



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

RESPONSES TO THE SGX-ST QUERIES DATED 26 DECEMBER 2019

The Board of Directors (the “**Board**”) of Metech International Limited (the “**Company**” or “**Metech**”, together with its subsidiaries, the “**Group**”) would like to announce its responses to the questions raised by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 26 December 2019 in relation to the Company’s announcement dated 24 December 2019 regarding the appointment of independent director, Mr Chng Hee Kok (“**Mr Chng**”) (“**24 December Announcement**”) as follows:

Query 1: Please elaborate on the circumstances and Mr Chng’s role – S\$5,000 fine in Aug 2007 under s156 of CA, and was giving a warning under s2(B)(b) of Prevention of Corruption Act, Chapter 21.

Company’s response:

The offence was committed when Mr Chng was CEO of NTUC Club. The NTUC Club owned a number of private limited companies and Mr Chng was a director in those entities. Mr Chng was fined S\$5,000 in Aug 2007 for failure to disclose his beneficial interest in a company that had dealings with three firms in the NTUC Group where he was a director. Although Mr Chng had previously made verbal declarations of his involvements to the other directors and those directors were aware of his involvement, he failed to provide a written declaration of his interests resulting in the authorities issuing him a fine. In the course of recording Mr Chng’s statements, he provided certain information which were deemed to be false or misleading, and for that, he was given a written warning under Section 28B(b) Prevention of Corruption Act.

Query 2: Mr Chng is currently a director of 8 other listed companies:

(i) **What is NC’s assessment on Mr Chng’s ability to devote sufficient time and resources as the ID of Metech given his commitment on the other listed companies?**

Company’s response:

With reference to the 24 December Announcement, the NC took into consideration that Mr Chng had since retired from remunerative employment, and the experience he has as a director on listed companies. In addition, Mr Chng had a good attendance record on his other entities and represented that he did not have any issues in managing his time to cater to all the meetings where he holds directorship on.

The NC took in feedback from shareholders in the annual general meeting held on 29 October 2019 to strengthen its existing Board. The NC was of the view that Mr Chng's experience would diversify the existing Board. Mr Chng will be writing to his other boards to seek their concurrences and provided assurance that he will be able to devote sufficient time and effort to the affairs of the Company.

(ii) Please provide the Sponsor's views on the above as well.

Sponsor's Responses:

The Sponsor took into account the NC's assessment and based on its interview with Mr Chng prior to his appointment, the Sponsor took into consideration that Mr Chng does not have a full-time employment, his attendance at board and committee meetings of the listed companies where he is a director of, and he does not hold executive positions on his existing directorships.

(iii) Did Mr Chng obtain concurrence from the 8 companies for which he is on the boards of, as to his ability to devote sufficient time and resources to each of his appointments? Otherwise, please do so.

Company's response:

Mr Chng will seek to obtain concurrence from his other listed entities on his appointment to the Company.

Query 3: Mr Chng was appointed as ED on HG Metal Manufacturing Ltd from 2010 to 2011. HG Metal undertook a review of transactions in Oct 2014. Please elaborate on Mr Chng's role, and whether was involved/mentioned in the review in any way.

Company's response:

As disclosed in the announcement on 24 December 2019, Mr Chng was appointed as CEO of HG Metal Manufacturing Ltd ("**HG Metal**") in 2011 and ceased to be a CEO of HG Metal in 2012. Mr Chng is not aware that HG Metal had undertaken a review of transactions in October 2014. As he was not aware of this review, he believed that he was in no way mentioned or involved in the review.

Query 4: Can the sponsor please confirm and provide basis for its independence from the Metech BOD. Please provide details such as dates of appointment of the directorships of the relevant persons.

Sponsor Response

As part of the obligations as continuing Sponsors, RHT Capital Pte Ltd. (“**RHTC**”) is independent of and does not have conflict of interests with all our sponsored issuers as mandated by the Listing Manual Section B: Rules of the Catalist. (“**Catalist Rules**”), including Metech BOD. In reaching this conclusion, RHTC took into consideration the following:

- None of the directors of Metech’s BOD, and/or their associates, holds any board position on RHTC’s Board and subcommittee.
- RHTC does not have any interest and Board representations in Metech and the companies where Metech’s BOD holds directorship in.
- Metech does not have any shareholding interest in RHTC.
- None of the Directors in Metech, nor any other sponsored issuers and other affiliated companies relating to RHTC is involved in the operations of RHTC.
- RHTC has existing controls and procedures in place to mitigate potential conflicts of interests between RHTC and its sponsored issuers.

RHTC and all subsidiaries under RHT Group of Companies are independent of one another with different business models and operate differently. There are existing controls and procedures in place to ensure that conflict of interests between RHTC and other RHT entities is adequately mitigated.

Please find the table below summarizing the dates of appointment of the directorships of the Metech BOD:

Directors of Metech	Appointment date
Mr. Simon Eng	10 November 2014, 28 October 2015 (re-appointment) 29 October 2019 (re-appointment)
Mr. Chay Yiowmin	3 April 2019 29 October 2019 (re-appointment)
Mr. Ricky Sim Eng Huat	1 July 2015 31 October 2018 (re-appointment)
Mr. Chng Hee Kok	26 December 2019
Mr. Liu Changsheng	1 September 2019 29 October 2019 (re-appointment)

Query 5: In respect of Mr Simon Eng, the Chairman and CEO, Please explain and elaborate on the ‘negative confirmation’ responses to qns (a) to (k) under Appendix 7F of the Catalist Rules, in page 20 of the Company’s 2019 Annual Report.

Catalist Rule 720(5) was amended with effect from 1 January 2019 and the Company's Annual Report for the financial year ended 2019 was the first annual report following the amendment of the Catalist Rule 720(5), which requires the issuer to provide information as set out in Appendix 7F in respect of directors seeking re-appointment. Mr. Simon Eng (“**Mr Eng**”), who was clearing the Company's Annual Report 2019, was focused on ensuring the facts and figures of the Annual Report were accurate therein and had inadvertently omitted the information required under Appendix 7F. Mr Eng has noted the oversight and will be mindful of regulatory changes when clearing future annual reports of the Company. The Company is also reviewing its internal process to ensure that all departments involved are familiar with the regulatory requirements and changes. In light of the above, the Company will be promptly releasing the corrigendum to the Annual Report 2019 to reflect the updated Appendix 7F for Mr Simon Eng.

By Order of the Board
METECH INTERNATIONAL LIMITED

Simon Eng
Chief Executive Officer
27 December 2019

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

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

The contact person for the Sponsor is Mr. Shervyn Essex, Registered Professional, Registered Professional, RHT Capital Pte. Ltd., 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619. Tel: 6381 6757.