



Metech International Limited

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

MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 AND THE UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

The Board of Directors (the “**Board**”) of Metech International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the unaudited full year financial statements announcement for the financial period ended 31 December 2023 (“**FP2023**”) released by the Company on 29 February 2024 (“**Unaudited Financial Statements**”). Further reference is made to the audited financial statements of the Company for FP2023 (the “**Audited Financial Statements**”) and the report thereon by the Company’s external auditor which will be set out in the Company’s annual report for FP2023 (“**FP2023 Annual Report**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board wishes to announce the material variances between the Audited Financial Statements and the Unaudited Financial Statements, following the finalisation 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:

Consolidated statement of comprehensive income

	Audited Financial Statements S\$’000	Unaudited Financial Statement S\$’000	Variance S\$’000	Note
Loss allowance on trade and other receivables	(686)	(105)	(581)	(a)
Impairment loss on property, plant and equipment	(4,066)	-	(4,066)	(b)
Allowance on inventories	(257)	-	(257)	(c)
Other expenses	(2,538)	(5,450)	2,912	(d)
Exchange differences on currency translation differences	177	159	18	(e)
Net loss for the period/year after income tax	(11,521)	(9,394)	(2,127)	-
Loss per share, from continuing operations	(5.66)	(4.51)	(1.15)	-

- (a) the variance was mainly due to the provision of loss allowance on other receivables in respect of payment to vendor for purchase of inventories and the outstanding balance owing by third party.
- (b) the variance was mainly due to the additional impairment loss on property, plant and equipment and reclassification from other expenses.

- (c) the variance was mainly due to the allowance for inventories that reclassified from other expenses.
- (d) the variance was mainly due to the reclassification of impairment on property, plant and equipment. allowance on inventories offset by additional property, plant and equipment written off.
- (e) the variance was mainly due to the foreign currency differences arising from the consolidation of subsidiary denominated in US dollar.

As a result of the above, the Group's total loss for the period/year after income tax increased from approximately S\$9.4 million to S\$11.5 million, and the Group's loss per share increased from 4.51 cents per share to 5.66 cents per share.

Statement of financial position

	Audited Financial Statements S\$'000	Unaudited Financial Statement S\$'000	Variance S\$'000	Note
Property, plant and equipment	1,090	2,702	(1,612)	(f)
Inventory	-	253	(253)	(g)
Trade and other receivables	212	833	(621)	(h)
Non-current liabilities – lease liabilities	-	258	(258)	(i)
Trade and other payables	887	1,088	(201)	(j)
Current liabilities – lease liabilities	17	94	(77)	(i)
Accumulated losses	187,619	185,868	1,751	(k)

- (f) the decrease was mainly due to the additional impairment loss on property, plant and equipment, property, plant and equipment written off and derecognition of right-of-use assets as the Company's subsidiary expects not to exercise the option to renew the lease upon expiry of the existing lease period.
- (g) the decrease was mainly due to the additional allowance recognised on inventories.
- (h) the decrease was mainly due to the loss allowance recognised on trade and other receivables as explained in note (a) and adjustment of deposits to other payables.
- (i) the decrease was mainly due to the termination of lease liabilities as the Company's subsidiary expects not to exercise the option to renew the lease upon expiry of the existing lease period.
- (j) the decrease was mainly due to the reversal of directors' fees for the financial period ended 31 December 2023 which was voted down by shareholders during the Extraordinary General Meeting held on 14 March 2024.
- (k) as a result of the variances from (f) to (j), the accumulated losses of the Group increased from S\$185,868,000 to S\$187,619,000.

Consolidated statement of cash flows

	Audited Financial Statements S\$'000	Unaudited Financial Statement S\$'000	Variance S\$'000	Note
Cash flows from operating activities:-				
Loss allowance on trade and other receivables	686	105	581	(l)
Impairment loss on property, plant and equipment	4,066	3,383	683	(m)
Unrealised foreign exchange loss/(gain)	277	485	(208)	(n)
Allowance on inventories	257	-	257	(o)
Property, plant and equipment written off	573	2	571	(p)
Other payables and contract liabilities	275	124	151	(q)
Net (decrease)/increase in cash and cash equivalents:-				
Effect of exchange rate changes on balances of cash held in foreign currencies	(109)	(18)	(91)	(r)

- (l) the variance was mainly due to the provision of loss allowance on other receivables in respect of payment to vendor for purchase of inventories and the outstanding balance owing by third party as explained in the note (a) above.
- (m) the variance was mainly due to the additional impairment loss on property, plant and equipment as explained in the note (b) above.
- (n) the variance was mainly due to the reclassification of unrealised foreign exchange loss to other payables and contract liabilities and effect of exchange rate changes on balances of cash held in foreign currencies.
- (o) the variance was mainly due to the allowance for inventories as explained in the note (c) above.
- (p) the variance was mainly due to the additional property, plant and equipment written off as explained in the note (d) above.
- (q) the variance was mainly due to the reversal of directors' fees as explained in the note (j) above and reclassification of unrealised foreign exchange.
- (r) the variance was mainly due to reclassification of unrealised foreign exchange as explained in the note of (n) above.

Shareholders are advised to read the Audited Financial Statements set out in the FP2023 Annual Report which will be released on SGXNET in due course.

By Order of the Board of Directors of
Metech International Limited

Wang Zhuo
Executive Director and Chief Executive Officer

14 June 2024

*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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