



Metech International Limited

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

RESPONSE TO SGX QUERIES

The Board of Directors (the “**Board**”) of Metech International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 14 August 2023 in relation to the Company’s announcements (the “**Announcements**”) dated 13 March 2023, 21 March 2023 and 11 August 2023 in relation to, among others, the legal proceedings instituted by Asian Eco Technology Pte Ltd (“**AET**”) against Mr Deng Yiming (“**Mr Deng**”) and wishes to respond to the queries as set out below.

Unless otherwise defined, all capitalised terms have the same meanings as ascribed to them in the Announcements.

SGX-ST’s Queries

We noted in the update that the summary judgement by the High Court pertains to the legal proceedings against Mr Deng for the missing diamond seeds and loose diamonds. In addition, the High Court ordered for “damages to be assessed and be paid by Mr Deng to AET.”

1. Will the Company be able to reclaim the missing loose diamonds and diamond seeds from Mr Deng.

Company’s Response:

Please refer to the Company’s response to Query 2 below.

2. In regard to the “damages to be assessed and be paid by Mr Deng to AET”, who will be appointed to make the assessment and does the appointed professional have to report to the Judge?

Company’s Response:

The Company was entitled to elect whether to reclaim the missing loose diamonds and diamond seeds or to claim damages against Mr Deng. The Company elected the latter. Damages will be assessed by a Judge of the High Court of the Republic of Singapore. Each party, namely Mr Deng and AET, will be allowed to adduce evidence in support of their respective positions.

3. Please provide updates for the other legal proceedings made by the Company, including but not limited to the irregularities with the importation of 5 machines supplied to AET, and the sale of 5 machines to AET at an inflated price.

Company’s Response:

There are no legal proceedings in relation to the irregularities with the importation of 5 machines. The Company understands that investigations by the relevant authorities in relation to the importation irregularities are underway and will continue to assist the authorities with their investigations, if needed.

To clarify the announcement of 21 March 2023, AET commenced legal proceedings against Mr Deng in relation to the breaches of his fiduciary duties owed to AET in connection with the sale and purchase of 5 machines at an inflated price. The legal proceedings are currently underway.

The Company will make further announcements as appropriate in relation to any material developments concerning the above.

4. Please provide the board's assessment of the impact on the above on the operations on the Lab Grown Diamond business of the Company.

Company's Response:

The Board is of the view that there is no material impact of the above on the operations of the Lab Grown Diamond business as the Company continues to purchase diamond seeds and loose diamonds from suppliers.

5. What is the current status of the Company's remaining business and operations.

Company's Response:

The Company is in the process of recruiting more experienced personnel to oversee and enhance its current business and operations. Concurrently, the Company has also implemented several cost-saving measures aimed at improving the financial performance and overall financial position of the Company.

6. Please disclose if there are any other material information shareholders should be aware of. Please also provide the board's assessment on whether trading in the Company securities can continue considering the above.

Company's Response:

The Board is not aware of any material information which has not been disclosed to the shareholders. With the aforementioned efforts, the Board is of the view that Company's prospects will improve and trading in the Company's securities can continue.

By Order of the Board of Directors of
Metech International Limited

Wang Zhuo
Executive Director and CEO

16 August 2023

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

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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