



METECH INTERNATIONAL LIMITED
 (Company Registration No. 199206445M)
 (Incorporated in the Republic of Singapore)

**MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED
 FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

The Board of Directors (the “**Board**”) of Metech International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement on the unaudited financial statements for the financial year ended 30 June 2019 (“**FY2019**”) released on 23 August 2019 (the “**Unaudited Financial Statements**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rule of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to announce and clarify the material differences between the audited financial statements for FY2019 (“**Audited Financial Statements**”) and the Unaudited Financial Statements after the completion of the financial audit by the Company’s external auditor.

The material variance between the Group’s Audited Financial Statements and the Unaudited Financial Statements is set out below:

Income Statement of the Group as at 30 June 2019

	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Difference \$'000	Note
Revenue	86,529	85,792	737	(i)
Cost of sales	(85,953)	(85,598)	(355)	(i)
Other income/(expenses) - net	(406)	(231)	(175)	(ii)
(Loss)/Profit for the year from discontinued operation	583	(71)	654	(iii)

Balance Sheet of the Group as at 30 June 2019

	Audited Financial Statements \$'000	Unaudited Financial Statements \$'000	Difference \$'000	Note
Non-current trade and other receivables	237	118	119	(iv)
Current trade and other receivables	3,493	7,060	(3,567)	(v)
Current contract assets	3,855	-	3,855	(v)
Current trade and other payables	3,543	3,167	376	(v)
Current contract liabilities	103	-	103	(v)

The variances were due to audit adjustments on:

- (i) The net adjustment of S\$737,000 and the corresponding cost of sales of S\$355,000 arose consequent to the adoption of SFRS(I)15 Revenue from Contracts with Customers.
- (ii) The adjustment of S\$175,000 relates to the reclassification of rental income to discontinued operations.
- (iii) In addition to (ii) above, the remaining difference of S\$460,000 arose from the transfer of translation differences of discontinued operations from translation reserve consequent to the disposal.
- (iv) Reclassification of long-term deposits of S\$119,000 under non-current trade and other receivables.
- (v) Reclassification of unbilled receivables of S\$3,855,000 and trade advances received from customers of S\$103,000 to contract assets and contract liabilities, respectively consequent to the adoption of SFRS(I) 15.

For and on behalf of the Board of Directors of
METECH INTERNATIONAL LIMITED

Samantha Hua

Deputy Chief Executive Officer

Date: 1 October 2019

The announcement had 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 Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinion made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Shervyn Essex, Registered Professional, Registered Professional, RHT Capital Pte. Ltd., 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, tel: 6381 6757.