



METECH INTERNATIONAL LIMITED

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

ESTABLISHMENT OF A JOINT VENTURE

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of Metech International Limited (the "**Company**", together with the subsidiaries, the "**Group**") wishes to announce that Asian Green Tech Pte. Ltd ("**AGT**"), a wholly-owned subsidiary of the Company, has on 24 September 2021 entered into a joint venture agreement ("**JVA**") with X Diamond Capital Pte. Ltd. ("**XDC**") to establish a joint venture, pursuant to which AGT and XDC (collectively, the "**Parties**") will incorporate a joint venture company ("**JV Company**") in Singapore to carry out the business of manufacturing and distribution of lab-grown diamonds (the "**Joint Venture**").

2. INFORMATION ON THE JOINT VENTURE PARTNER

XDC is an exempt private company incorporated in Singapore on 13 May 2019 and has an issued and paid-up capital of S\$10,000 comprising 10,000 ordinary shares. The shareholders of XDC are (a) Mr Deng Yiming, who holds 4,000 ordinary shares representing 40% of its issued and paid-up capital, (b) Ms Xu Kang, who holds 3,500 ordinary shares representing 35% of its issued and paid-up capital and (c) Mr Yang Hanyu, who holds 2,500 ordinary shares representing 25% of its issued and paid-up capital. The principal activities of XDC are the wholesale of jewellery made from precious metal and stones and the manufacture of piezo-electric devices.

To the best knowledge of the Board, prior to the Joint Venture, XDC, its directors and its shareholders are independent of the Group, the Company, its directors, substantial shareholders and their respective associates.

3. SALIENT TERMS OF THE JVA

3.1 Formation and Share Capital of the JV Company

Pursuant to the JVA, AGT and XDC will procure the incorporation of JV Company under the name 'Asian Eco Technology Pte Ltd' (or such other name as the Accounting and Corporate Regulatory Authority of Singapore shall permit and which the parties have agreed upon). JV Company will have an initial issued and paid-up share capital of S\$500,000 divided into 500,000 ordinary shares, which shall be subscribed for by the Parties in the following numbers and shareholding percentage:

Parties	Number of ordinary shares	Percentage of entire issued share capital
AGT	255,000	51%
XDC	245,000	49%

3.2 **Business of the JV Company**

The JV Company will be principally engaged in the business of manufacturing and distribution of lab-grown diamonds, and such other activities that are necessary or incidental thereto.

3.3 **Shareholders' Undertakings**

- (a) AGT shall operate and manage the JV Company; and
- (b) XDC shall provide technical support to the JV Company.

3.4 **Board Composition**

The board of directors of the JV Company (the "**JV Board**") shall comprise up to five (5) directors (excluding alternate directors), whereby AGT shall have the right to appoint three (3) directors and XDC shall have the right to appoint two (2) directors .

4. **RATIONALE FOR THE JOINT VENTURE**

The Group's entry into the Joint Venture is in line with the Group's strategy to expand into the environmental and sustainability business. As lab-grown diamonds are created without the need for mining, they are a more sustainable production of diamonds and aligned with the Group's environmental and sustainability business model.

5. **FINANCIAL IMPACT**

AGT's subscription of shares in the JV Company will be funded through internal resources, bank borrowings and/or equity fund raising (as appropriate), and the Joint Venture is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the financial year ending 30 June 2022. In the event that there are any equity fund raising undertaken by the Company in relation to the subscription of the shares in the JV Company, the Company will make a separate announcement on its financial impact in due course.

6. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

As at the date of this announcement, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Joint Venture, other than by reason of their respective shareholding interest in the Company, where applicable.

7. **DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the JVA will be available for inspection during normal 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 from the date of this announcement.

Shareholders who wish to inspect the JVA may email shareholder@metechinternational.com to make an appointment in advance, so as to limit the number of people who are present at the Company's 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.

By Order to the Board of Directors of
Metech International Limited

Samantha Hua
Executive Director and Deputy CEO

24 September 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.