



Metech International Limited

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

ISSUANCE OF LETTER OF STATUTORY DEMAND

1. INTRODUCTION

The board of directors (the “**Board**”) of Metech International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcements released by the Company on:

- (a) 24 September 2021 regarding the entry into a joint venture agreement (the “**JVA**”) between Asian Green Tech Pte. Ltd. (“**AGT**”), a wholly-owned subsidiary of the Company, and X Diamond Capital Pte. Ltd. (“**XDC**”) on 24 September 2021, pursuant to which AGT and XDC subsequently incorporated Asian Eco Technology Pte. Ltd. (“**AET**”) on 27 September 2021 as their joint venture company in Singapore to carry out the business of manufacturing and distribution of lab-grown diamonds, with AGT holding 51% of the share capital of AET and XDC holding 49% of the share capital of AET at the time of incorporation; and
- (b) 17 January 2023 regarding the termination of the JVA and the resignation and removal of directors of AET resulting in the Company assuming control of AET.

On 22 October 2021, the Company had entered into a Loan and Guarantee Agreement (the “**LG Agreement**”) as mentioned in the announcement dated 18 April 2022 and 21 April 2022) with AET and XDC, under which the Company agreed to grant AET a loan of a total principal amount not exceeding S\$4 million on the terms and conditions set out in the LG Agreement, with XDC as the guarantor for 49% of such sums owed by AET.

2. ISSUANCE OF LETTER OF STATUTORY DEMAND TO XDC

In various tranches since 27 October 2021, AET had drawn down, and the Company disbursed, a total of S\$3,851,439.00, of which S\$1,286,223.00 has been repaid.

On 17 January 2023, AGT issued a default notice in writing to XDC pursuant to clause 7.2 of the JVA on the ground that XDC has caused an event of default under clause 7.1 of the JVA where it has materially and incurably breached the JVA. By the same written notice, AGT also terminated the JVA against XDC with immediate effect. The grounds for AGT’s issuance of the default notice and termination of the JVA is summarised in the announcement released by the Company on 17 January 2023 which include, among others, XDC’s failure to satisfactorily address numerous issues and irregularities relating to AET.

On 26 January 2023, the Company issued a statutory demand (“SD”) to XDC to immediately pay **\$1,301,023.06**, being 49% of the S\$2,655,149.10 (the “**Total Outstanding Sum**”) which was due and owing from AET to the Company under the LG Agreement comprising S\$2,565,216.00 of the remaining principal debt and interests in the sum of S\$89,933.10. XDC’s obligation to pay the Company 49% of the Total Outstanding Sum is contained under Clause 6 of the LG Agreement where XDC unconditionally and irrevocably guaranteed to pay and/or fulfil 49% of the Total Outstanding Sum on demand if for any reason AET does not pay and/or fulfil any sums and/or liabilities under or in connection with the LG Agreement.

3. FINANCIAL IMPACT

As at the date of this announcement, the Company is still assessing the impact of this issuance of the SD, together with the Total Outstanding Sum, 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 2023.

In the event that there is a material impact on the Group’s financials or any further material development on this matter, the Company will make a separate announcement in due course.

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 CEO

26 January 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.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.