Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Metech International Limited

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Meeting details:
Date: 29 Jun 2024
Time: 9.00 a.m.
Venue: Raffles Marina, 10 Tuas West Drive, Singapore 638404

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Q1. For the 18-month period from 1 July 2022 to 31 December 2023, the group's consolidated revenue amounted to $29,000, primarily due to governance and operational challenges at its joint venture subsidiary, Asian Eco Technology Pte. Ltd. The company had also entered into a settlement agreement with Mr Deng Yiming[1].

During this period, the group recognised a loss of $(11.5) million, with net cash used in operating activities totalling $5.0 million. As at 31 December 2023, the group and company have cash and cash equivalents of $51,000 and $22,000 respectively. The group's accumulated losses stood at $(187.6) million and equity attributable to owners of the company amounted to just $1.22 million at the end of the financial period.

(i) **What is the current status of the group's operating subsidiaries and joint ventures? What level of oversight does the board maintain over the operating entities?**

(ii) **With the impending departure of the chief executive officer on 28 June 2024, who will assume responsibility for driving and overseeing the businesses?**

(iii) **For the benefit of shareholders, please provide a holistic overview of the group's strategic growth plans.**

(iv) **How successful has the group been at developing its own capability and reducing the reliance on its partners and X Diamond Capital Pte. Ltd.?**

(v) **What are the top 3-5 operational priorities to achieve revenue growth and profitability for the group over the next 18-24 months?**

(vi) **What guidance has the board provided to management regarding achieving financial sustainability and profitability?**

[1] https://links.sgx.com/FileOpen/231213%20-%20Settlement%20Agreement%20Announcement_Release.ashx?App=Announcement&FileID=780694

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Q2. On 6 June 2024, the company announced that it has received a notice of termination from Novus Corporate Finance Pte. Ltd who serves as the company's sponsor on SGX Catalist.

The last day of service by the current sponsor will be 5 September 2024, or any earlier date which may be agreed to between the company and the sponsor. Novus Corporate Finance was appointed less than two years ago on 16 July 2022.

The cessation was attributed to "commercial" reasons.

(i) **Can the company confirm that the sponsor has been paid its fees? What discussions, if any, did the company/board have with the sponsor regarding the termination?**

(ii) **Will the company be able to disclose the commercial reasons that led to the termination?**

(iii) **Has the notice of termination by the current sponsor affected the group's operations and fundraising?**

As disclosed by the company, under Catalist Rules, SGX-ST will suspend a company if a sponsor is not appointed to undertake continuing sponsorship. A company will be delisted if it does not have a sponsor for more than three continuous months.

(iv) **What progress has the company/board made in appointing a new sponsor?**

(v) **What criteria are being used to select and shortlist a new sponsor?**

(vi) **When does the board expect to appoint a new sponsor?**

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Q3. As disclosed in the corporate governance report, the resolution to re-elect Mr Chng Hee Kok as a director of the company was not carried and Mr Chng Hee Kok ceased to be a director on 21 October 2022. Mr Chng Hee Kok was first appointed to the board on 26 December 2019.

Mr Chng Hee Kok was subsequently reappointed as an independent director and non-executive chairman of the board on 9 November 2023. Mr Chng Hee Kok resigned on 13 June 2024 to "pursue other opportunities".

The company has experienced 7 cessations of appointments specified in Catalist Rule 704(6) over the past 12 months[2].

(i) **What are the underlying reasons for Mr Chng Hee Kok's resignation just seven months? Has the chairman's abrupt resignation after a short stint "to pursue other opportunities" negatively impact the board?**

(ii) **Has the high turnover rate on the board affected its ability to provide effective oversight?**

(iii) **How is the current board addressing the challenges of gaining support from its shareholder base to ensure continuity?**

Separately, the company appointed Mr Hwang Kin Soon on 20 May 2024[3]. Mr Hwang Kin Soon had served on the board of listed companies, such as China Environment Ltd. and Nutryfarm International Limited.

(iv) **How is the nominating committee (NC) carrying out its search and nominating for directors (including the chairman of the board)?**

(v) **How does the NC select directors and chairmen who are committed to the company and have demonstrated a track record of creating long-term value for shareholders, especially minority shareholders?**

(vi) **Would the board elaborate further on the rationale, selection criteria, board diversity considerations and the search and nomination process as required in the SGX template?**

[2] https://links.sgx.com/1.0.0/corporate-announcements/H6XXPN8LCY5IWTWB/59f2b5f99a81ac04ab61831e877a0e3eeb4c7e2a50098160af22203b08e9a701
[3] https://links.sgx.com/1.0.0/corporate-announcements/L74VX74PZYN063JA/bd80fd5bd25f8fac846a4a72622d28eaf93b2b539fb89062f1a7adbac691a2f9

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(vii) **Would the directors consider receiving their fees in the form of equity shares to align their interests more closely with those of the shareholders and to demonstrate solidary with long-suffering shareholders?** Doing so would also improve the cash flow of the group.

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

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