

ME**Tech**

Metech International Limited

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

UPDATE ON THE PROPOSED DISPOSAL OF 80% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ASIAN ECO TECHNOLOGY PTE. LTD. (“AET”)

Unless otherwise defined, all capitalised items used herein shall bear the meanings as ascribed to them in the Previous Announcements (as defined below).

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**”) of Metech International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcements dated 4 October 2025 (the “**4 October 2025 Announcement**”) and 9 October 2025 (collectively, the “**Previous Announcements**”) in relation to the proposed disposal of 80% of the issued and paid-up share capital of AET (the “**Sale Shares**”) (the “**Proposed Disposal**”).
- 1.2 The Board wishes to announce that the Company had, on 12 December 2025, submitted an application to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) through its continuing sponsor, Novus Corporate Finance Pte. Ltd., to seek a waiver from compliance with Rule 1014(2) (the “**Waiver from Shareholders’ Approval**”) and Rule 1014(5) (the “**Waiver from Valuation**”) of the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) for the Proposed Disposal (collectively, the “**Waiver Application**”). Pursuant to Rule 1014(2) of the Catalist Rules, the Company was to obtain the approval of the shareholders of the Company (the “**Shareholders**”) for the Proposed Disposal in a general meeting, and pursuant to Rule 1014(5) of the Catalist Rules, to appoint a competent and independent valuer to value AET for the purposes of the Proposed Disposal.

2. REASONS FOR SEEKING THE WAIVER FROM SHAREHOLDERS’ APPROVAL

- 2.1 The reasons for seeking the Waiver from Shareholders’ Approval are as follows:

Pursuant to paragraph 7 of Practice Note 10A of the Catalist Rules (“**Practice Note 10A**”), where an issuer seeks such a waiver, the following factors are to be considered:

- (a) Paragraph 7.2 of Practice Note 10A requires the issuer to submit an opinion to the sponsor from its board of directors, that there has been or will be no material change in the risk profile of the issuer arising from the transaction, including the basis for its opinion; and
- (b) Paragraph 7.3 of Practice Note 10A states that the SGX-ST may grant the waiver in, among others, the following circumstances:
 - (i) a proposed transaction has been foreshadowed; and
 - (ii) a proposed disposal involves a non-core asset, as a non-core asset is not likely to affect the nature of the issuer’s principal business. A non-core asset is one that (1) is not critical to the principal business activity of the issuer; (2) is ancillary to the principal business activity of the issuer; and (3) is not an existing principal business of the issuer, as described in paragraph 2.4 of Practice Note 10A.

2.2 AET is a non-core asset of the Group

The Company is of the view that AET is a non-core asset that is not critical and is ancillary to the principal business activity of the Group, and is not an existing principal business of the Company, as described in paragraph 2.4 of Practice Note 10A. The Group has shifted its focus away from the lab-grown diamond business and has since diversified and expanded into the health supplements business, which has become its primary revenue-generating segment. The disposal of AET is therefore not material to the Group, for the following reasons:

- (a) the Group's net liability value ("**NLV**") and net tangible liability value ("**NTL**") as at 30 September 2025 were approximately S\$0.57 million and AET's NLV and NTL were approximately S\$5.01 million, of which approximately S\$4.01 million was attributable to the Sale Shares. After taking into account the Waiver (as defined herein), solely for calculating the relative figure under Catalist Rule 1006(1), AET's NTL was approximately S\$0.05 million as at 30 September 2025, of which approximately S\$0.04 million was attributable to the Sale Shares. Based on the foregoing, the Sale Shares' NTL as at 30 September 2025, excluding the Waiver, far exceed the Group's NTL. As such, AET does not contribute more than 20% of the Company's net assets, and the Proposed Disposal will improve the Group's NLV position as elaborated in paragraph 2.2(f) below;
- (b) based on the unaudited financial statements of the Group for the 9 months ended 30 September 2025 ("**9MFY2025**"), the Company had three (3) reportable segments, namely the (1) lab-grown diamond business, (2) the health supplements business, and (3) the corporate segment (being the cost-centre of the Group). For reference, the Group generated a total revenue of S\$3.06 million during 9MFY2025, of which 100% was attributable to the health supplements business. The lab-grown diamond business did not generate any revenue to the Group during 9MFY2025;
- (c) based on the 9MFY2025 unaudited results, the Group had recorded a loss after income tax of approximately S\$0.69 million, of which (a) a loss of approximately S\$92,000 was attributable to the lab-grown diamond business, (b) a profit of approximately S\$0.34 million was attributable to the health supplements business, and (c) a loss of approximately S\$0.94 million was attributable to the corporate segment. Accordingly, the loss recorded by the lab-grown diamond business represented approximately 13.33% of the Group's loss after income tax in 9MFY2025;
- (d) based on the audited financial statements of the Group for the financial year ended 31 December 2024 ("**FY2024**"), the Group generated total revenue of approximately S\$2.93 million, of which approximately S\$45,000 was attributable to the lab-grown diamond business and approximately S\$2.89 million was attributable to the health supplements business. Accordingly, the revenue generated by the lab-grown diamond business represents approximately 1.54% of the Group's total revenue in FY2024;
- (e) based on the FY2024 audited results, the Group had recorded a loss after income tax of approximately S\$2.62 million, of which (a) approximately S\$1.38 million was attributable to the lab-grown diamond business, (b) a loss of approximately S\$0.14 million was attributable to the health supplements business, and (c) a loss of approximately S\$1.09 million was attributable to the corporate segment. Accordingly, the loss recorded by the lab-grown diamond business represented approximately 52.67% of the Group's loss after income tax in FY2024;
- (f) the Proposed Disposal does not and will not have a significant effect on the Group's existing business as the Group had already ceased operations of its lab-grown diamond business as detailed above. Notwithstanding the foregoing, as set out in the 4 October 2025 Announcement and for illustrative purposes, assuming that the Proposed Disposal had been effected on 31 December 2024, the NTL of the Group will decrease by approximately S\$0.12 million, or 17.83%, from approximately S\$0.68 million to S\$0.56 million. Correspondingly, the NTL per share will decrease from 0.40 Singapore cents before the Proposed Disposal to 0.33 Singapore cents after the Proposed Disposal; and

- (g) assuming that the Proposed Disposal had been effected on 1 January 2024, the loss attributable to Shareholders will decrease by approximately S\$0.55 million, or 22.17%, from approximately S\$2.48 million to approximately S\$1.93 million. Correspondingly, the loss per Share will decrease from 1.63 Singapore cents before the Proposed Disposal to 1.27 Singapore cents after the Proposed Disposal.

Based on the details set out above, the Company is of the view that the Sale Shares relate to a non-core asset which is not part of the Group's existing principal business, and accordingly paragraph 2.1(b)(ii) of this announcement has been fulfilled.

2.3 Expediting the process of the Proposed Disposal

The Company is of the view that if the Waiver from Shareholders' Approval is granted, such that the approval of the Shareholders at a general meeting does not have to be sought for the Proposed Disposal, it will expedite the process of the Proposed Disposal and hence reduce further losses to be incurred by the Group as AET is a loss-making asset.

Since its incorporation in September 2021, AET has been loss-making. As detailed in the 4 October 2025 Announcement as well as several of its monthly update announcements, the Board had assessed that the lab-grown diamond business is no longer viable, taking into consideration the significant resources that had been devoted to turning the business around vis-à-vis the unsatisfactory results. For the avoidance of doubt, it is also unlikely that the Group will be able to retrieve the Waiver amounts from AET taking into consideration that it had minimised activities of its lab-grown diamond business since the 18-month financial period ended 31 December 2023, and there has been no revenue generated from such business in FY2025. As such, the Proposed Disposal has been foreshadowed, and paragraph 2.1(b)(i) of this announcement has been fulfilled.

2.4 The Proposed Disposal benefits the Group by improving its financial position and liquidity

In accordance with the conditional sale and purchase agreement dated 2 October 2025 (the "**S&P**"), and based on the management accounts of AET as at 30 June 2025, the Proposed Disposal will allow the Company to reduce a portion of its liabilities, particularly the other payables to third parties as well as the accruals amounting to approximately S\$0.27 million (the "**Payables**") as disclosed in paragraph 4.4 of the 4 October 2025 Announcement, amounting to approximately S\$0.27 million. The Proposed Disposal will therefore improve the Group's financial position and free up cash flow which would otherwise be used to repay AET's creditors. As at 30 September 2025, the Payables stood at approximately S\$0.28 million.

2.5 The Proposed Disposal is in the best interests of the Shareholders

The Company had ceased its lab-grown diamond business and has since successfully diversified into new and viable businesses, including among others the health supplements business, which continues to grow and generate positive cash flow for the Group. Given that the Group's operations and prospects now lie in its new business segments, the Proposed Disposal represents an appropriate opportunity to divest a non-core, loss-making asset and streamline the Group's focus on its core businesses. Notwithstanding the foregoing, the Company will retain the ownership to the five (5) microwave plasma chemical vapour deposition machines currently owned by AET (the "**Five Machines**") even after completion of the Proposed Disposal. For the avoidance of doubt, the retention of these machines will not incur much additional costs in terms of maintenance.

As such, this will still allow the Group to enter into further arrangements with the Purchaser and/or other third parties in the future for the provision of certain assistance and services, including but not limited to technical services, rental of equipment and machineries as disclosed in paragraph 3 of the 4 October 2025 Announcement. The Board is therefore of the view that the Proposed Disposal is in the best interests of the Company and its Shareholders, including the minority Shareholders.

3. OPINION OF THE BOARD

Based on the reasons set out in paragraph 2 of this announcement, and in connection with the requirement under paragraph 7.2 of Practice Note 10A, the Board is of the opinion that there has been and will be no material change in the risk profile of the Company arising from the Proposed Disposal.

4. SHAREHOLDERS' UNDERTAKING TO VOTE IN FAVOUR

As at the date of the Waiver Application, certain Shareholders, who are collectively deemed to be interested in 108,105,884 shares of the Company, representing approximately 53.78% of the total issued and paid-up share capital of the Company, have provided written confirmations to the Company to vote in favour of the Proposed Disposal at the extraordinary general meeting if it is required to be convened. Accordingly, it would not be cost-effective for the Company to convene an extraordinary general meeting to obtain Shareholders' approval for the Proposed Disposal, taking into consideration the professional expenses and other administrative expenses to be incurred.

5. REASONS FOR SEEKING THE WAIVER FROM VALUATION

5.1 The reasons for seeking the Waiver from Valuation are as follows:

As detailed in paragraphs 2.2(f) and 2.4 above, the Group has ceased its lab-grown diamond business, which was previously carried out through AET. Consequently, as at the date of the Waiver Application, AET is now a dormant entity with minimal assets, comprising mainly deposits and certain machinery, including the Five Machines. As detailed in paragraph 2.5 above, the Company will retain ownership of the Five Machines, which comprise substantially all of AET's tangible assets, following the completion of the Proposed Disposal. For the avoidance of doubt, in connection with the Group's audit for FY2024, the Company had appointed an independent valuer, Robert Khan & Co Pte Ltd, to conduct a valuation of the Five Machines to determine their market value as at 31 December 2024. Pursuant to the valuation, the Five Machines were valued at approximately S\$120,000. The management of the Company has assessed that the book value of the Five Machines and the other associated equipment as at 30 September 2025 is approximately S\$113,000, which would partially offset the Waiver in respect of the transfer of the machinery to the Company (the "**Transfer of the Five Machines**"). Taken together with the Waiver, AET will effectively be a shell entity with little to no material assets.

As at 30 September 2025, the intercompany balances owed by AET to the Group amounted to approximately S\$4.79 million (being the Waiver). These balances arose from extended funding provided to AET over the past financial years to support its working capital and capital investment requirements. As the Waiver is considered sunk costs to the Group, allowances for impairment losses have already been made at the Group consolidated level in respect of these balances since the 18-month financial period ended 31 December 2023. Accordingly, the Waiver is not expected to have any material impact on the Company's net tangible assets per share or earnings per share for the current financial year ending 31 December 2025, as detailed in the above paragraphs.

Based on the foregoing, it should be noted that the value of the consideration ascribed to the Proposed Disposal largely comprises the forgiveness of the aforementioned intercompany loans and amounts due from AET to the other Group entities (the "**Waiver**"), rather than the tangible assets held by AET. The Company has already made the appropriate impairment allowances for such intercompany balances on its consolidated financial statements since the 18 months financial period ended 31 December 2023, which have been reviewed and audited by the Group's auditors as there is no foreseeable repayment from AET.

Further, the actual cash consideration payable by the Purchaser under the S&P as disclosed in the 4 October 2025 Announcement is a nominal sum of S\$1.00. However, the relative figure computed under Rule 1006(c) of the Catalist Rules takes into account the Waiver, which results

in the “consideration” for the Proposed Disposal being approximately S\$4.79 million and causes the relative figure to exceed the 75% threshold. This, in turn, triggers the requirement under Rule 1014(5) of the Catalist Rules to appoint a competent and independent valuer to value AET. For the avoidance of doubt, had the Waiver not been included in the computation, none of the relative figures under Rule 1006 would have exceeded 75%, and the requirement to appoint a valuer would not have arisen.

Accordingly, taking into account the foregoing, in the Company is of the view that it would not be meaningful to commission another independent valuation on the Sale Shares for the purpose of the Proposed Disposal, which would result in the Company incurring additional costs as well as expanding further manpower and resources to coordinate and prepare with the valuer.

6. FURTHER ANNOUNCEMENTS

The Company will make further announcements to update its Shareholders as and when there are material updates or developments in connection with the Waiver Application and/or the Proposed Disposal.

By Order of the Board of Directors of
Metech International Limited

Pang Wei Hao
Executive Director and Chief Executive Officer

12 December 2025

*This announcement has been reviewed by the Company’s sponsor, Novus Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange 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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