



METECH INTERNATIONAL LIMITED

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

Minutes of Annual General Meeting

Date	: Friday, 29 October 2021
Time	: 10 a.m.
Place	: By way of electronic means
Present	: As per attendance list maintained by the Company
Chairman of the Meeting	: Mr Chay Yiowmin

Introduction

Mr Chay Yiowmin, the Chairman, welcomed the shareholders to the Annual General Meeting (“**AGM**” or the “**Meeting**”) of the Company.

The Chairman introduced the Board of Directors who were present in person and via virtual means.

Conduct of AGM

Mr Chay Yiowmin stated that due to the limitations on the number of attendees allowed to attend the AGM physically pursuant to the relevant Covid-19 advisories issued by the relevant authorities in Singapore, the AGM will be held and convened by way of electronic means.

Quorum

Mr Chay Yiowmin stated that shareholders would be able to observe and listen to the proceedings through a live audio-visual webcast or live audio-only stream. Shareholders who accessed the Meeting electronically would be treated as present and would be named in the attendance list.

Mr Chay Yiowmin stated that he had received confirmation from the Share Registrar that there was a sufficient number of authenticated shareholders who attended the Meeting by electronic means, and as such, a quorum was present.

Notice of AGM

Mr Chay Yiowmin stated that the Annual Report for the financial year ended 30 June 2021 (“**FY2021 AR**”) together with the Notice of the Meeting, Proxy Form and the accompanying alternative

arrangements announcement for the AGM have been circulated to the shareholders via publication on SGXNET and the Company's website.

Mr Chay Yiowmin suggested that the Notice convening the Meeting be taken as read.

Voting by proxy

Mr Chay Yiowmin stated that all votes on the resolutions will be by proxy only and only the Chairman of the Meeting may be appointed as a proxy. The Chairman of the Meeting, Mr Chay Yiowmin, had been appointed as proxy by some shareholders to vote in accordance with their instructions on their behalf prior to the AGM. As such, all resolutions in the AGM were deemed proposed and seconded.

Mr Chay Yiowmin stated that the proxy forms lodged have been checked by the Company's scrutineers, Mr. Chan Keng Ho, and were found to be in order.

Mr Chay Yiowmin stated that in accordance with Regulation 59 of the Company's Constitution, the proposed Resolutions put to vote at the Meeting were decided on a poll.

Comments, queries and questions from shareholders

Mr Chay Yiowmin stated that shareholders have been given the opportunity to submit comments, queries and questions by 5.00 p.m. on Tuesday, 22 October 2021. Mr Chay Yiowmin noted that the Company did not receive comments, queries and/or questions from shareholders in relation to the resolutions in the AGM before the stated deadline. The Company received questions from Securities Investors Association in relation to FY2021 AR. Responses to the questions was published on SGXNET on 28 October 2021 and attached to this minutes.

Ordinary Business

1. RESOLUTION 1 – TO RECEIVE AND ADOPT THE DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

The Meeting proceeded to receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2021 together with the Auditors' Report thereon.

Mr Chay Yiowmin stated that the Directors' Statement and the Audited Financial Statements were set out on pages 93 to 169 of the Annual Report.

The motion had been put to vote by way of a poll.

Mr Chay Yiowmin stated that based on the proxy forms submitted prior to the AGM, there were 69,722,464 shares voting "FOR" the motion representing 100.00%, 0 shares voting "AGAINST" the motion representing 0.00% and 0 shares abstained from voting on the motion. Accordingly, Mr Chay Yiowmin declared Ordinary Resolution 1 carried by a unanimous vote. It was resolved:

"That the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2021 together with the Auditors' Report thereon be and are hereby received and adopted."

2. RESOLUTIONS 2 TO 4 - RE-ELECTION OF DIRECTORS

Mr Chay Yiowmin stated that pursuant to Regulation 89 of the Company's Constitution, Mr Chay Yiowmin retired by rotation at the AGM and was eligible for re-election. The Meeting noted that Mr Chay Yiowmin expressed his willingness to stand for re-election.

Mr Chay Yiowmin also stated that pursuant to Regulation 88 of the Company's Constitution, Mr Tan Siji Macarthur and Ms Samantha Hua Lei retired at the AGM and are eligible to be re-elected as Directors of the Company. They have expressed their willingness to stand for re-election.

2.1 RESOLUTION 2 - RE-ELECTION OF INDEPENDENT NON-EXECUTIVE CHAIRMAN - MR CHAY YIOWMIN

Mr Chay Yiowmin stated that Resolution 4 dealt with the re-election of Mr Chay Yiowmin as a Director of the Company.

Mr Chay Yiowmin stated that if re-elected as a Director of the Company, he would remain as the Independent Non-Executive Chairman of the Company and the Chairman of the Audit Committee. He would be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

The motion had been put to vote by way of a poll.

Mr Chay Yiowmin stated that based on the proxy forms submitted prior to the AGM, there were 69,722,464 shares voting "FOR" the motion representing 100.00%, 0 shares voting "AGAINST" the motion representing 0.00% and 0 shares abstained from voting on the motion. Accordingly, Mr Chay Yiowmin declared Ordinary Resolution 2 carried by a unanimous vote. It was resolved:

"That Mr Chay Yiowmin who retired in accordance with Regulation 89 of the Company's Constitution and being eligible for re-election, be and is hereby re-elected as a Director of the Company."

2.2 RESOLUTION 3 - RE-ELECTION OF NON-INDEPENDENT NON-EXECUTIVE DIRECTOR - MR TAN SIJI MACARTHUR

Mr Chay Yiowmin stated that Resolution 3 dealt with the re-election as of Mr Tan Siji Macarthur as a Director of the Company.

Mr Chay Yiowmin stated that if re-elected as a Director of the Company, Mr Tan Siji Macarthur would remain as a Non-Independent Non-Executive Director of the Company, a member of the Nominating Committee and a member of the Remuneration Committee.

The motion had been put to vote by way of a poll.

Mr Chay Yiowmin stated that based on the proxy forms submitted prior to the AGM, there were 64,828,902 shares voting "FOR" the motion representing 100.00%, 0 shares voting "AGAINST" the motion representing 0.00% and 4,893,562 shares abstained from voting on the motion. Accordingly, Mr Chay Yiowmin declared Ordinary Resolution 3 carried by a unanimous vote. It was resolved:

"That Mr Tan Siji Macarthur who retired in accordance with Regulation 88 of the Company's Constitution and being eligible for re-election, be and is hereby re-elected as a Director of the Company."

2.3 RESOLUTION 4- RE-ELECTION OF EXECUTIVE DIRECTOR AND DEPUTY CHIEF EXECUTIVE OFFICER - MS SAMANTHA HUA LEI

Mr Chay Yiowmin stated that Resolution 4 dealt with the re-election of Ms Samantha Hua Lei as a Director of the Company.

Mr Chay Yiowmin stated that if re-elected as a Director of the Company, Ms Samantha Hua Lei would remain as an Executive Director and the Deputy Chief Executive Officer of the Company.

The motion had been put to vote by way of a poll.

Mr Chay Yiowmin stated that based on the proxy forms submitted prior to the AGM, there were 69,722,464 shares voting "FOR" the motion representing 100.00%, 0 shares voting "AGAINST" the motion representing 0.00% and 0 shares abstained from voting on the motion. Accordingly, Mr Chay Yiowmin declared Ordinary Resolution 4 carried by a unanimous vote. It was resolved:

"That Ms Samantha Hua Lei who retired in accordance with Regulation 88 of the Company's Constitution and being eligible for re-election, be and is hereby re-elected as a Director of the Company."

3. RESOLUTION 5 - DIRECTORS' FEES

Mr Chay Yiowmin stated that Resolution 5 dealt with the Directors' fees for the financial year ending 30 June 2022.

Mr Chay Yiowmin stated that the Directors had, subject to shareholders' approval, recommended the payment of Directors' fees of up to S\$274,000 for the financial year ending 30 June 2022, to be paid quarterly in arrears.

The motion had been put to vote by way of a poll.

Mr Chay Yiowmin stated that based on the proxy forms submitted prior to the AGM, there were 69,722,464 shares voting "FOR" the motion representing 100.00%, 0 shares voting "AGAINST" the motion representing 0.00% and 0 shares abstained from voting on the motion. Accordingly, Mr Chay Yiowmin declared Ordinary Resolution 5 carried by a unanimous vote. It was resolved:

"That the Directors' fees of S\$274,000 for the financial year ending 30 June 2022 to be paid quarterly in arrears be and is hereby approved."

4. RESOLUTION 6 - RE-APPOINTMENT OF AUDITORS AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION

Mr Chay Yiowmin stated that Resolution 6 dealt with the re-appointment of auditors of the Company for the financial year ending 30 June 2022.

Messrs Moore Stephens LLP, who are auditors of the Company, have expressed their willingness to continue in office.

The motion had been put to vote by way of a poll.

Mr Chay Yiowmin stated that based on the proxy forms submitted prior to the AGM, there were 69,722,464 shares voting "FOR" the motion representing 100.00%, 0 shares voting "AGAINST" the motion representing 0.00% and 0 shares abstained from voting on the motion. Accordingly, Mr Chay Yiowmin declared Ordinary Resolution 6 carried by a unanimous vote. It was resolved:

"That Messrs Moore Stephens LLP be re-appointed as Auditors of the Company for the financial year ending 30 June 2022 and the Directors of the Company be authorised to fix their remuneration."

SPECIAL BUSINESS

5. RESOLUTION 7 - AUTHORITY TO ALLOT AND ISSUE SHARES IN THE CAPITAL OF THE COMPANY

Mr Chay Yiowmin stated that Resolution 7 was to authorise the Directors to allot and issue shares pursuant to Section 161 of the Companies Act, Chapter 50. and Rule 806 of the Catalist Rules.

Mr Chay Yiowmin stated that the text of the resolution was set out in the Notice convening the Meeting.

The motion had been put to vote by way of a poll.

Mr Chay Yiowmin stated that based on the proxy forms submitted prior to the AGM, there were 69,722,337 shares voting "FOR" the motion representing 100.00%, 127 shares voting "AGAINST" the motion representing 0.00% and 0 shares abstained from voting on the motion. Accordingly, Mr Chay Yiowmin declared Ordinary Resolution 7 carried by a majority vote. It was resolved:

"That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Rules of Catalist**") and notwithstanding 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 Resolution may have ceased to be in force) allot and issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force,

Provided that:

- (i) the aggregate number of Shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100 per cent. 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 Resolution) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

- (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 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 Rules of Catalist; and
 - (C) any subsequent bonus issue, consolidation or sub-division of Shares;

any adjustments made in accordance with sub-paragraphs (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 Resolution.

- (iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act, Chapter 50, the Rules of Catalist 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 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."

6. RESOLUTION 8 - AUTHORITY TO OFFER AND GRANT AWARDS AND ALLOT AND ISSUE SHARES UNDER THE METECH INTERNATIONAL LIMITED PERFORMANCE SHARE PLAN

Mr Chay Yiowmin stated that Resolution 8 was to authorise the Directors to offer and grant share awards in accordance with the Metech International Limited Performance Share Plan (the "Plan") and to allot an issue such shares as may be required to be allotted and issued under the Plan.

Mr Chay Yiowmin stated that the text of the resolution was set out in the Notice convening the Meeting.

Mr Chay Yiowmin highlighted that pursuant to Catalist Rule 858, all persons (including employees and Directors of the Company who are also Shareholders) who are eligible to participate in the Plan must abstain from voting on all the resolutions relating to the Plan at the Annual General Meeting (i.e. Ordinary Resolution 8 as set out in the Notice of AGM) and all persons (including those Directors who are also Shareholders) shall not accept nominations as proxies unless specific instructions have been given in the proxy instruments by the Shareholders appointing them on how they wish their votes to be cast.

Mr Chay Yiowmin stated that the Company would disregard any votes cast on Ordinary Resolution 8 by all persons who are eligible to participate in the Plan.

The motion had been put to vote by way of a poll.

Mr Chay Yiowmin stated that based on the proxy forms submitted prior to the AGM, there were 51,825,398 shares voting "FOR" the motion representing 100.00%, 127 shares voting "AGAINST" the motion representing 0.00% and 17,896,939 shares abstained from voting on the motion. Accordingly, Mr Chay Yiowmin declared Ordinary Resolution 8 carried by a majority vote.

"That the Directors of the Company be authorised to:

- (a) offer and grant awards (the "**Awards**") in accordance with the provisions of the Metech International Limited Performance Share Plan (the "**Plan**") and pursuant to Section 161 of the Act:
 - (i) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to the vesting of the Awards under the Plan; and
 - (ii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to any Awards granted by the Directors in accordance with the Plan while the authority conferred by this resolution was in force, and
- (b) subject to the same being allowed by law, apply any Shares purchased under any share purchase mandate and to deliver such existing Shares (including treasury Shares) towards the satisfaction of Awards granted under the Plan,

Provided that:

- (1) the aggregate number of Shares to be issued or transferred pursuant to the Awards under the Plan on any date, when aggregated with the number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued Shares of the Company excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares on the day preceding that date; and
- (2) the aggregate number of Shares that may be issued or transferred to controlling shareholders and their associate must not exceed twenty-five per cent (25%) of the Shares available under the Plan; and the aggregate number of Shares that may be issued and transferred to each controlling shareholder or his associate must not exceed ten per cent (10%) of the Shares available under the Plan."

7. RESOLUTION 9 - AUTHORITY TO OFFER AND GRANT OPTIONS AND ALLOT AND ISSUE SHARES UNDER THE METECH INTERNATIONAL EMPLOYEE SHARE OPTION SCHEME

Mr Chay Yiowmin stated that Resolution 9 was to authorise the Directors to offer and grant options in accordance with the Metech International Employee Share Option Scheme (the "**Scheme**") and to allot and issue such shares as may be required to be issued pursuant to the exercise of the options granted under the Scheme.

Mr Chay Yiowmin stated that the text of the resolution was set out in the Notice convening the Meeting.

Mr Chay Yiowmin highlighted that pursuant to Catalist Rule 858, all persons (including employees and Directors of the Company who are also shareholders) who are eligible to participate in the Scheme must abstain from voting on all the resolutions relating to the Scheme at the Annual General Meeting (i.e. Ordinary Resolution 9 as set out in the Notice of AGM) and all persons (including those employees and Directors who are also Shareholders) shall not accept nominations as proxies unless specific instructions have been given in the proxy instruments by the Shareholders appointing them on how they wish their votes to be cast.

Mr Chay Yiowmin stated that the Company would disregard any votes cast on Ordinary Resolution 9 by all persons who are eligible to participate in the Scheme.

The motion had been put to vote by way of a poll.

Mr Chay Yiowmin stated that based on the proxy forms submitted prior to the AGM, there were 51,825,398 shares voting "FOR" the motion representing 100.00%, 127 shares voting "AGAINST" the motion representing 0.00% and 17,896,939 shares abstained from voting on the motion. Accordingly, Mr Chay Yiowmin declare Ordinary Resolution 9 carried by a majority vote. It was resolved:

"That the Directors of the Company be authorised to:

- (a) offer and grant options (the "**Options**") in accordance with the provisions of the Metech International Limited Employee Share Option Scheme (the "**Scheme**") and pursuant to Section 161 of the Act:
 - (i) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to the vesting of the Options under the Scheme; and
 - (ii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to any Options granted by the Directors in accordance with the Scheme while the authority conferred by this resolution was in force, and
- (b) subject to the same being allowed by law, apply any Shares purchased under any share purchase mandate and to deliver such existing Shares (including treasury Shares) towards the satisfaction of Options granted under the Scheme,

Provided that:

- (1) the aggregate number of Shares to be issued or transferred pursuant to the Options under the Scheme on any date, when aggregated with the number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued Shares of the Company excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares on the day preceding that date; and
- (2) the aggregate number of Shares that may be issued or transferred to controlling shareholders and their associate must not exceed twenty-five per cent (25%) of the Shares available under the Scheme; and the number of Shares that may be issued and transferred

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to each controlling shareholder or his associate must not exceed ten per cent (10%) of the Shares available under the Scheme.”

Conclusion

Mr Chay Yiowmin stated that the Company will publish the minutes of the AGM on the Company's website and SGXNET within a month after the AGM.

There being no other business, Mr Chay Yiowmin declared the Meeting closed at approximately 10.18am and thanked all shareholders who attended the Meeting.

Certified as a True Record of Minutes

CHAY YIOWMIN
Chairman of Meeting



Metech International Limited

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

RESPONSES TO QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) IN RELATION TO ANNUAL REPORT

The Board of Directors (“**Board**”) of Metech International Limited. (“**Company**”, and together with its subsidiaries, the “**Group**”) sets out its responses to the queries received from the Securities Investors Association (Singapore) (“**SIAS**”) in relation to the Company’s Annual Report for the financial year ended 30 June 2021 (“**FY2021**”) prior to the upcoming annual general meeting for FY2021 to be held by way of electronic means on 29 October at 10.00 am. For avoidance of doubt, the Company does not respond to the commentaries made by SIAS since they merely set out the context of the questions raised.

QUESTION 1:

The Company first announced the proposed acquisition of a 60% equity interest in Blufu Water (Xinmin) Co., Ltd on 21 September 2021 for a consideration of \$516,440. The acquisition was completed the following day after clarification with SGX RegCo.

Soon after that, the Company announced a whole series of proposed corporate actions and developments, which included:

- 24 September 2021: Joint venture agreement with X Diamond Capital Pte. Ltd. for the manufacturing and distribution of lab-grown diamonds
- 30 September 2021: Proposed placement of up to 33,346,550 new shares at an issue price of \$0.21 per placement share and the issuance of up to 16,673,275 free, detachable, transferrable and non-listed warrants with an exercise price of \$0.21
- 8 October 2021: Memorandum of Understanding (“MOU”) to supply India-based Lucinu Jewellery Co., Ltd with lab-grown diamonds
- 8 October 2021: MOU to supply India-based Maitri Diamond with its lab-grown diamonds
- 12 October 2021: A non-binding strategic collaboration agreement with 国家金银饰品质量监督检验中心（天津）(National Testing Centre for Gold and Silver Jewellery (Tianjin)) (“NTGS”) whereby NTGS would provide assessment and certification of group’s lab-grown diamonds that are marketed and sold in China
- 12 October 2021: A strategic collaboration agreement with Guangzhou Diamond Exchange (广州钻石交易中心) wherein the parties will utilise their respective resources and networks to further develop and promote healthy and sustainable development of the lab-grown diamond market in China through international trade, standardisation, R&D collaborations, among others

- 12 October 2021: Agreement to supply KDT Diamond Co., Ltd with a steady supply and minimum quantity of rough and polished lab-grown diamonds annually
- 14 October 2021: Collaboration agreement to supply Swiss-based Selene Jewelry Sàrl with its lab-grown diamonds (approximately 10,000cts to 20,000cts per annum); Selene Jewelry will be appointed as the main distributor of its lab-grown diamonds in Europe
- 18 October 2021: Collaboration with Ningbo Crysdiam Industrial Technology Co. Ltd. (宁波晶钻工业科技有限公司) (“Ningbo Crysdiam”) from which AET will procure lab-grown diamonds from Ningbo Crysdiam as part of its supply chain and production strategy

- (i) Would the Board help shareholders recall if shareholders’ approval of the diversification into the diamond industry has been obtained?
- (ii) Would the Group’s risk profile be significantly altered with all the proposed developments in the diamond segment?
- (iii) In addition, what is the level of due diligence carried out by the Board on its partners and customers especially as the Group announced so many corporate developments in such a short time?
- (iv) Who is driving the Group’s entry into the diamond industry? What is the experience and track record of management and of the Board in this new area? On what basis did the Board approve the Group’s diversification into the diamond industry? Please help shareholders understand the business model, the competitive advantage of the Group and any industry research that motivated the Group to venture into this segment.
- (v) Does the Group have sufficient resources to support its growth plans?

COMPANY’S RESPONSE:

The joint venture agreement, MOUs and strategic collaboration agreements are intended to facilitate the Group’s preparatory steps to enter the lab-grown diamond industry, which leverage off the Group’s existing environmental and sustainability business, as a potential new growth area for the Group. This is because lab-grown diamonds are super-hard materials created without environmentally damaging mining activities, and other than aesthetic purposes, are also commonly utilised in industrial applications, such as in medical equipment, aerospace, and semiconductors etc.

At this stage, there is no need for the Company to seek shareholders’ approval. The Company expects to seek shareholders’ approval for this business expansion in due course and/or as and when the Group’s risk profile will be significantly altered in compliance with the Catalist rules. Its current preparatory steps can establish the potential feasibility, viability, profitability and sustainability of this new growth area. If shareholders’ approval is sought subsequently, the shareholders’ circular in relation to such business expansion will also disclose, amongst others, all relevant and associated business, industry and risk factors and considerations, how the Company propose to manage and operate such business, as well as the sources of funding the Group will tap on to progress and advance its interest in such business expansion.

The Company would further assure shareholders that prior to entering into the joint venture agreement, MOUs and strategic collaboration agreements, the Company’s management has engaged in person and/or virtually representatives of its business counterparts. Additionally, the Company has also conducted its own due diligence on these business counterparts through public sources of information and market research. As part of the ongoing preparatory assessment, the Group expects to tap on and benefit from the experience, knowledge and industry connections of its business counterparts.

QUESTION 2:

In the Chairman's message to shareholders, it was also mentioned that the Group will "capitalise on [its] reputation and experience in the recycling industry", utilise its extensive industry knowledge and business network and continue with general wholesale trading of metal products, as well as management and advisory of recycling services.

- (i) Can the Chairman elaborate further on the group's "reputation and experience" in metal recycling? From the consolidated statements of financial position, it can be seen that the company's equity has decreased to \$1.96 million after \$(177.1) million in accumulated losses. In other words, 98.9% of the company's share capital of \$179.01 million has been lost and only \$1.96 million (1.1%) remains as at 30 June 2021.
- (ii) Can the Chairman provide greater clarity on the ways the Group can capitalise on its "extensive industry knowledge and business networks" to create long-term value for all shareholders, especially minority shareholders? How much more capital will the Group be committing to the metal recycling segment?
- (ii) What is the group's competitive advantage in the waste and wastewater treatment industry, especially in the PRC? Does the group have the financial resources to support its investments in the capital-intensive industry? Is the board conducting a formal and systematic deal sourcing for its new projects?

COMPANY'S RESPONSE:

As announced by the Company on 31 May 2021 in the entry into the joint venture agreement with Jurong Barrels & Drums Industries Pte Ltd ("**Jurong BD**"), following the disposal and exit of its electronic waste treatment business in 2019, the Company will continue to explore opportunities to augment its supply chain management business while leveraging on its long history of involvement in the renewable and sustainability industry to build a new engine of growth. In the same announcement, it was disclosed that Jurong BD's controlling shareholders and management have a long-standing business relationship with Metech's principal shareholders and management. Going forward, the Group intends to build on and explore other environmental and sustainability business opportunities, which draws on its industry knowledge, business networks and experience operating in PRC.

The Company's acquisition of Blufu Water (Xinmin) Co., Ltd is an example, and the Company intends to position itself to secure additional operation and maintenance contracts of a similar nature, which do not require intensive capital investment and can contribute positively to Group revenue and profitability. The Group also has management personnel who have experience in the setting up, operation and maintenance of wastewater treatment plants in China.

Subject to its preparatory assessment, business expansion into the lab-grown diamond industry could represent another potential new growth area for the Group.

QUESTION 3:

Resolution 5 in the notice of annual general meeting is to seek shareholders' approval for the payment of \$274,000 (FY2021: \$174,000) as directors fees for the financial year ending 30 June 2022, to be paid quarterly in arrears.

In the company's corporate governance report, the company has not disclosed the remuneration of the directors in a manner required by Provision 8.1 of the Code of Corporate Governance 2018.

- (i) Can the board elaborate further on the "competitive" pressure if the company discloses the fees for non-executive directors? How relevant is this "competitiveness" given that some of the non-executive directors have multiple (and as many as 8) board representations?

(ii) In view of the significant increase in directors' fees, and that there have been several changes in the board composition, please disclose the fees paid to the directors as required by Provision 8.1 of the Code.

(iii) In addition, as disclosed on page 7, in the profile of Mr Chng Hee Kok, it was disclosed that:

Mr Chng currently serves as independent director in Full Apex (Holdings) Limited, Luxking Group Holdings Limited, United Food Holdings Limited, The Place Holdings Ltd., Blackgold Natural Resources Limited, as chairman and independent director in Ellipsiz Ltd. (retiring in October 2021), as an independent director in KTL Global Limited and interim chief executive officer of Chemical Industries (Far East) Limited (appointed in October 2021).

Despite already being on 8 boards, Mr Chng has taken up a CEO position in a company that is going through a transition. Can the director help shareholders understand how he is able to commit sufficient time, energy and attention to the affairs of the group, especially as the group is diversifying into new areas which would require significant involvement by the board?

COMPANY'S RESPONSE:

The Company continually assesses the suitability and performance of its directors and management on an ongoing basis and has also taken into account prevailing market practice relating to such disclosures. The nominating committee has assessed that Mr Chng's performance is satisfactory and does not take issue with the current directorships that Mr Chng holds. As set out in its Corporate Governance practices in relation to Provision 1.5 of the Code of Corporate Governance 2018, the Board does not set a maximum cap on the number of directorships a Director may hold as each Director would be able to manage and assess his own capacity and ability to take on obligations or commitments when serving on the Board. Independent directors with multiple appointments are similarly assessed to ensure they are able to contribute sufficient time and focus to the Group's affairs in their non-executive capacity.

To provide for additional flexibility, taking into account its aforesaid strategy and business plans, the Company is seeking shareholders' approval for an increase in directors' fees in the upcoming annual general meeting to be held on 29 October 2021, so that it can consider appointing individuals with relevant industry knowledge, expertise and experience who can contribute positively to the Board. For the avoidance of doubt, there are no changes to director fees payable to current members of the Board.

By Order of the Board of Directors of
Metech International Limited

Samantha Hua Lei
Executive Director and Deputy CEO

28 October 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is Mr Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd. at 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.