and experience of Mr. Deng or his associate or affiliated company to increase the production efficiency of the CVD Machines and to maximise the economic and commercial benefits of such machines.

2.6. Salient Terms of the Acquisition

2.6.1. As explained in Section 2.2 above, the Acquisition arose from the exercise by the Company, through AGT, of its compulsory acquisition rights under clause 7.3 of the JVA.

2.6.2. Under clause 7.3 of the JVA:

*"(a) If a Default notice is given, the Non-Defaulting Shareholder shall be entitled to acquire all (and not some only) of the Shares held by the Defaulting Shareholder (the "Default Shares") at the Default Price within thirty (30) Business Days of the Default Notice (the "**Compulsory Transfer Period**"). The "**Default Price**" per Default Shares shall be [eighty percent (80%) of the Net Tangible Assets] per Share;*

...

*(b) Completion of the sale and purchase of the Default Shares shall take place at the registered office of the Company on such date as the Non-Defaulting Shareholder (and/or as the case may be, the Third Party Purchaser) and the Defaulting Shareholder may agree and if there is no agreement on the date, such completion shall take place on the date the Compulsory Transfer Period ends (i.e., on the 30th Business Day of the Default Notice (the "**Transfer of Default Shares Completion Date**"))."*

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2.6.3. As the date of the Notice of Default and Termination was 17 January 2023, the 30th Business Day fell on 1 March 2023.

2.6.4. On 3 March 2023, as announced, the Company completed the Acquisition.

2.7. Financial Effects of the Acquisition

2.7.1. The *pro-forma* financial effects of the Acquisition on the NTA per share and the earning per share (“**EPS**”) or loss per share (“**LPS**”) of the Company are based on the audited financial statements of the Group for FY2022. However, as the Company is seeking Shareholders’ approval for the Proposed Ratification at the EGM, it will also illustrate the *pro-forma* financial effects of the Acquisition based on the Company’s unaudited financial results for FP2023.

2.7.2. Shareholders should take note that the financial effects shown below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the actual results and financial position of the Company and the Group after the completion of the Acquisition.

The illustrative financial effects shown below have also been prepared, based on the following key assumptions:

- (a) the effect of the Acquisition on the Company’s NTA per Share, on the assumption that the Acquisition had been effected at the end of FY2022 (i.e., 30 June 2022) and at the end of FP2023⁵ (i.e., 30 June 2023); and
- (b) the effect of the Acquisition on the Company’s LPS, on the assumption that the Acquisition had been effected at the beginning of FY2022 (i.e., 1 July 2021) and at the beginning of FP2023 (i.e., 1 July 2022).

2.7.3. Effects on NTA per Share

For illustrative purposes only. Had the Acquisition been effected at the end of FY2022 and the end of FP2023 (including the Excluded Amount), the financial effects on the NTA per Share for FY2022 and for FP2023 are as follows:

As at 30 June 2022	Before the Acquisition	After the Acquisition
NTA per Share (S\$’000)	9,941	9,536
Number of Shares (excluding treasury shares)	151,555,655	151,555,655
NTA per Share (cents)	6.56	6.29
As at 30 June 2023	Before the Acquisition	After the Acquisition
NTA per Share (S\$’000)	4,228	3,579
Number of Shares (excluding treasury shares)	151,555,655	151,555,655
NTA per Share (cents)	2.79	2.36

⁵ Ibid, footnote 2, page 14 of this Circular.

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2.7.4. Effects on EPS

For illustrative purposes only. Had the Acquisition been effected at the beginning of FY2022 (i.e., 1 July 2021) and at the beginning of FP2023 (i.e., 1 July 2022) (including the Excluded Amount), the financial effects on the EPS for FY2022 and for FP2023 are as follows:

FY2022	Before the Acquisition	After the Acquisition
Net loss attributable to Shareholders – continuing operations (S\$'000)	(2,011)	(3,460)
Weighted average number of issued Shares (excluding treasury shares)	134,076,962	134,076,962
LPS (cents)	(1.50)	(2.58)
FP2023	Before the Acquisition	After the Acquisition
Net loss attributable to Shareholders – continuing operations (S\$'000)	(5,553)	(6,916)
Weighted average number of issued Shares (excluding treasury shares)	151,555,655	151,555,655
LPS (cents)	(3.66)	(4.56)

2.8. **Service Contracts**

- 2.8.1. In accordance with clause 4.2 of the JVA, AGT is entitled to nominate three (3) directors onto the board of AET. As of the Latest Practicable Date, Mr. Wang Zhuo and Mr. Ling Ee Dee have been nominated by the Company and appointed as directors of AET. Since Mr. Wu holds only 20% of the share capital of AET, pursuant to clause 4.2 of the JVA, he is not entitled to nominate any person as director of the AET.
- 2.8.2. Further, under the JVA, no joint-venture partner is entitled to nominate any person as director of the Company.

3. **THE PROPOSED DIRECTORS' FEES**

3.1. **Chronology of events in relation to the Proposed FP2023 Directors' Fees and the Proposed Share Issue Mandate**

- 3.1.1. The Company would like to refer Shareholders to the Circular relating to the 2022 Requisitions.
- 3.1.2. As stated therein, the Company received the 2022 Requisitions on 24 August 2022, 25 August 2022 and 26 September 2022, respectively.

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- 3.1.3. The 2022 Requisitions sought to convene an extraordinary general meeting to obtain Shareholders' approval for the:
- (a) removal of Mr. Ricky Sim Eng Huat ("**Mr. Sim**") and Mr. Chay Yiowmin ("**Mr. Chay**") as Directors of the Company;
 - (b) appointment of Mr. Ng Cheng Huat ("**Mr. Ng**") as a Non-Executive and Non-Independent Director of the Company; and
 - (c) appointment of Mr. Ling Chung Yee Roy as an Independent Director of the Company.
- 3.1.4. The Company issued the Circular relating to the 2022 Requisitions and convened the 2022 EGM to table the proposed resolutions as requested under the 2022 Requisitions. At the 2022 EGM, all proposed resolutions which were put up to vote under the 2022 Requisitions were defeated and, consequently, not passed by Shareholders.
- 3.1.5. The Company held its AGM on 21 October 2022 (i.e., for FY2022), pursuant to which several resolutions, *inter alia*, the proposed payment of the sum of S\$220,000 as Directors' fees for FP2023, to be paid quarterly in arrears ("**Proposed FP2023 Directors' Fees**"), and the Proposed Share Issue Mandate, were put up for the approvals of Shareholders. However, the Proposed FP2023 Directors' Fees and the Proposed Share Issue Mandate **were not passed by a majority of Shareholders**. It is noted that at the AGM, the Proposed FP2023 Directors' Fees was defeated by a majority of 94,716,119 votes, representing 89.859% of the total number of Shares voting at the AGM, being votes against the Proposed FP2023 Directors' Fees, and the Proposed Share Issue Mandate was defeated by a majority of 59,392,046 votes, representing 56.346% of the total number of Shares voting at the AGM, being votes against the Proposed Share Issue Mandate.
- 3.1.6. Following the AGM and the 2022 EGM, the Board comprised only two Directors, namely Mr. Chay Yiowmin ("**Mr. Chay**") who was the Independent Non-Executive Chairman of the Company and Ms. Samantha Hua Lei ("**Ms. Hua**") who was the Executive Director and CEO of the Company. Mr. Sim had prior to the AGM declined to be put up for re-election and re-appointment as Non-Executive and Independent Director of the Company. The Company was not in compliance with CR406(3)(c), which requires an issuer listed on the Catalist to have at least two (2) non-executive directors who are independent, and that independent directors must comprise at least one-third of the issuer's board. The Company was also not in compliance with the Code and the Catalist Rules (i.e., CR704(7)) which requires the AC to be comprised of at least three (3) directors, all of whom are non-executive and a majority of whom, including the AC Chairman, are independent.
- 3.1.7. In November 2022, the Company received the 2022 November Requisitions which sought to convene an extraordinary general meeting to obtain Shareholders' approval for the:
- (a) removal of Ms. Hua as the Executive Director and CEO of the Company;
 - (b) removal of Mr. Chay as a Director of the Company;
 - (c) appointment of Mr. Ng as Non-Executive and Non-Independent Director of the Company; and
 - (d) appointment of Mr. Ang Poh Guan as Executive Director of the Company.

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- 3.1.8. On 25 November 2022, the Company announced its grounds for not convening an extraordinary general meeting in relation to the 2022 November Requisitions. As at the Latest Practicable Date, the requisitioning members in relation to the 2022 November Requisitions have yet to convene an extraordinary general meeting and the time limit to convene such meeting has passed.
- 3.1.9. On 13 January 2023, the Company announced that it had, through its Sponsor, submitted an application to SGX-ST for an extension of time till 20 April 2023 for the Company to comply with CR704(7) which states, *inter alia*, that in the event of any retirement or resignation which renders the AC unable to meet the minimum number (not less than three), the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months (“**Extension of Time**”). As at 13 January 2023, the AC comprised only Mr. Chay, the Chairman of the AC. Please refer to Section 3.1.6 above for further details in relation to the compliance with the Code and the Catalist Rules.
- 3.1.10. On 3 February 2023, the Company announced that SGX-ST had no objection to the Extension of Time, subject to, *inter alia*, the Company announcing the reasons for seeking the Extension of Time which were, *inter alia*, as follows:
- (a) the Company had been carrying out searches to its best efforts for suitable candidates to fill the two vacancies of independent directors of the Company back then; and
 - (b) it had been challenging for the Company to find and convince potential candidates to be appointed as directors for a number of reasons, *inter alia*, the Proposed FP2023 Directors’ Fees was not duly passed at the AGM which resulted in uncertainty over payment of Directors’ emoluments pursuant to section 169 of the Companies Act, and the Company had received several requisition notices in FP2023 which were in relation to appointment and/or removal of individuals as independent directors and/or executive directors (as the case may be) and potential candidates may face the risk of being removed via future requisition notice(s).
- 3.1.11. Notwithstanding that the time limit to convene an EGM has passed in relation to the 2022 November Requisitions, the Company disclosed in an announcement released on 3 February 2023 that potential candidates approached by the Company provided feedback to the Company that they might face the risk of being removed via further requisition notices or the entire then Board being removed in another requisition notice, given that there had been many requisition notices lodged with the Company during FP2023. In this connection, Shareholders’ attention is drawn to the fact that members who qualify under the requirements of section 176 of the Companies Act are not prohibited from lodging yet another requisition notice to propose the removal or appointment of individual(s) named in such a requisition notice.

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3.1.12. To give Shareholders an overview of the changes to the composition of the Board and the Committees prior to and following the AGM and the 2022 EGM, shown in the table below are the various resignations and appointments of Directors to the Board and the Committees:

Date	Appointment/Resignation
12 July 2022	Resignation of Mr. Tan Siji Macarthur (“ Mr. Tan ”) as Non-Executive and Non-Independent Director.
5 August 2022	Following the resignation of the Mr. Tan, the Board comprised Ms. Hua (Executive Director), Mr. Chay (Independent Director), Mr. Sim (Independent Director) and Mr. Chng (Independent Director).
21 October 2022 (AGM for FY2022)	Mr. Chng’s re-appointment was voted down by Shareholders. Mr. Sim declined to be put up for re-election, and therefore, at the AGM, he was not re-elected.
22 October 2022	Following the AGM, Mr. Chay (Independent Director) and Ms. Hua (Executive Directors) were the only Directors.
16 January 2023	Appointment of Mr. Zhang Keke (“ Mr. Zhang ”) as Independent Director of the Company, Chairman of NC and RC, and member of AC.
17 January 2023	Resignation of Mr. Chay as the Independent Non-Executive Chairman of the Company. He also ceased to be the Chairman of AC and member of NC and RC.
17 January 2023	Appointment of Ms. Hua as member of NC and RC. As at 17 January 2023, she was also the Executive Director and CEO of the Company.
8 February 2023	Appointment of Mr. Ng as the Non-Executive Non-Independent Director of the Company, Chairman of the Board, and member of AC and NC.
9 March 2023	Appointment of Mr. Long Zheng (“ Mr. Long ”) as Independent Director of the Company, Chairman of AC and member of NC and RC.
28 March 2023	Appointment of Mr. Wang Zhuo (“ Mr. Wang ”) as Executive Director and COO of the Company.
30 March 2023	Cessation of Ms. Hua as Executive Director of the Company, and member of NC and RC. As at 30 March 2023, she remained as the CEO of the Company.
30 May 2023	Resignation of Ms. Hua as the CEO of the Company.
30 May 2023	Appointment of Mr. Ng as member of RC.
30 May 2023	Redesignation of Mr. Wang from Executive Director and COO of the Company to Executive Director and CEO of the Company, and appointment of Mr. Wang as member of RC.
22 September 2023	Appointment of Ms. Lucy Yow Su Chin (“ Ms. Yow ”) as Independent Director of the Company.

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Date	Appointment/Resignation
20 October 2023	Redesignation of Mr. Zhang from Chairman of RC to member of RC.
20 October 2023	Appointment of Ms. Yow as Chairman of RC and member of AC and NC.
20 October 2023	Cessation of Mr. Wang as member of RC.
9 November 2023	Appointment of Mr. Chng Hee Kok (“ Mr. Chng ”) as Independent Director of the Company, Independent Non-Executive Chairman of the Board, and member of AC, NC and RC.
9 November 2023	Appointment of Mr. Er Kwong Wah (“ Mr. Er ”) as Independent Director of the Company, Chairman of AC, and member of NC and RC.
9 November 2023	Cessation of Mr. Ng as Non-Executive Non-Independent Chairman of the Board and member of AC, NC and RC. He remains as a Non-Executive Non-Independent Director of the Company.
9 November 2023	Redesignation of Mr. Long from Chairman of AC to member of AC.
22 November 2023	Cessation of Mr. Zhang as Independent Director of the Company, Chairman of NC, and member of AC and RC.
22 November 2023	Cessation of Mr. Long as Independent Director of the Company, and member of AC, NC and RC.

3.2. Composition of the Board and the Committees

3.2.1. As at the Latest Practicable Date, the composition of the Board and the Committees comprises as follow:

(a) Board of Directors

- (i.) Mr. Chng Hee Kok – Independent Non-Executive Chairman
- (ii.) Mr. Wang Zhuo – Executive Director and CEO
- (iii.) Mr. Ng Cheng Huat – Non-Executive Non-Independent Director
- (iv.) Ms. Lucy Yow Su Chin – Independent Director
- (v.) Mr. Er Kwong Wah – Independent Director

(b) Audit Committee

- (i.) Mr. Er Kwong Wah – Chairman
- (ii.) Ms. Lucy Yow Su Chin – Member
- (iii.) Mr. Chng Hee Kok – Member

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- (c) Nominating Committee
 - (i.) Ms. Lucy Yow Su Chin – Member
 - (ii.) Mr. Chng Hee Kok – Member
 - (iii.) Mr. Er Kwong Wah – Member
- (d) Remuneration Committee
 - (i.) Ms. Lucy Yow Su Chin – Chairman
 - (ii.) Mr. Chng Hee Kok – Member
 - (iii.) Mr. Er Kwong Wah – Member

3.3. Shareholders' Approval for the Proposed Directors' Fees

- 3.3.1. The Company would like to draw Shareholders' attention to the annual general meeting of the Company held on 29 October 2021, wherein Shareholders approved Directors' fees in the sum of S\$274,000 for FY2022 (i.e., for the financial year ending 30 June 2022), to be paid in quarterly in arrears. This meant that Directors in office from 1 July 2021 to 30 June 2022 were paid their Directors' fees.
- 3.3.2. Since the resolution for Proposed FP2023 Directors' Fees was not passed at the AGM, Directors in office from 1 July 2022 to 30 June 2023 (or for a part of that time) have not been paid their Directors' fees.
- 3.3.3. With the series of changes in relation to the Board and the Committees as stated in Section 3.1.12 above, and taking into account the Company's change of financial year end from 30 June to 31 December, as announced by the Company on 8 December 2023, the Company proposes to pay Directors' fees in the aggregate sum of S\$185,692 (being the Proposed Directors' Fees) to its non-executive Directors (comprising the Existing Directors and the Previous Directors) for FY2023 (i.e., from 1 July 2022 to 31 December 2023) as follows:
 - (a) the sum of S\$63,380 in Directors' fees for the Existing Directors (being the Proposed Existing Directors' Fees), to be paid in full; and
 - (b) the sum of S\$122,312 in Directors' fees for the Previous Directors (being the Proposed Previous Directors' Fees), to be paid in full.
- 3.3.4. The Proposed Directors' Fees payable to non-executive Directors who resigned during FY2023 will be pro-rated. For the avoidance of doubt, if the Proposed Previous Directors' Fees were to be approved by Shareholders, Mr. Chng will be entitled to be paid S\$12,693 as Director's fees for FY2023, for his previous appointment as Independent Director, Chairman of RC and member of AC and NC from 1 July 2022 to 21 October 2022, and if the Proposed Existing Directors' Fees were to be approved by Shareholders, Mr. Chng will be entitled to be paid S\$6,679 as Director's fees for FY2023, for his current appointment as Independent Non-Executive Chairman and member of AC, NC and RC from 9 November 2023 to 31 December 2023. If the Proposed Directors' Fees were to be approved by Shareholders, Mr. Chng will be entitled to be paid an aggregate amount of S\$19,372 as Director's fees for FY2023 for both appointments with the Company during the course of FY2023. Please refer to Section 3.3.9 for further details.

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- 3.3.5. The Proposed Existing Directors' Fees will be tabled under two separate ordinary resolutions: Ordinary Resolution 2 will be proposed for the payment of the Proposed Existing Directors' Fees, and Ordinary Resolution 3 will be proposed for the payment of the Proposed Previous Directors' Fees. For the avoidance of doubt, Ordinary Resolutions 2 and 3 are not inter-conditional.
- 3.3.6. For reference and comparison, for FY2022, the Directors' fees previously proposed and approved by the Shareholders was S\$274,000. Owing to resignations during FY2022, the total amount of Directors' fees paid was S\$169,000. For FP2023, the Directors' fees previously proposed and not approved by Shareholders at the AGM (held on 21 October 2022) was S\$220,000. As highlighted in Section 3.3.2 above, since the Proposed FP2023 Directors' Fees were not approved at the AGM, no Directors' fees have been paid to the non-executive Directors as at the Latest Practicable Date.
- 3.3.7. For Shareholders' information, the Proposed Directors' Fees have been determined by the RC, taking into consideration the non-executive Directors' respective roles and responsibilities on the Board and the Committees, the frequency of the Board's and Committees' meetings and the expertise and skills of each non-executive Director. The Proposed Directors' Fees comprise a base fee. An additional sum is paid if the non-executive Director is appointed chairperson of, and the number of Committees he/she is a member of. Directors' fee payable to each non-executive Director will be disclosed in the Company's FY2023 annual report.
- 3.3.8. For reference, the structure of Directors' fees for FY2022 was as follows:

Appointment	Per annum
Board – Board Chairman – Board Member	S\$10,000 S\$36,000 (base fee)
AC – AC Chairman – AC Member	S\$5,000 Included in base fee
RC – RC Chairman – RC Member	S\$5,000 Included in base fee
NC – NC Chairman – NC Member	S\$5,000 Included in base fee

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3.3.9. A summary of the Directors' fees payable to each eligible non-executive Director for FY2023 is as follows:

S/N	Name of Director	Current/Last Designation	Period of directorship in FY2023	Directors' fees payable
Existing Directors				
1.	Mr. Chng Hee Kok ⁽¹⁾	Independent Non-Executive Chairman Member of AC, NC and RC	9 November 2023 to 31 December 2023	S\$6,679 ⁽¹⁾
2.	Mr. Ng Cheng Huat	Non-Executive Non-Independent Director	8 February 2023 to 31 December 2023	S\$39,786 ⁽²⁾
3.	Ms. Lucy Yow Su Chin	Independent Director Chairman of RC Member of AC and NC	22 September 2023 to 31 December 2023	S\$10,962
4.	Mr. Er Kwong Wah	Independent Director Chairman of AC Member of NC and RC	9 November 2023 to 31 December 2023	S\$5,953
Total Directors' fees for the Existing Directors				S\$63,380
Previous Directors				
5.	Mr. Tan Siji Macarthur	Non-Executive Non-Independent Director Member of NC and RC	1 July 2022 to 12 July 2022	S\$1,184
6.	Mr. Chng Hee Kok ⁽¹⁾	Independent Director Chairman of RC Member of AC and NC	1 July 2022 to 21 October 2022	S\$12,693 ⁽¹⁾
7.	Mr. Ricky Sim Eng Huat	Independent Director Chairman of NC Member of AC and RC	1 July 2022 to 21 October 2022	S\$12,693
8.	Mr. Chay Yiowmin	Independent Non-Executive Chairman Chairman of AC Member of NC and RC	1 July 2022 to 17 January 2023	S\$28,085

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S/N	Name of Director	Current/Last Designation	Period of directorship in FY2023	Directors' fees payable
9.	Mr. Zhang Keke	Independent Director Chairman of NC Member of AC and RC	16 January 2023 to 22 November 2023	S\$38,742
10.	Mr. Long Zheng	Independent Director Member of AC, NC and RC	9 March 2023 to 22 November 2023	S\$28,915
Total Directors' fees for the Previous Directors				S\$122,312
Total Directors' fees for FY2023				S\$185,692

Notes:

- (1) As Mr. Chng's re-appointment to the Board was not approved in the AGM held on 21 October 2022, he ceased to be a director of the Company following the completion of the AGM. On 9 November 2023, Mr. Chng was appointed by the Board as Independent Director of the Company, Independent Non-Executive Chairman of the Board, and member of AC, NC and RC. The Director's fees for Mr. Chng for FY2023 amount to S\$19,372, being the aggregate of S\$12,693 (for his initial appointment with the Company in FY2023, from 1 July 2022 to 21 October 2022) and S\$6,679 (for his subsequent appointment with the Company in FY2023, from 9 November 2023 to 31 December 2023).
- (2) This includes Mr. Ng's previous appointments as the Chairman of the Board and member of AC and NC from 8 February 2023 to 9 November 2023 and member of RC from 30 May 2023 to 9 November 2023.

3.3.10. Under section 169 of the Companies Act, the Company is obliged to seek the approval of Shareholders at a general meeting prior to disbursing Directors' fees. However, it is imperative for Shareholders to recognise that Directors who have served in their capacities from 1 July 2022 until the Latest Practicable Date (or part of that duration) have provided valuable services to the Company. Their appointments have also been necessary so that the Company remains in compliance with the Code and Catalist Rules.

3.3.11. The Company emphasises the importance of Shareholders' understanding in this matter, particularly concerning Directors fulfilling roles as Independent Directors, Non-Executive Directors and taking on positions in the Committees, as required by the Code and Catalist Rules. Denying fees due to these Directors could potentially convey an unfavourable message to the market and investors at large. The Company urges Shareholders to consider the broader implications of such a decision on the Company's reputation, relationship with the investment community and the regulators.

3.3.12. The Company would also like to draw the attention of Shareholders to the following circumstances:

- (a) the Company is still looking to appoint a Chairman for the NC in order to comply with the Code and the relevant Catalist Rules. As provision 4.2 of the Code requires the majority of the NC, including the Chairman of the NC, to be independent, the Company may redesignate one of the members of the NC to be its Chairman, or appoint an additional Independent Director for the role;

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- (b) while the Board and the Committees currently have the requisite number of Independent Directors to comply with the relevant provisions of the Code and the Catalist Rules, the Company may need to appoint additional Independent Directors or a Lead Independent Director to remain in compliance with the relevant Catalist Rules, if any of the existing Independent Directors were to resign;
- (c) it will not be easy for the Company to identify and convince potential candidates be considered for appointment and for the Company to retain the Existing Directors if the Proposed Directors' Fees are not approved;
- (d) the aggregate amount of S\$185,692 in respect of the Proposed Directors' Fees proposed to be paid to the non-executive Directors for FY2023 is S\$88,308 (approximately 32.23%) less compared to the Directors' fees previously proposed and approved for FY2022, and is S\$34,308 (approximately 15.59%) less compared to the Proposed FP2023 Directors' Fees; and
- (e) while the Proposed Directors' Fees is S\$16,692 (approximately 9.88%) more compared to the Directors' fees previously actually paid to the non-executive Directors for FY2022, this increment is due to the series of changes to the Board and the Committees as stated in Section 3.1.12 above and the longer financial period for FY2023 compared to FY2022, following the change of the Company's financial year end from 30 June to 31 December⁶.

3.3.13. The Board, therefore, urges Shareholders to act in the best interests of the Company.

4. PROPOSED SHARE ISSUE MANDATE

4.1. The Company also proposes to table for adoption again by Shareholders, the Proposed Share Issue Mandate pursuant to section 161 of the Companies Act and CR806 to allow the Directors to:

- (a) allot and issue new Shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or
- (b) make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require Shares to be allotted and issued, including but not limited to the creation, allotment and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and (notwithstanding that the authority conferred under the Proposed Share Issue Mandate may have ceased to be in force) allot and issue Shares in pursuance of any Instruments made or granted by the Directors while the Proposed Share Issue Mandate is in force.

⁶ Ibid, footnote 2, page 14 of this Circular.

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4.2. The Proposed Share Issue Mandate is subject to:

- (a) The aggregate number of Shares to be issued pursuant to the Proposed Share Issue Mandate (including Shares to be issued in pursuance of Instruments made or granted pursuant to the Proposed Share Issue Mandate) does not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with Section 4.2(b) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to Shareholders (including Shares to be issued in pursuance of Instruments made or granted pursuant to the Proposed Share Issue Mandate) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with Section 4.2(b) below);
- (b) (Subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under Section 4.2(a) above, the percentage of issued shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time the Proposed Share Issue Mandate is approved by shareholders, after adjusting for:
 - (i.) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;
 - (ii.) new Shares arising from the exercising of share options or vesting of share award, provided that the share options or the share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (iii.) any subsequent bonus issue, consolidation or sub-division of Shares;any adjustments made in accordance with Section 4.2(b)(i.) or 4.2(b)(ii.) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of resolution relating to the Proposed Share Issue Mandate.
- (c) In exercising the authority conferred by the Proposed Share Issue Mandate, the Company shall comply with the provisions of the Companies Act and the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution for the time being; and
- (d) (Unless revoked or varied by the Company in general meeting) such authority conferred by the resolution relating to the Proposed Share Issue Mandate shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

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- 4.3. As at the Latest Practicable Date, the Company has 151,555,655 ordinary shares in its issued share capital. Accordingly, if the Proposed Share Issue Mandate is approved, the Directors will be allowed to allot and issue up to:
- (a) 151,555,655 new Shares to Shareholders on a *pro-rata* basis; or
 - (b) 75,777,827 new Shares to any person (including Shareholders) on a *non-pro-rata* basis.
- 4.4. Notwithstanding that the Proposed Share Issue Mandate was previously defeated in the AGM, the Board is of the opinion that the Proposed Share Issue Mandate should be put up for Shareholders' consideration and approval again for the following reasons:
- (a) The Proposed Share Issue Mandate will provide the Directors with flexibility to allot and issue new Shares without having first to obtain the consent of Shareholders in a general meeting. The need for such an issue of new Shares could arise, for example, in the context of a transaction which had to be completed in a timely manner, such as the acquisition of a potential target as and when the opportunities arise;
 - (b) If Shareholders do not approve the Proposed Share Issue Mandate, Directors will have to convene an extraordinary general meeting to seek the specific approval of Shareholders if an acquisition that is in the interest of the Company is to be entered into. Seeking the specific approval of Shareholders in a piecemeal fashion may be commercially disadvantageous to the Company and Group as the counter-party may consider the time taken to convene an extraordinary general meeting to be too lengthy and decline to agree on and complete the transaction with the Company or its subsidiaries, which could result in loss to the Company and may not be in the best interests of the Company, Group and Shareholders as a whole;
 - (c) The Proposed Share Issue Mandate will also provide the Directors with alternative means of fundraising in addition to external borrowings and the issue of debt instruments, which serves to provide financial flexibility for the Group for its working capital needs, and also allow the Group to seize opportunities for business growth and expansion in a timely manner and as and when the opportunities arise;
 - (d) If Shareholders do not approve the Proposed Share Issue Mandate, Directors will have no flexibility to raise needed funds as and when required to augment its working capital. Where such a need to augment its working capital arises and Directors have to convene an extraordinary general meeting to seek the specific approval of Shareholders before issuing shares to investors, such investors may not look favourably on the Company as they may consider the time taken to convene an extraordinary general meeting to be too lengthy and decline to agree to make an investment in the Company. Such an event, if it should transpire, could result in loss to the Company and may not be in the best interests of the Company and Shareholders as a whole. Further, investors may also look unfavourably on a company whose Shareholders have withheld a share issue mandate which is rather common for a public company listed on the SGX-ST to have in advance;

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- (e) Prior to issuing new Shares, the Board is in any event required to comply with the relevant Catalist Rules which mandate the Directors to act in accordance with the provisions of the relevant Catalist Rules and to make such disclosures as are required thereunder. Directors are also compelled to act accordingly under the Companies Act and discharge their fiduciary duties to the Company faithfully;
- (f) The Proposed Share Issue Mandate, while providing flexibility to the Board as explained in Sections 4.4(a) to 4.4(d) above, is not a carte blanche given to Directors to issue Shares, as explained in Section 4.4(e) above; and
- (g) Following the lapse of time to convene the extraordinary general meeting in relation to the 2022 November Requisitions and the recent changes in the composition of the Board and the Committees set out in Sections 3.1.11 and 3.2 above, the Board urges Shareholders to act in the best interest of the Company.

5. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 5.1. As Mr. Chng is eligible to be paid a pro-rated portion of the Proposed Previous Directors' Fees and the Existing Directors are eligible to be paid a pro-rated portion of the Proposed Existing Directors' Fees, each in accordance with the figures set out in the table shown in Section 3.3.9 above, Mr. Chng is deemed interested in the Proposed Previous Directors' Fees and the Existing Directors are deemed interested in the Proposed Existing Directors' Fees. Save as abovementioned, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Resolutions, other than through their respective shareholding interests in the Company, if any.
- 5.2. The shareholdings of the Directors, as extracted from the Register of Directors' Shareholdings, as at the Latest Practicable Date are as follows:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mr. Ng Cheng Huat	10,935,400 ⁽¹⁾	7.22	–	–	10,935,400	7.22

Note:

- (1) This includes Shares held under Mr. Ng's name in nominee accounts.

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- 5.3. The shareholdings of the Substantial Shareholders (other than a Director), as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date are as follows:

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ang Poh Guan	11,910,000	7.86	–	–	11,910,000	7.86
Ng Eng Tiong	15,918,000	10.50	–	–	15,918,000	10.50
Wen Hua Yu @Simon Eng	10,383,446 ⁽¹⁾	6.85	9,475,700 ⁽²⁾	6.25	19,859,146	13.10

Notes:

- (1) This includes Shares held under Mr. Wen Hua Yu @Simon Eng's ("Mr. Eng") name in nominee accounts.
- (2) Mr. Eng is deemed interested in (i) 4,475,700 Shares held by his spouse; and (ii) 5,000,000 Shares held by Fort Canning (Asia) Pte Ltd, a company wholly-owned by Mr. Eng.

6. DIRECTORS' RECOMMENDATIONS

- 6.1. In respect of the Proposed Ratification, the Directors, having considered the circumstances leading up to the Acquisition and the rationale for the Acquisition as stated in Section 2.4 above, are of the opinion that the Acquisition is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 1 in relation to the Proposed Ratification as set out in the Notice of EGM on pages N-1 to N-6 of this Circular.
- 6.2. In making such recommendation in respect of the Proposed Ratification, the Directors have considered, and are of the opinion that:
- (a) while the Acquisition contributed to an increase of the Company's losses by 26.1%, based on the FP2023 unaudited financial results⁷, it is cautiously optimistic that once the issues and challenges occasioned by XDC have been resolved, AET will return to generating revenues seen in FY2022, when the Lab-Grown Diamond Business accounted for S\$2.78 million, or approximately 53%, of the total revenue reported for FY2022;
 - (b) the Company, through AGT, has been managing and operating the business of AET since its establishment in 2021. The Acquisition would allow it to consolidate its control over AET and ensure that AET's business and operations may continue without any further disruption and become more seamless with the Company as the overwhelming majority owner. Furthermore, with consolidated control, the Company will be in a better position to manage and mitigate against any potential or further loss or damage caused by the previous actions of XDC and its representatives, and to protect AGT's interest in AET, and, in turn, the interests of the Company and its Shareholders in AET;

⁷ Ibid, footnote 2, page 14 of this Circular.

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- (c) the financial results of AET have been consolidated with the Company's financial statements since its establishment in 2021, as on incorporation, the Company already held 51% of AET Shares;
 - (d) notwithstanding challenges that the Company has to overcome resulting from the Notice of Default and Termination, as stated in Section 2.4 above, the Directors are of the view that the lab-grown diamond industry will continue to expand and develop, rivalling its natural counterpart;
 - (e) the Acquisition arose because of the unexpected and irreparable breaches of XDC which compelled the Company, through AGT, to issue the Notice of Default and Termination to XDC;
 - (f) the Company has been financing the working requirements of AET, and there is no material impact that has not already been disclosed in the financial statements of the Company; and
 - (g) the consideration of the Acquisition was for a nominal amount of S\$1.00.
- 6.3. In respect of the Proposed Existing Directors' Fees, as the Existing Directors are eligible to be paid a pro-rated portion of the Proposed Existing Directors' Fees in accordance with the figures set out in the table shown in Section 3.3.9 above and are thus deemed interested in the Proposed Existing Directors' Fees, the Existing Directors will abstain from making any recommendation to Shareholders on voting for Ordinary Resolution 2.
- 6.4. Mr. Wang, having considered the factors stated in Section 3.3 above, is of the opinion that the Proposed Existing Directors' Fees are in the best interests of the Company, and accordingly recommends that Shareholders vote in favour of the Ordinary Resolution 2 in relation to the Proposed Existing Directors' Fees as set out in the Notice of EGM on pages N-1 to N-6 of this Circular.
- 6.5. In respect of the Proposed Previous Directors' Fees, as Mr. Chng is eligible to be paid a pro-rated portion of the Proposed Previous Directors' Fees in accordance with the figures set out in the table shown in Section 3.3.9 above and is thus deemed interested in the Proposed Previous Directors' Fees, he will abstain from making any recommendation to Shareholders on voting for Ordinary Resolution 3. The remaining Directors, having considered the factors stated in Section 3.3 above, are of the opinion that the Proposed Previous Directors' Fees are in the best interests of the Company, and accordingly recommends that Shareholders vote in favour of the Ordinary Resolution 3 in relation to the Proposed Previous Directors' Fees as set out in the Notice of EGM on pages N-1 to N-6 of this Circular.
- 6.6. In respect of the Proposed Share Issue Mandate, the Directors, having considered factors stated in Section 4.4 above, are of the opinion that the Proposed Share Issue Mandate is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution 4 as set out in the Notice of EGM on pages N-1 to N-6 of this Circular.
- 6.7. In making the recommendations stated in this Section 6, the Directors have not given consideration to the general or specific investment objectives, financial situation, tax position or unique requirements and or constraints of any Shareholder. The Directors do, however, urge Shareholders to seek advice from their stockbroker, accountant, lawyers, bank manager or other professional advisers.

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7. EXTRAORDINARY GENERAL MEETING

- 7.1. The EGM will be held at Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 14 March 2024 at 9.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions as set out in the Notice of EGM on pages N-1 to N-6 of this Circular.
- 7.2. **The EGM will be convened in a physical format only and there will be no option for Shareholders to participate virtually.** A printed copy of this Circular will NOT be despatched to Shareholders as the Company's Constitution provides for the use of electronic communications pursuant to the Catalist Rules. Accordingly, only hardcopies of the Notice of EGM, Proxy Form and Request Form will be sent to Shareholders. Shareholders who wish to obtain a printed copy of this Circular should complete the Request Form and return it to the Company via email to shareholder@metechinternational.com or by post to the Company's registered office at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523, in either case, by 6 March 2024.
- 7.3. A copy of this Circular, Notice of EGM, Proxy Form and Request Form will be published and may be accessed on SGXNET at <https://www.sgx.com/securities/company-announcements> and on the Company's website at www.metechinternational.com. An Internet browser and PDF reader are required to view these documents on SGXNET or the Company's website.

8. ACTIONS TO BE TAKEN BY THE SHAREHOLDERS

8.1. Appointment of Proxies

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf are requested to complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible. The duly executed Proxy Form must be submitted to the Company in the following manner:

- (a) via email to shareholder@metechinternational.com; or
- (b) by post to the Company's registered address at 100G Pasir Panjang Road #04-07, Interlocal Centre, Singapore 118523,

in either case, by 9.00 a.m. on 11 March 2024, and in default the Proxy Form shall not be treated as valid. A Shareholder who wishes to submit the Proxy Form must either (i) complete and sign the hardcopy of the Proxy Form which will be despatched to the Shareholder, or (ii) download, complete and sign the softcopy of the Proxy Form, before submitting it either by (A) scanning and submitting it by way of electronic means via email to the email address provided above, or (B) post to the address provided above. Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email. The submission of the Proxy Form by such Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes. Shareholders are encouraged to read the notes to the Notice of EGM for more information as regards, amongst other matters, Shareholders who are SRS Investors and who hold their Shares through a relevant intermediary.

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8.2. When Depositor regarded as Shareholder

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as certified by CDP at least seventy-two (72) hours before the time fixed for holding the EGM.

8.3. Submission of Questions in advance of the EGM

(a) Shareholders may submit questions in relation to the Proposed Resolutions tabled for approval at the EGM by writing to the Company in advance of the EGM. Alternatively, Shareholders may also pose such questions during the EGM. Shareholders should submit questions in the following manner:

(i.) via email to shareholder@metechinternational.com; or

(ii.) by post to the registered office of the Company at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523,

in either case, no later than 9.00 a.m. on 6 March 2024. Investors who hold Shares through relevant intermediaries, including under SRS, should approach their respective SRS Operators to submit their questions based on the abovementioned instructions.

(b) For verification purposes, when submitting any questions, Shareholders MUST provide the Company with their particulars (comprising full name (for individuals)/ company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held), failing which the submission will be treated as invalid.

(c) For questions submitted in advance of the EGM, the Company will endeavour to address the questions which are substantial and relevant to the agenda of the EGM prior to the EGM and by publication on the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at www.metechinternational.com no later than 48 hours before the deadline for submission of the Proxy Forms (i.e., by 9.00 a.m. on 9 March 2024. Any substantive and relevant questions received by the Company after 6 March 2024 will be addressed during the EGM.

(d) The Directors will endeavour to address as many substantial and relevant questions as possible during the EGM. However, Shareholders should note that there may not be sufficient time available at the EGM to address all questions raised. Please note that individual responses will not be sent to Shareholders.

(e) The Company will also publish the minutes of the EGM on the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at www.metechinternational.com within one month after the date of the EGM.

SHAREHOLDERS ARE ADVISED TO READ IN ITS ENTIRETY THIS CIRCULAR (TOGETHER WITH ALL DOCUMENTS ATTACHED THERETO) CAREFULLY AND THOROUGHLY BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE ORDINARY RESOLUTIONS SET OUT IN THE NOTICE OF EGM.

LETTER TO SHAREHOLDERS

9. CONSENT

- 9.1. Altum Law Corporation, named as the legal adviser to the Company as to Singapore law in relation to the preparation of this Circular to seek Shareholders' approval for the Proposed Resolutions to be tabled in the EGM, has given and has not withdrawn its written consent to the issuance of this Circular with the inclusion of its name and all references thereto, in the form and context in which they appear in this Circular.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular 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 the Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may be inspected at the registered office of the Company at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523 during normal business hours for a period of three months from the date hereof:

- (a) the Constitution of the Company;
- (b) the JVA;
- (c) the Notice of Default and Termination;
- (d) the Transaction Documents;
- (e) the 2022 Requisitions; and
- (f) the 2022 November Requisitions.

Shareholders who wish to inspect the documents may email shareholder@metechinternational.com to make an appointment in advance so as to limit the number of people who are present at the registered office at any one time.

Yours faithfully

For and on behalf of the Board of Directors of
METECH INTERNATIONAL LIMITED
Wang Zhuo
Executive Director and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING



铭泰国际

Metech International Limited

(Incorporated in the Republic of Singapore)

(Company Registration Number 199206445M)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of METECH INTERNATIONAL LIMITED will be held at Raffles Marina, 10 Tuas West Drive, Singapore 638404, on 14 March 2024 at 9.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions:

All capitalised terms used in this Notice of EGM which are not defined herein shall have the meanings ascribed to them in the Circular dated 28 February 2024 addressed to shareholders of the Company.

ORDINARY RESOLUTION 1: PROPOSED RATIFICATION OF THE ACQUISITION

RESOLVED THAT:

- (A) approval, confirmation and ratification be and is hereby given for the Acquisition by the Company, through AGT;
- (B) the execution by AGT of the Transaction Documents relating to the Acquisition be hereby approved, confirmed and ratified;
- (C) the Directors and each of them be and are/is hereby authorised and empowered to do all acts and things as they or him may consider necessary or expedient to give effect to the Acquisition or the transactions contemplated by or ancillary to the Acquisition, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required) in the interests of the Company; and
- (D) all actions taken by the Company and/or the Directors in connection with, relating to or arising from the Acquisition prior to this Ordinary Resolution having been passed be and are hereby adopted, confirmed and ratified.

[See Explanatory Note 1]

ORDINARY RESOLUTION 2: PROPOSED PAYMENT OF THE SUM OF S\$63,380 AS DIRECTORS’ FEES FOR THE EXISTING NON-EXECUTIVE DIRECTORS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2023, TO BE PAID IN FULL

RESOLVED THAT:

The payment of the sum of S\$63,380 as Directors’ Fees for the Existing Directors for the financial year ended 31 December 2023, to be paid in full, be approved. (FY2022: S\$274,000)

[See Explanatory Note 2]

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 3: PROPOSED PAYMENT OF THE SUM OF S\$122,312 AS DIRECTORS' FEES FOR THE PREVIOUS NON-EXECUTIVE DIRECTORS WHO HAVE RESIGNED DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2023, TO BE PAID IN FULL

RESOLVED THAT:

The payment of the sum of S\$122,312 as Directors' Fees for the Previous Directors for the financial year ended 31 December 2023, to be paid in full, be approved. (FY2022: S\$274,000)

[See Explanatory Note 3]

ORDINARY RESOLUTION 4: PROPOSED ADOPTION OF SHARE ISSUE MANDATE

RESOLVED THAT:

Pursuant to section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") and in accordance with the provisions of the Company's Constitution, authority be given to the Directors of the Company to:

- (a) (i.) allot and issue new shares in the capital of the Company (the "**Shares**") (whether by way of rights, bonus or otherwise); and/or
 - (ii.) make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require Shares to be allotted and issued, including but not limited to the creation, allotment and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding that the authority conferred by this Ordinary Resolution may have ceased to be in force) allot and issue Shares in pursuance of any Instruments made or granted by the Directors while this Ordinary Resolution is in force,

Provided that:

- (i.) the aggregate number of Shares to be issued pursuant to this Ordinary Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) does not exceed one hundred per cent. (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii.) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) does not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii.) below);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii.) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i.) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution is passed, after adjusting for:
- (A) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;
 - (B) new Shares arising from the exercising of share options or vesting of share award, provided that the share options or the share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (C) any subsequent bonus issue, consolidation or sub-division of Shares;
- any adjustments made in accordance with sub-paragraph (ii.)(A) or (ii.)(B) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Ordinary Resolution;
- (iii.) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Companies Act and the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution for the time being; and
- (iv.) (unless revoked or varied by the Company in general meeting) such authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

[Explanatory Note 4]

By Order of the Board
Metech International Limited

Wang Zhuo
Executive Director and Chief Executive Officer
28 February 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Explanatory Notes:

1. **Ordinary Resolution 1** is to seek ratification of the Acquisition which was completed on 3 March 2023. Details of the Acquisition, including information of all parties involved, the terms of the Acquisition, sources of funds, rationale for and benefits of the Acquisition, illustrative financial impact on the Company's financial position, relative figures under Chapter 10 of the Catalist Rules are set out in Section 2 of the Circular.
2. **Ordinary Resolution 2** is to seek shareholders' approval for payment of Directors' fees to the Existing Directors for FY2023, calculated on a pro-rated basis, based on a basic fee and the number of chairmanships and memberships on the Committees. The amount of Directors' fees payable to each Existing Director for FY2023 is set out in the table shown in Section 3.3.9 of the Circular.
3. **Ordinary Resolution 3** is to seek shareholders' approval for payment of Directors' fees to the Previous Directors for FY2023, calculated on a pro-rated basis, based on a basic fee and the number of chairmanships and memberships on the Committees. The amount of Directors' fees payable to each Previous Director for FY2023 is set out in the table shown in Section 3.3.9 of the Circular.
4. **Ordinary Resolution 4** if passed, is to empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the day by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of Shares to be issued pursuant to Ordinary Resolution 4 (including Shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per cent. (100%) of the total number of issued Shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury shares of the Company, with a sub-limit of fifty per cent. (50%) for Shares issued other than on a pro-rata basis (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) to Shareholders.

Notes:

1. The EGM will be held at Raffles Marina, 10 Tuas West Drive, Singapore 638404, on 14 March 2024 at 9.00 a.m.. **There will be no option for members to participate virtually.** A printed copy of the Circular will NOT be despatched to members as the Company's Constitution provides for the use of electronic communications pursuant to the Catalist Rules. Accordingly, only hardcopies of this Notice of EGM, the Proxy Form and Request Form will be sent by post to members. Members who wish to obtain a printed copy of the Circular should complete the Request Form and return it to the Company via email to shareholder@metechinternational.com or by post to the Company's registered office at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523, in either case, by 6 March 2024.
2. The Circular, Notice of EGM, Proxy Form and Request Form will be made available to members on the SGXNET at <https://www.sgx.com/securities/company-announcements> and may be accessed at the Company's website at www.metechinternational.com. An Internet browser and PDF reader are required to view these documents on SGXNET or the Company's website.
3. Members including SRS Investors may participate in the EGM by:
 - (a) attending the EGM in person;
 - (b) raising questions at the EGM or submitting questions in advance of the EGM; and/or
 - (c) voting at the EGM either by themselves personally or through their duly appointed proxy(ies).Investors who hold Shares through Relevant Intermediaries (as defined herein), including under SRS, should approach their respective SRS Operators to submit their questions based on the instructions stated herein.
4. A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form, otherwise the Company shall be entitled to treat the first named proxy as representing the entire number of Shares registered against the member's name in the Depository Register and any second named proxy as an alternate to the first named proxy.
5. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's Proxy Form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form or alternatively, separate Proxy Forms should be used.
6. "**Relevant Intermediary**" has the meaning ascribed to it in section 181(6) of the Companies Act.

NOTICE OF EXTRAORDINARY GENERAL MEETING

7. SRS Investors who wish to vote should approach their respective SRS Operators to submit their votes at least seven (7) working days before the EGM (i.e., by 5 March 2024, 9.00 a.m.) in order to allow sufficient time for their respective Relevant Intermediaries to in turn submit a Proxy Form to appoint either such SRS Investors (if they wish to attend the EGM and vote in person) or the Chairman of the EGM (in which case the SRS Investors shall be precluded from attending the EGM) as proxies to vote at the EGM.
8. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy(ies) (except where the Chairman of the EGM is appointed as the member's proxy) will vote or abstain from voting at his/her/their discretion. In the absence of specific direction as to the voting given by a member, the appointment of the Chairman of the EGM as the member's proxy for the resolution will be treated as invalid.
9. A proxy, including the Chairman of the EGM, need not be a member of the Company.
10. The duly executed Proxy Form must be submitted to the Company in the following manner:
 - (a) via email to shareholder@metechinternational.com; or
 - (b) by post to the Company's registered address at 100G Pasir Panjang Road, Singapore 118523,

in either case, by 9.00 a.m. on 11 March 2024 (being no less than seventy-two (72) hours before the time fixed for holding the EGM), and in default the Proxy Form shall not be treated as valid. A member who wishes to submit the Proxy Form must either (i) complete and sign the hardcopy of the Proxy Form which will be despatched to the member, or (ii) download, complete and sign the softcopy of the Proxy Form, before submitting it either by (A) scanning and submitting it by way of electronic means via email to the email address provided above, or (B) post to the address provided above. Members are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email. The submission of the Proxy Form by such member will not prevent him from attending and voting at the EGM in person if he so wishes.
11. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised or in such manner as appropriate under the applicable laws. A copy of the power of attorney or such other authority must be submitted together with the Proxy Form, failing which the Proxy Form may be treated as invalid.
12. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time fixed for holding the EGM, as certified by the CDP to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend, speak and vote at the EGM unless his name appears on the Depository Register seventy-two (72) hours before the time fixed for holding the EGM.
13. Shareholders may submit questions in relation to the Proposed Resolutions tabled for approval at the EGM by writing to the Company in advance of the EGM. Alternatively, Shareholders may also pose such questions during the EGM. Shareholders should submit questions in the following manner:
 - (a) via email to shareholder@metechinternational.com; or
 - (b) by post to the registered office of the Company at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523,

in either case, no later than 9.00 a.m. on 6 March 2024. Investors who hold Shares through Relevant Intermediaries, including under SRS, should approach their respective SRS Operators to submit their questions based on the abovementioned instructions.
14. For questions submitted in advance of the EGM, the Company will endeavour to address the questions which are substantial and relevant to the agenda of the EGM prior to the EGM and by publication on the SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at www.metechinternational.com no later than 48 hours before the deadline for submission of the Proxy Forms (i.e., by 9.00 a.m. on 9 March 2024). Any substantive and relevant questions received by the Company after 6 March 2024 will be addressed during the EGM.
15. For verification purposes, when submitting any questions, Shareholders MUST provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of Shares held), failing which the submission will be treated as invalid.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Personal Data Privacy Terms:

By submitting the Proxy Form for proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This Notice of EGM 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 Notice of EGM 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.

PROXY FORM

metech

铭泰国际

Metech International Limited

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

PROXY FORM

EXTRAORDINARY GENERAL MEETING ("EGM")

IMPORTANT:

- Pursuant to section 181(1C) of the Companies Act 1967 of Singapore (the "Companies Act"), Relevant Intermediaries (as defined in the Companies Act) may appoint more than 2 proxies to attend, speak and vote at the EGM.
- For investors who have used their Supplementary Retirement Scheme monies to buy Shares in the Company (the "SRS Investors"), this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
- SRS Investors may direct their SRS Operators to appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM in which case they should approach their SRS Operators to submit their votes at least seven (7) working days before the EGM (i.e., by 5 March 2024) to allow sufficient time for their respective Relevant Intermediaries to, in turn, submit a Proxy Form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date at 9.00 a.m. on 11 March 2024.

I/We**, _____ (Name including NRIC/Passport No./Company

Registration Number)** of _____ (Address)
being a Shareholder/Shareholders of **METECH INTERNATIONAL LIMITED** (the "Company"), hereby appoint:

(a) the Chairman of the Extraordinary General Meeting ("Chairman of the EGM"); or

(b) the individual(s) named below*:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

as my/our** proxy/proxies** to attend and to vote for me/us** on my/our** behalf at the EGM to be held at Raffles Marina, 10 Tuas West Drive, Singapore 638404, on 14 March 2024 at 9.00 a.m. and at any adjournment thereof.

Please note that where the Chairman of the EGM is appointed as proxy, the proxy appointing the Chairman of the EGM must be directed, i.e., the member must indicate for each resolution whether the Chairman of the EGM is directed to vote "for" or "against" or "abstain" from voting. If no specific direction as to voting is given, the appointment of the Chairman of the EGM as proxy for the resolution will be treated as invalid at the EGM and at any adjournment thereof. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the EGM and at any adjournment thereof.

These ordinary resolutions put to the vote at the EGM shall be decided by way of poll.

S/N	Ordinary Resolution	No. of Votes For***	No. of Votes Against***	No. of Votes Abstain***
1.	Proposed Ratification of the Acquisition			
2.	Proposed payment of the sum of S\$63,380 as Directors' fees for the existing non-executive Directors for the financial year ended 31 December 2023, to be paid in full			
3.	Proposed payment of the sum of S\$122,312 as Directors' fees for the previous non-executive Directors who have resigned during the financial year ended 31 December 2023, to be paid in full			
4.	Proposed adoption of the Share Issue Mandate			

* Please tick the box if you wish to appoint the Chairman of the EGM as your proxy for the purpose of voting at the EGM

** Delete accordingly

*** If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2024

Total Number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s) and/or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

NOTES FOR PROXY FORM:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in section 81SF of the SFA), you should insert that number. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members of the Company, you should insert the aggregate of the numbers. If no number is inserted, this proxy form shall be deemed to relate to all the Shares held by you.
2. A member who is not a Relevant Intermediary (as defined herein) is entitled to appoint not more than two (2) proxies. Where such member's Proxy Form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the Proxy Form, otherwise the Company shall be entitled to treat the first named proxy as representing the entire number of Shares registered against the member's name in the Depository Register and any second named proxy as an alternate to the first named proxy.
3. A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's Proxy Form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the Proxy Form or alternatively, separate Proxy Forms should be used.
4. "**Relevant Intermediary**" has the meaning ascribed to it in section 181(6) of the Companies Act.
5. SRS investors who wish to vote should approach their respective SRS Operators to submit their votes at least seven (7) working days before the EGM (i.e., by 5 March 2024) in order to allow sufficient time for their respective Relevant Intermediaries to in turn submit a Proxy Form to either appoint such SRS Investors (if they wish to attend the EGM and vote in person) or the Chairman of the EGM (in which case the SRS Investors shall be precluded from attending the EGM) as proxies to vote at the EGM.
6. A proxy, including the Chairman of the EGM, need not be a member of the Company.
7. The Proxy Form must be signed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer or in such manner as appropriate under the applicable laws. A copy of the power of attorney or such other authority must be submitted together with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The Proxy Form must be submitted to the Company in the following manner:
 - (a) via email to shareholder@metechinternational.com; or
 - (b) by post to the Company's registered address at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523,in either case, by 9.00 a.m. on 11 March 2024 (being no less than seventy-two (72) hours before the time fixed for holding the EGM), and in default the Proxy Form shall not be treated as valid. A member who wishes to submit the Proxy Form must either (i) complete and sign the hardcopy of the Proxy Form which will be despatched to the member, or (ii) download, complete and sign the softcopy of the Proxy Form, before submitting it either by (A) scanning and submitting it by way of electronic means via email to the email address provided above, or (B) post to the address provided above. Members are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email. The submission of the Proxy Form by such member will not prevent him from attending and voting at the EGM in person if he so wishes.
9. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time fixed for holding the EGM, as certified by the CDP to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend, speak and vote at the EGM unless his name appears on the Depository Register seventy-two (72) hours before the time fixed for holding the EGM.
10. By submitting this Proxy Form, a member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 28 February 2024.

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