



Metech International Limited

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

ENTRY INTO A BINDING STRATEGIC COLLABORATION AGREEMENT

Introduction

The Board of Directors (the “**Board**”) of Metech International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement made on 12 October 2021 (“**Previous Announcement**”) in relation to strategic collaboration agreement (“**Strategic Collaboration Agreement**”) with 广州钻石交易中心 (Guangzhou Diamond Exchange Limited Liability Corporation (“**GZDE**” and collectively with the Company, the “**Parties**” and each a “**Party**”) on further development and promotion of lab-grown diamond in China market (the “**Strategic Collaboration**”).

The Board wishes to announce that the Company had on 3 November 2021, through its joint venture company, Asian Eco Technology Pte. Ltd. (“**AET**”), entered into new strategic collaboration agreement with GZDE (“**New Strategic Collaboration Agreement**”) for the purposes of deepening its existing collaboration via new initiatives that focuses on the establishment of an international lab-grown diamond trading platform (“**New Strategic Collaboration**”). For avoidance of doubt, the New Strategic Collaboration Agreement will not supersede the Strategic Collaboration Agreement.

Information on GZDE

GZDE was established in July 2015, with the official approval of the People’s Government of Guangdong Province and located at Shawan Jewellery Industrial Park, Panyu District. GZDE was established by Guangdong Exchange Holding Group in association with state-owned enterprises such as SFUND (Guangzhou Fund), renowned jewellery brands like Chow Tai Fook and Lukfook. To date, GZDE is the only diamond trading platform approved by the People’s Government of Guangdong Province. The functional orientation and business plan of GZDE have been strongly supported by the People’s Government of Guangdong Province and Guangzhou Municipal People’s Government.

GZDE is one of the China’s second diamond exchange that is recognised as an affiliated member of the World Federation of Diamond Bourses¹. As a rough diamond platform, GZDE provides the following services including warehousing, sorting, simple processing, identification/grading, exhibiting or other business activities for overseas diamonds/jewellery entering mainland China under bonded condition; provision of foreign currency settlement during international diamond/jewellery trade, helping Chinese and foreign buyers and sellers to achieve international purchasing and efficient settlement; provision of services for overseas diamonds entering China for processing under bonded condition, introducing domestic manufacturing industry and taking care of bonded processing and re-export formalities; provision of import and agent services for overseas diamonds/jewellery entering China; and as an authoritative third-party platform, cooperate with the regulators to review and supervise members, bring in high-quality and low-cost exchange chain financing support.

Rationale for the New Strategic Collaboration Agreement

The existing Strategic Collaboration combines the resources and networks of GZDE and AET to utilise their respective resources and networks to further develop and promote healthy and sustainable

¹ <https://www.jckonline.com/editorial-article/dvash-world-federation-president/>

development of the lab-grown diamond market in China through international trade, standardisation, R&D collaborations, among others. GZDE is an internationally-recognised diamond exchange and the collaboration between GZDE and AET aims to drive deeper collaborations across the industry and create new value propositions within the lab-grown diamond market in China which is currently the second-biggest consumer of diamonds in the world.²

Through the entry into the new Strategic Collaboration Agreement, AET became a trading member of GZDE and would supply its lab-grown diamonds through GZDE's platform. GZDE targets to hold an exclusive trading event for AET's lab-grown diamonds in the first quarter of 2022 with terms and conditions to be agreed upon separately. AET will actively participate in lab-grown diamond industry related training sessions and commercial applications research organized by GZDE. GZDE and AET expand international collaborations for the trading of lab-grown diamonds.

Further Information

The New Strategic Collaboration Agreement is valid for a period of three years. Except for early termination of the New Strategic Collaboration Agreement, both Parties shall within 30 days before expiry of the Agreement, to enter into new agreement. Subject to no objection to the continued collaboration between GZDE and AET during the period, the Company may consider entry into a definitive agreement with GZDE. In the event that during the period of the collaboration between both Parties, should there be any behaviour that harms the other Party's legitimate interest or lacks the ability and resources to continue to abide by the terms of the New Strategic Collaboration Agreement, the other Party can choose to terminate the collaboration.

Financial Effects

The New Strategic Collaboration is not expected to have a material impact on the net tangible assets per share of the Company and the earnings per share of the Company for the current financial year ending 30 June 2022.

Interests of Directors and Substantial Shareholders

None of the directors and substantial shareholders of the Company has any interest, direct or indirect, in this New Strategic Collaboration, GZDE, other than through their respective shareholdings in the Company, if any.

Documents available for Inspection

A copy of the New Strategic Collaboration Agreement will be available for inspection during normal business hours at the Company's registered office at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523 for a period of three (3) months commencing from the date of this announcement.

Shareholders who wish to inspect the New Strategic Collaboration Agreement may email shareholder@metechinternational.com to make an appointment in advance so to limit the number of people who are present at the registered office at any one time. Such arrangements are subject to prevailing regulations, orders, advisories and guidelines in relation to safe distancing measures implemented by the relevant authorities from time to time.

Cautionary Statement

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers,

² <https://www.globaltimes.cn/page/202108/1232228.shtml>

bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board of Directors of
Metech International Limited

Samantha Hua Lei
Executive Director and Deputy CEO

4 November 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.