



Metech International Limited

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

RESPONSES TO SGX QUERIES

The Board of Directors (the “**Board**”) of Metech International Limited (the “**Company**”) refers to the queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 24 December 2021 regarding the announcement released by the Company on 24 December 2021 (the “**Strategic Collaboration Announcement**”) on the entry into a strategic collaboration agreement with Ningbo Meishan (宁波梅山保税港区蓝标投资合伙企业（有限合伙）) (“**Ningbo Meishan**”), in relation to the setting up of a manufacturing facility for lab-grown diamonds (“**Strategic Collaboration Announcement**”) and the Company’s response to SGX-ST’s queries released on 20 December 2021 (the “**Response**”). Unless otherwise defined, capitalized terms have the same meaning ascribed to them in the Strategic Collaboration Announcement and the Response:

Question 1: Please provide more information on the following, and elaborate on their roles in the Strategic Collaboration Agreement:

- ***Ningbo Meishan***
- ***Zongheng Capital***
- ***Founders and core management team of Alliance PKU Management Consultants Ltd***
- ***Industry’s top elites***
- ***Beida Zongheng Management Consultancy***
- ***Zongheng Academy***

Company’s Response

The Company has been informed by Ningbo Meishan that Ningbo Meishan is an investment platform of Zongheng Capital, Alliance PKU Management Consultants Ltd and their founders.

From Zongheng Capital’s website, one can view the profile of its people including Alliance PKU Management’s founder and working partners, industry’s top elites in fields such as business strategy, robotics, engineering, management consultancy. Further to the above, Zongheng Capital is working with Beida Zongheng Management Consultancy and Zongheng Academy, to pool together resources for management consultancy services as well as human talent development.

However, the mention of these entities in the Strategic Collaboration Announcement is simply meant to provide more information on the parties behind Ningbo Meishan. They do not hold specific roles in the Strategic Collaboration Agreement, other than provision of capital.

As stated in the Strategic Collaboration Announcement, it is intended for Ningbo Meishan to provide funding to AET in relation to the setting up of a manufacturing facility for lab-grown diamonds. However, the Strategic Collaboration is subject to the execution of a definitive strategic collaboration agreement between AET and Ningbo Meishan. Further information on the Strategic Collaboration will be announced at the appropriate juncture.

Question 2: Does the Company and / or the parties listed in (1) above have the experience, expertise and track record in the New Business of manufacturing and distribution of lab-grown diamonds? If not, who will be running this New Business?

Company's Response

Ningbo Meishan and its ordinary partners are investors who will be providing funding to AET and it is not intended for them to be involved in the management and operations of the New Business. The New Business, if approved by shareholders at the Company's extraordinary general meeting on 11 January 2022, would become one of the core businesses of the Group and be run and managed by the board and management of AET.

Further details in relation to the running of the New Business are set out in the Company's circular dated 24 December 2021 (the "Circular") seeking approval for, inter alia, the New Business. Please refer to page 8 of the Circular.

Question 3: Please provide details on the development of its JV with X Diamond Capital.

Company's Response

Please refer to page 11 to 12 of Circular for details on the development of joint venture.

Question 4: Is X Diamond Capital related to, or have any business or other relationships with, Ningbo Meishan and / or the Zongheng Group?

Company's Response:

To the best of the Company's knowledge, X Diamond Capital Pte. Ltd. ("XDC") does not have any relationship with Ningbo Meishan, Zongheng Capital, Alliance PKU Management Consultants Ltd, Beida Zongheng Management Consultancy and/or Zongheng Academy.

Question 5: What are the Board's plans with regards to the JV with X Diamond Capital and the Strategic Collaboration Agreement with Ningbo Meishan?

Company's Response:

Please refer to the response to questions 1, 2 and 3 above for the Board's plans with regard to the joint venture with XDC and the Strategic Collaboration Agreement with Ningbo Meishan.

Question 6: How was the Company introduced to X Diamond Capital and Ningbo Meishan; as well as the New Business?

Company's Response:

The Company was introduced to XDC through one of the Company's substantial shareholders. XDC then introduced the New Business to the Company. After careful evaluation of the opportunity and risk of the New Business, the Company decided to expand into the New Business as a core business and has convened an extraordinary general meeting to seek approval for the diversification into the New Business. As explained in the Circular, the Company has been actively reviewing the New Business. As the lab-grown diamond business has ballooned in recent years, the Company has in its review received numerous recommendations and referrals from industry players. Ningbo Meishan got to know about AET through a contact in the industry and approached AET to discuss funding opportunities.

Please refer to the Circular for further information.

By Order of the Board of Directors of
Metech International Limited

Samantha Hua Lei
Executive Director and Deputy CEO
28 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 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 assume 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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