



Metech International Limited

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

ENTRY INTO A STRATEGIC COLLABORATION AGREEMENT

Introduction

The Board of Directors (the “**Board**”) of Metech International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had on 23 December 2021, through its joint venture company, Asian Eco Technology Pte. Ltd. (“**AET**”), entered into a Strategic Collaboration Agreement (the “**Strategic Collaboration Agreement**”) with 宁波梅山保税港区蓝标投资合伙企业（有限合伙） (“**Ningbo Meishan**” and collectively with the Company, the “**Parties**” and each a “**Party**”) in relation to the setting up of a manufacturing facility for lab-grown diamonds (the “**Strategic Collaboration**”).

Information on Ningbo Meishan and Zongheng Capital（纵横资本投资有限公司）

Zongheng Capital is one of the ordinary partners of Ningbo Meishan. Zongheng Capital is an equity investment fund management company incorporated in China that was co-founded by the founders and core management team of Alliance PKU Management Consultants Ltd (北大纵横) and industry’s top elites. Alliance PKU Management Consultants Ltd is China’s first registered management consultancy company.

Zongheng Capital is headquartered in Beijing. Its mission is to provide its clients with comprehensive services of capital, consulting and talent to promote its clients’ development through its collaboration with Beida Zongheng Management Consultancy (北大纵横咨询) and Zongheng Academy (纵横商学院).

Since Zongheng Capital was established, it has provided management consulting services to more than 5,000 mid-sized and large enterprises, as well as over 500 listed companies. It has also established extensive research and in-depth co-operation with parties such as the government, industry associations, research institutions and universities. Its core investment areas are medical and health (including medical equipment, biopharmaceuticals, medical services and eldercare services), intelligent manufacturing (including robotics, Industry 4.0 and Internet of Things), smart digital solutions (including artificial intelligence, big data and enterprise services and software technology). Out of the 15 projects that it has invested in for close to 7 years, 10 have been profitable. For more information on Zongheng Capital, please visit <http://www.zonghengcapital.com/>.

Rationale for the Strategic Collaboration

The Strategic Collaboration is intended to combine the resources of Ningbo Meishan and AET and utilise their respective resources for the setting up of AET’s manufacturing facility for lab-grown diamonds.

Further Information

The Strategic Collaboration Agreement sets out the initial intentions of the Parties in relation to the basic objectives and scope of the Strategic Collaboration and is subject to the execution of a definitive strategic collaboration agreement between the Parties and the satisfactory completion of due diligence. The detailed terms of the Strategic Collaboration will be based on the definitive strategic collaboration agreement to be subsequently entered into between the Parties.

Pursuant to the Strategic Collaboration Agreement, it is intended that Ningbo Meishan will provide funding of an aggregate sum of up to USD 100 million to AET by (1) extending loans to AET, and/or (2) providing equity financing, whereby at a mutually agreed time, AET and Ningbo Meishan will jointly invest in and establish a joint-venture company. If the funding by Ningbo Meishan takes the form of equity financing, Ningbo Meishan will invest monies for equity in the joint-venture company, while AET will contribute, among others, its technical knowhow, operating income, and monies, for shares in the joint-venture company. Ningbo Meishan further agrees that it will use best efforts to continue to provide funding for the Strategic Collaboration.

The term of the Strategic Collaboration Agreement is for a period of one year. At the expiration of the initial term, if both parties do not have any objections, the Strategic Collaboration Agreement will automatically renew for a further period of one year. If either Party does not wish to renew the Strategic Collaboration Agreement, it should provide one month's notice in writing to the other Party prior to the expiration of the term.

Financial Effects

The 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. In the event that there is material impact, the Company will make a separate announcement on its financial impact in due course.

Interests of Directors and Substantial Shareholders

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

Documents Available for Inspection

A copy of the 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 Strategic Collaboration Agreement may email shareholder@metechinternational.com to make an appointment in advance so as 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, 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

24 December 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.