



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

RESPONSE TO SGX QUERIES

The Board of Directors (the “**Board**”) of Metech International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 5 December 2022 in relation to the announcements dated 2 June 2022 and 2 December 2022 and wishes to respond to the queries as set out below.

Unless otherwise defined, all capitalised terms have the same meanings as ascribed to them in the announcements dated 2 June 2022 and 2 December 2022.

Question 1: Please elaborate on what are the conditions that “*have not been fulfilled in its entirety*”; the party that had failed to meet the conditions; and why were the conditions not fulfilled with regards to the SPCOA?

Company’s Response:

1. The unfulfilled conditions stated in Clause 4.1 of the SPCOA (the “**Conditions**”) include, but are not limited, to the following:
 - a. Pursuant to Clause 4.1(f) of the SPCOA, the sale and purchase of the Sale Shares is conditional upon, *inter alia*, the Company having completed its due diligence investigations in respect of X Diamond Capital Pte. Ltd. (“**XDC**”) (which also include an independent valuation) and its subsidiaries, and the results of such due diligence investigations being satisfactory to the Company in its discretion;
 - b. Pursuant to Clause 4.1(j) of the SPCOA, the sale and purchase of the Sale Shares is conditional upon, *inter alia*, the independent valuation report being issued pursuant to relevant requirements under the SGX-ST Listing Rules; and
 - c. Pursuant to Clause 4.1(k) of the SPCOA, the sale and purchase of the Sale Shares is conditional upon, *inter alia*, the Company, the Vendors and XDC agreeing on and finalizing the terms of the Shareholders’ Agreement.
2. Pursuant to Clause 4.2 of the SPCOA, unless specifically waived, if any of the Conditions shall not be fulfilled on or before the Long Stop Date or such other date as the Parties shall mutually agree in writing, the SPCOA shall *ipso facto* cease and determine and neither Party shall have any claim against the others for costs, damages, compensation or otherwise.
3. The Conditions mentioned above have not been fulfilled. The results of the due diligence investigations conducted by the Company, particularly surrounding the financial, legal and taxation aspects, were not satisfactory. XDC has not furnished the Company with various information and documents requested as part of the Company’s due diligence process. This has restricted and impaired the Company’s ability to carry out and complete the necessary due diligence investigations on XDC to its satisfaction, including the required independent valuation, and conclude on the terms of the Shareholders’ Agreement, by the Long Stop Date.

4. As the Conditions have not been fulfilled in its entirety by the Long Stop Date, pursuant to Clause 4.2 of the SPCOA, the SPCOA has lapsed and *ipso facto* ceased and determined as of the Long Stop Date.

Question 2: What are the factors considered by the board in their decision for the cessation of the SPCOA?

Company's Response:

Please refer to our response to question 1 as set out above. The Board had considered the challenges and difficulties faced by the Company during its due diligence process, particularly where information requested has not been provided, and that the cessation of the SPCOA is not expected to have any material financial impact on the net tangible assets and earnings per share of the Group for the financial year ending 30 June 2023.

Question 3: Please disclose what has changed in terms of rationale for the entry into SPCOA as disclosed in the 2 June 2022 announcement and now.

Company's Response:

Please refer to our response to question 2 as set out above.

Question 4: The possible course(s) of action to protect the interests of the minority shareholders. Notwithstanding this, were there any specific course of action taken by the Company and if so, what is the progress on the course of action taken.

Company's Response:

In view of the challenges and difficulties faced by the Company during its due diligence process, the Board and the management of the Company are of the opinion that it is in the best interests of the Company including the interests of minority shareholders that the transaction not be proceeded with, and the relevant announcement was made as soon as possible to the shareholders of the Company.

By Order of the Board of Directors of
Metech International Limited

Samantha Hua Lei
Executive Director and CEO

7 December 2022

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

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

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