



## Metech International Limited

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

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### RESPONSE TO SHAREHOLDER QUERIES IN RELATION TO THE EXTRAORDINARY GENERAL MEETING ON 11 JANUARY 2022

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The Board of Directors (“**Board**”) of Metech International Limited. (the “**Company**”, and collectively with its subsidiaries, the “**Group**”), sets out its responses to the queries received from a shareholder in relation to the Company’s circular dated 24 December 2021 (the “**Circular**”) prior to the upcoming Extraordinary General Meeting to be held by way of electronic means on 11 January 2022 at 10.30 am.

#### QUESTION 1:

So far, your collaboration partners for laboratory diamonds are all from China. What are the reasons that you have not considered other countries?

#### COMPANY’S RESPONSE:

As set out at Section 3.2 of the Circular, the Group has also entered into collaboration agreements and memorandums of understanding with entities in various jurisdictions such as Korea, India and Switzerland. The Group believes that the Proposed Diversification (as defined in the Circular) into manufacturing and distribution of lab-grown diamonds / super-hard materials and such other related activities that are necessary, related or incidental thereto (the “**Proposed New Business**”) creates opportunities for geographical diversification.

Please refer also to the announcements published on SGXNet since 8 October 2021.

#### QUESTION 2:

Has the company made a study of the demand for lab-grown diamonds to determine its success?

#### COMPANY’S RESPONSE:

As highlighted at Section 2.2 of the Circular, the Group had delved into the Proposed New Business with the intention of first commencing the business on a small-scale basis in order to evaluate the feasibility and potential growth of the Proposed New Business further and in detail. After exploring deeper into and having done more research and studies on the lab-grown diamonds industry, market and demand, the management of the Group has seen strong growth potential in and great feasibility of the Proposed New Business.

The Group has carried out careful evaluation of the opportunity and risk of the Proposed New Business before deciding to diversify the Group’s core business to include the Proposed New Business and further invest in and develop the Proposed New Business.

### QUESTION 3:

What is your expectation on the price of lab-grown diamonds over mined diamonds so as to attract consumers towards lab-grown diamonds?

#### COMPANY'S RESPONSE:

We intend to set the price of the lab-grown diamonds / super-hard materials that we produce to be lower than that of mined diamonds. The reason that we are able to do so, amongst others, is that the production costs of lab-grown diamonds are lower than that of mined diamonds, and it is a more sustainable way of producing diamonds.

The world, including the millennial generation, has also become more conscious and concerned about the environmental, sustainability and ethical impact of mined diamonds. With the price-value relationship and sustainability features of lab-grown diamonds, the Group believes that the lab-grown diamond market has strong potential ahead as consumers (in particular, those of the millennial generation) make more informed and conscious decisions on jewellery purchases.

Further, one of the main selling points of lab-grown diamonds is that while lab-grown diamonds / super-hard materials are chemically, physically and optically identical to mined diamonds, they are found to be ten times more durable than natural diamonds. As such, equipment for industrial applications (e.g. medical equipment, aerospace equipment, semiconductors) manufactured with lab-grown diamonds / super-hard materials are extremely effective at polishing, cutting and drilling. Further, it would be more cost-efficient to produce and/or manufacture such equipment for industrial applications and jewellery. Please refer to Section 3.1 of the Circular.

We have plans to promote healthy and sustainable development of lab-grown diamond market in China via new initiatives with our strategic collaboration partner, China's Guangzhou Diamond Exchange ("GZDE"), as well as supply lab-grown diamonds through GZDE platform. We are also constantly seeking opportunities to promote lab-grown diamonds / super-hard materials locally and internationally. Please refer to Section 3.2 of the Circular.

By Order of the Board of Directors of  
**Metech International Limited**

Samantha Hua Lei  
Executive Director and Deputy CEO

10 January 2021

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*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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