Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Metech International Limited

Stock code: V3M

Meeting details:
Date: 29 October 2021
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Q1. 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

(Source: https://www.sgx.com/securities/company-announcements?value=METECH%20INTERNATIONAL%20LIMITED&type=company)

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

(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?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Q2. 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.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

103

As at 30 June 2021

	NOTE	GROUP 2021 S$'000	GROUP 2020 S$'000	COMPANY 2021 S$'000	COMPANY 2020 S$'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	179,010	179,010	179,010	179,010
Translation reserve	16	26	(68)	–	–
Accumulated losses	16	(177,126)	(175,959)	(177,051)	(174,878)
		1,910	2,983	1,959	4,132
Non-controlling interest	13	–	40	–	–
Total Equity		1,910	3,023	1,959	4,132

(Source: company annual report; emphasis added)

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?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Q3. 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?**

Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

Join our mailing list here to receive latest news and upcoming events.

CONNECT WITH US

^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)