



Metech International Limited

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

PRESS RELEASE

Metech Enters Into Joint Venture to Manufacture and Distribute Lab-Grown Diamonds

- ***A lab-grown diamond is a diamond: chemically, physically and optically identical to a mined diamond***
- ***Strong market prospects in lab-grown diamonds that are driven by environmental, sustainability and ethical concerns of mined diamonds***
- ***New business venture is aligned with Metech's environmental and sustainability business model and creates new growth drivers for the Group***

Singapore, 26 September 2021 – SGX-listed **Metech International Limited** (“**Metech**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), is pleased to announce that its wholly-owned subsidiary, Asian Green Tech Pte. Ltd (“AGT”), has entered into a joint venture agreement (“JVA”) with X Diamond Capital Pte. Ltd. (“XDC”) on 24 September 2021 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”).

Under the JVA, AGT shall operate and manage the JV Company while XDC shall provide technical support to the JV Company.

The Rising Popularity and Applications of Lab-Grown Diamonds

A lab-grown diamond is a diamond: chemically, physically and optically identical to a mined diamond.

While diamonds are more widely known to be used in jewellery, diamonds are also commonly used for industrial applications as they are extremely effective at polishing, cutting, and drilling.

Furthermore, lab-grown diamonds have the edge over mined diamonds with regards to their purity and hardness, with lab-grown diamonds found to be ten times more durable than natural diamonds. The US Department of Energy reports that diamond-based components reduce energy losses by up to 90%⁽¹⁾.

According to figures published by Diamond Foundry, the total environmental footprint of mined diamonds is much higher than lab diamonds⁽²⁾.

In May 2021, the world's largest jewellery, Pandora, says it will no longer sell mined diamonds and will switch to exclusively laboratory-made diamonds due to concerns about the environment and working practices in the mining industry⁽³⁾.

Lab-grown diamond production has ballooned in recent years, with 6-7 million carats produced in 2020 alone, though still a tiny industry compared to diamond mining, which peaked at 152 million carats in

(1) <https://www.bbc.com/future/article/20200207-the-sparkling-rise-of-the-lab-grown-diamond>

(2) <https://diamondfoundry.com/blogs/the-foundry-journal/surprise-it-takes-more-energy-to-mine-an-earth-created-diamond-than-cultivating-one-in-a-foundry>

(3) <https://www.bbc.com/news/business-56972562>

2017 and currently stands around 111 million carats. But lab-grown diamonds are increasingly pitched as the sustainable choice to price- and planet-conscious young consumers. In addition to Pandora, De Beers, Vrai and Kimai have begun selling lab-grown diamonds as well as or in place of mined ones⁽⁴⁾.

According to Statista, the market size of lab-grown diamonds is forecasted to increase its value to approximately US\$29.2 billion by 2025⁽⁵⁾ and grow to nearly 19.2 million carats by 2030⁽⁶⁾.

The Joint Venture is aligned with the Group's strategy to expand further 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 there are also opportunities to integrate renewable energy in such manufacturing activities, hence it is aligned with the Group's environmental and sustainability business model.

Ms. Samantha Hua, Deputy Chief Executive Officer and Executive Director of Metech, said: “*With better technology and declining production costs, lab-grown diamonds will be a sustainable solution to the declining supply of mined diamonds.*”

In addition, the millennial generation are also more conscious about the environmental, sustainability and ethical impact of mined diamonds.

With our joint venture, we have the capabilities to create our own quality diamonds in Singapore and establish new channels to make it accessible to a wider consumer base.

I believe that we are in the early stages of this emerging consumer trend and we are excited about the opportunities ahead.”

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This press release is to be read in conjunction with Metech's exchange filings on 24 September 2021, which can be downloaded via www.sgx.com.

About Metech International Limited

(Bloomberg: CENR:SP / Reuters: METE.SI / SGX Stock Code: V3M)

Listed on the Singapore Stock Exchange, Metech International Limited (“**Metech**”) has a multi-pronged business model that aligns with the macro trends in the area of environmental and sustainability.

While proactively evaluating new business opportunities to broaden its business model, Metech continues to build on its capabilities and extend the value propositions of its business units.

Issued on behalf of Metech International Limited by 8PR Asia Pte Ltd.

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(4) <https://www.voguebusiness.com/sustainability/are-lab-grown-diamonds-really-the-sustainable-future-pandora-de-beers>

(5) <https://www.statista.com/statistics/1076378/lab-grown-diamonds-market-value-globally/>

(6) <https://www.statista.com/topics/7108/lab-grown-diamond-industry/>

*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.

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