



Metech International Limited

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

ENTRY INTO A PATENT LICENSING 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 26 January 2022, through its joint venture company, Asian Eco Technology Pte. Ltd. (“**AET**”), entered into a patent licensing agreement (the “**Patent Licensing Agreement**”) with Guangdong X Diamond Technology Co., Ltd. (广东熹钻技术有限公司) (“**Guangdong X Diamond**” and collectively with AET, the “**Parties**” and each a “**Party**”), pursuant to which Guangdong X Diamond has agreed to grant to AET an exclusive license to certain patent rights owned by Guangdong X Diamond. The Patent Licensing Agreement is currently undergoing notarisation.

Information on Guangdong X Diamond

Guangdong X Diamond is a wholly-owned subsidiary of X Diamond Capital Pte. Ltd. (“**XDC**”) that is incorporated in China. XDC is the joint venture partner of the Company and holds 49% shares in AET. XDC and Guangdong X Diamond (collectively, the “**XDC Group**”) specialise in the research and development of microwave plasma application technology and the production, manufacturing and commercialisation of equipment and products related to such technology. The XDC Group uses highly efficient microwave plasma chemical vapour deposition method which requires low cost to activate and decompose carbon source into free carbon atoms. The carbon atoms are then gradually supersaturated and precipitated into substrate (seed crystal) and grown into diamonds that are identical with the structure and composition of natural diamonds. The main products of XDC Group are inch wide, high-quality single crystal diamonds and high-quality large particle single crystal diamonds.

Rationale for the Patent Licensing Agreement

Pursuant to the Patent Licensing Agreement, Guangdong X Diamond grants to AET the exclusive rights to use and replicate its invented plasma enhanced chemical vapor deposition machine (the “**PECVD Machine**”) for producing low dielectric constant materials and a type of production technology for manufacturing high thermal conductivity diamonds and aluminium composite materials (the “**Technology**”) (用于制备低介电常数材料的等离子增强化学气相沉积装置、一种高导热金刚石/铝复合材料及其制备方法), which Guangdong X Diamond owns the patent rights to.

The Machine and Technology are used to manufacture lab-grown diamonds. As such, the entry into the Patent Licensing Agreement is intended to allow AET to leverage on the Machine and Technology for the purposes of the Company’s business in the manufacturing and distribution of lab-grown diamonds.

Further Information

No license fee is payable by AET to Guangdong X Diamond for the grant of the exclusive licence under the Patent Licensing Agreement. The patent is registered in the People's Republic of China. The Patent Licensing Agreement does not have a fixed end date.

Financial Effects

The Patent Licensing Agreement 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.

Interests of Directors and Substantial Shareholders

None of the directors and substantial shareholders of the Company has any interest, direct or indirect, in the Patent Licensing Agreement, XDC or Guangdong X Diamond, other than through their respective shareholdings in the Company, if any.

Documents Available for Inspection

A copy of the Patent Licensing 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 Patent Licensing 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

27 January 2022

*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.