metech
铭泰国际

2022 Annual Report

VISION

To conserve and maximise Earth's resources.

MISSION

To be a provider of smart solutions to bring value and efficiency to the global supply chain.

This annual report 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 Catalist.

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

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MESSAGE FROM **CHAIRMAN**

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to share our key corporate highlights for the financial year ended 30 June 2022 ("FY2022") as well as some of our recent key developments.

While many economies and communities are transiting to an endemic COVID-19 environment, the focus on sustainability and Environmental, Social and Governance ("ESG") initiatives continue to be on the trajectory towards the mainstream.

At Metech, we continue to calibrate the Group's business strategy towards new growth catalysts within the environmental and sustainability market segments, with a strategic focus in the production of lab-grown diamonds.

Rising consumer awareness of the price-value relationship and sustainability features of lab-grown diamonds has been one of the key drivers of growth for lab-grown diamonds in recent years.

Considered as a sustainable source, cheaper alternative and perfect substitute of mined diamonds, lab-grown diamond is chemically, physically and optically identical to a mined diamond. In 2018, the US Federal Trade Commission (FTC) has declared lab-grown diamonds to be the same as a mined diamond.

Diamonds are one of the strongest materials in the world and it is also one of the best thermal conductors with unique combination of mechanical, chemical, optical, and bio-compatible properties.

While diamonds are more widely known to be used in jewellery, significant research advances have been made in the processing and use of diamond as a material that is ideal for a wide array of industrial applications. There is also increasing commercialisation of scientific discoveries for the industrial applications of diamond in the next generation of semiconductors, aerospace, electric vehicles, medical equipment, among others.

While production has ballooned in recent years, the annual worldwide production of lab-grown diamonds is about 6 million carats to 7 million carats. However, the lab-grown diamond market is still a small market as compared to 116 million carats from the mined diamond market in 2021.

STRATEGIC FOCUS IN THE PRODUCTION OF LAB-GROWN DIAMONDS

On 24 September 2021, the Company announced that Asian Green Tech Pte. Ltd, a wholly-owned subsidiary of the Company, has entered into a joint venture agreement with X Diamond Capital Pte. Ltd. to establish a joint venture, Asian Eco Technology Pte. Ltd. ("Asian Eco") that will be principally engaged in the business of manufacturing and distribution of lab-grown diamonds.

With the technological capabilities to produce the highest grade of lab-grown diamonds, Asian Eco has signed non-binding memorandums of understanding and collaboration agreements with various entities in different geographical markets to distribute and/or supply lab-grown diamonds produced by Asian Eco. In addition, Asian Eco has entered into various non-binding strategic collaborations to develop, promote and manufacture, among other things, industrial applications for surgical tools, semiconductors, cables and wires using lab-grown diamonds. Asian Eco has also procured the International Gemological Institute to certify lab-grown diamonds produced by Asian Eco.

Targeting Singapore as its key production base, Asian Eco has entered into a lease agreement for an industrial property at Kallang for lab-grown diamond production on a small-scale basis.

To better harness the growth opportunities in the global lab-grown diamonds market, we obtained shareholders' approval to include lab-grown diamonds business activities as part of our core business model via an Extraordinary General Meeting in January 2022.

We continue to make progress in our lab-grown diamond business activities and the Group's wholly-owned subsidiary, Zhongxin Minghua (Shanghai) International Trade Co., Ltd. (formerly known as Nolash (Shanghai) Pte. Ltd.), has become a registered member of the Shanghai Diamond Exchange with effect from 13 July 2022.

In August 2022, Asian Eco obtained the fire safety certificate issued by Singapore Civil Defence Force, allowing Asian Eco to commence commercial production. There are also opportunities to integrate renewable energy in such production activities.

Aligned with the macro growth trends of the global lab-grown diamond market, we aim to progressively scale up Asian Eco's production capabilities in Singapore and harness new opportunities.

ACKNOWLEDGEMENTS

In September 2021, the Company announced a proposed share placement cum warrant issue to raise funds of up to approximately S$10.36 million. This was completed in October 2021 and proceeds from this share placement cum warrant issue will strengthen the financial position and cash position of the Group, allowing the Group to be less reliant on external sources of funding, thereby potentially incurring fewer expenses related to external funding.

To my fellow Board members, I would like to express my gratitude for your collective guidance and counsel over the past year as we continue to steer the Group towards long-term value creation within the environmental and sustainability market segments. Separately, please join me in giving thanks to Mr. Tan Siji Macarthur, who resigned on 12 July 2022 as Non-Executive and Non-Independent Director of the Company to focus on his own businesses, for his contributions and dedicated service during his tenure in our Company.

To the management team and all our employees, thank you for your commitment, professionalism, dedication and collective contribution to the progress that we have achieved at Metech over the past year.

Last but not least, I wish to express my thanks to the new and existing shareholders as well as all the stakeholders for your steadfast trust and confidence in Metech's new business ambitions.

Thank You!

CHAY YIOWMIN
Independent Non-Executive Chairman

BOARD OF **DIRECTORS**

MR CHAY YIOWMIN

INDEPENDENT NON-EXECUTIVE CHAIRMAN

MR CHAY YIOWMIN was appointed as an Independent Director of the Company on 3 April 2019. He was subsequently re-designated as the Independent Non-Executive Chairman of the Company on 1 November 2020 and re-elected on 29 October 2021. Mr Chay chairs the Audit Committee and is also a member of the Remuneration Committee and Nominating Committee of the Company.

Mr Chay is currently the Chief Executive Officer of Chay Corporate Advisory Pte. Ltd., a boutique corporate advisory firm. Mr Chay is also the Lead Independent Director of UMS Holdings Limited and a non-executive director of 8I Holdings Limited and Ntegrator International Limited. Between 2013 and 2015, Mr. Chay was the Lead Independent Director of Livingstone Health Holdings Limited (formerly known as Advance SCT Limited), and between 2019 and 2020, Mr. Chay was a Non-Executive Director of Libra Group Limited.

Since graduating in 1998, Mr Chay has accumulated many years of public accounting experience in Singapore and the United Kingdom with a number of reputable international accounting firms, including PricewaterhouseCoopers LLP, Deloitte and Touche LLP, Moore Stephens LLP and BDO LLP, the latter of which he was the advisory partner heading the Corporate Finance Practice from 2012 to 2019. Prior to joining BDO LLP, Mr Chay was an assurance partner with Moore Stephens LLP from 2010 to 2012, specialising in financial services and shipping.

Mr Chay holds a Bachelor of Accountancy (Hons) and a Master of Business from Nanyang Technological University, and a Master of Business Administration from the University of Birmingham. Mr Chay is also a Fellow Chartered Accountant (FCA Singapore) of the Institute of Singapore Chartered Accountants (ISCA), an Associate Chartered Accountant (ACA) of the Institute of Chartered Accountants in England and Wales (ICAEW), a Chartered Valuer and Appraiser (CVA) of the Institute of Valuers and Appraisers of Singapore (IVAS) and a Certified Finance and Treasury Professional (CFTP) of the Finance and Treasury Association (FTA).

Mr Chay currently sits on the Singapore steering committee of the Professional Risk Managers' International Association (PRMIA), and the Standards and Technical Committee of IVAS, the latter of which Mr Chay is a programme instructor. Mr Chay is also an associate lecturer with the Singapore University of Social Sciences (SUSS) teaching financial statements and valuation. Mr Chay is also an active Grassroots Leader, serving as an assistant treasurer with the Kebun Baru Citizens Consultative Committee (CCC), a treasurer with the Fernvale CCC and a chairman of the Fernvale Community Development and Welfare Fund (CDWF). Mr Chay is also a member of the Kebun Baru Inter-Racial and Religious Confidence Circles. Mr Chay was awarded the Pingat Bakti Masyarakat (Public Service Medal) (PBM) by the President of the Republic of Singapore on 9 August 2016.

MS SAMANTHA HUA LEI

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

MS SAMANTHA HUA LEI joined the Company on 1 March 2016 as a senior member of the finance and accounting department. Subsequently, she was appointed as the Group Financial Controller on 1 June 2016 and promoted to Deputy Chief Executive Officer on 18 March 2019. On 1 November 2020, she was appointed as the Executive Director of the Company and re-designated as the Executive Director and Chief Executive Officer on 16 February 2022. As the Company's Executive Director and Chief Executive Officer, she is responsible for overseeing and managing the Group's operations and corporate functions, as well as work together with the Board in formulating the Company's business strategies and identifying growth opportunities.

Prior to joining the Group, Ms Hua was the Group Finance Controller of a company listed on the Mainboard of the Singapore Stock Exchange for three years, where she set and oversaw the implementation of its financial objectives including all aspects of finance, accounting and taxation. She also had six years of working experience with CPA firms providing business assurance and advisory services to listed companies and MNCs operating in South-East Asia.

Ms Hua holds a Bachelor of Accountancy Degree and is a member of the Institute of Singapore Chartered Accountants (ISCA) and Association of Chartered Certified Accountants (ACCA).

MR RICKY SIM ENG HUAT

INDEPENDENT DIRECTOR

MR RICKY SIM ENG HUAT was appointed as an Independent Director of the Company on 1 July 2015 and was last re-elected on 30 October 2020. He is Chairman of the Nominating Committee and a member of the Audit and Remuneration Committee.

Mr Sim started his career in 1977 with the Singapore Civil Service where he spent a total of 18 years, during which he served six years in Hong Kong and three years in Bangkok as a diplomat. In 1994, he entered into the private sector by joining Suntec Investment Group of Companies ("SIPL") where he stayed for another seventeen years.

While in SIPL, Mr Sim managed the business strategy and operations for three subsidiary companies, covering M&E and janitor services, food court operations and Olio Dome chain of cafes.

In addition to fulfilling the role of Chief Operating Officer of SIPL, Mr Sim was the Managing Director of Chesterton Suntec International Property Consultants from 1997 to 2013. He had been one of the Honorary Advisers to the Real Estate Developers Association of Singapore from 2005 to 2013 and a member of the Singapore Institute of Directors since its founding in January 2000.

Upon leaving the private sector in 2013, he started his own company, dealing in Real Estate Consultancy, Business Advisory as well as Recruitment Services.

Mr Sim is currently an Independent Director and Chairman of the Nominating Committee of Mary Chia Holdings Limited. His past directorships include Chairman of Nominating Committee of Lafe Corporation Limited and SK Jewellery Group Limited.

In addition, he was appointed the Honorary Secretary of Singapore Scouts Association from 2003 to 2013 where in the later years, was conferred the Distinguished Service (Silver) Award in August 2010 by the late President of Singapore, Mr S R Nathan. His other social contributions include being the Vice Chairman of Singapore Kindness Movement from 2007 to 2013 and Honorary Secretary/Treasurer of Singapore International Institute Affairs from 2008 to 2013.

BOARD OF DIRECTORS

MR CHNG HEE KOK

INDEPENDENT DIRECTOR

MR CHNG HEE KOK was appointed as an Independent Director of the Company on 26 December 2019. He is also the Remuneration Committee Chairman as well as a member of the Audit and Nominating Committees.

Mr Chng was formerly a Member of Parliament of Singapore from 1984 to 2001. His business experience and leadership positions spanned across Manufacturing, Property Development, Hotel Management, Trading, Entertainment and Food & Beverage Industries. He was the Chief Executive Officer of Yeo Hiap Seng Ltd, Scotts Holdings Limited, Hartawan Holdings Limited, HG Metals Manufacturing Limited and LH Group Limited. He held past directorships at Public Utilities Board, Sentosa Development Corporation and Singapore Institute of Directors.

Mr Chng currently serves as Independent Director in Luxking Group Holdings Limited, United Food Holdings Limited, The Place Holdings Ltd., Blackgold Natural Resources Limited, Debao Property Development Ltd. He is the Interim Chief Executive Officer of Chemical Industries (FE) Ltd.

Mr Chng graduated from the University of Singapore with a First-Class Honours degree in Mechanical Engineering and was awarded Institute of Engineers Singapore Gold Medal and Mobil Silver Medal. He also holds a Master of Business Administration degree from the National University of Singapore, and completed the Program for Executive Development at IMD Lausanne Switzerland.

MR TAN SIJI MACARTHUR

NON-INDEPENDENT DIRECTOR

MR TAN SIJI MACARTHUR was appointed as a Non-Independent Non-Executive Director of the Company on 5 November 2020 and had resigned on 12 July 2022. He was also previously a member of the Remuneration and Nominating Committee.

Mr Tan is currently the Executive Director for Burpple Pte. Ltd., where he manages strategy and all other chief executive functions. Mr Tan is also an Associate Director of Blue Ocean Capital Pte Ltd, where he is involved in investment evaluation, corporate finance advisory and advisory on mergers and acquisitions on deals ranging from US$10 million – US$50 million.

Mr Tan has accumulated 5 years of working experience with CPA and advisory firms, providing business assurance and advisory services to listed companies and MNCs operating in Southeast Asia. He has also served on the boards of investment holding companies, managing a diversified group of assets including debt instruments, global equities and wastewater treatment plants.

Mr Tan holds a Bachelor of Science from the University of London.

THE MANAGEMENT TEAM

MS SAMANTHA HUA LEI
CHIEF EXECUTIVE OFFICER

MS SAMANTHA HUA LEI as the Company's Chief Executive Officer is responsible for overall operations, corporate affairs and business developments of the Company and its subsidiaries.

MR LING EE DEE
GROUP FINANCIAL CONTROLLER

MR LING EE DEE as the Company's Group Financial Controller, oversees the Group's key financial functions and he is also responsible for the overall financial reporting for the Group.

Mr Ling joined the Company in May 2013 as the Group Assistant Finance Manager and was promoted to Group Finance Manager on 1 January 2019. Subsequently on 5 November 2020, he became a key member of the Company's management team with his promotion to Group Financial Controller.

Prior to joining the Company, Mr Ling was the Group Assistant Finance Manager of a company listed on the Catalist of the Singapore Stock Exchange for a year, where he assisted and supported the Group Financial Controller and Chief Financial Officer to oversee and implement various financial strategies including all aspects of finance, accounting and taxation. He also has two years of working experience with CPA firms, providing business assurance and advisory services to MNCs operating in Southeast Asia.

Mr Ling graduated with Advanced Diploma in Commerce (Financial Accounting). He is a member of the Institute of Singapore Chartered Accountants (ISCA) and an affiliate of Association of Chartered Certified Accountants (ACCA).

PERFORMANCE **REVIEW**

FINANCIAL REVIEW

For the financial year ended 30 June ("FY") 2022, the Company recorded a decrease in revenue of approximately S$10.53 million from S$15.76 million in FY2021 to S$5.22 million in FY2022. The decrease in revenue was mainly due to decrease in trading volume of metal business during the year as the Group focused on the lab-grown diamond ("LGD") segment. LGD segment contributed S$2.78 million of revenue to the Group throughout FY2022.

Other income increased by S$107,000 to S$224,000 in FY2022 due to substantial foreign exchange gain as compared to foreign exchange loss in FY2021 due to the strengthening of US Dollars against Singapore Dollars. The increase was partially offset by the absence of rental income and gain on disposal of property, plant and equipment, which were present in FY2021 amounting to S$166,000.

Administrative expenses increased by S$1.40 million from S$1.27 million in FY2021 to S$2.67 million in FY2022. The increase was largely due to the development of the lab-grown business which mainly involves (i) the travel expenses, (ii) expenses for setting up the exhibition in relation to the LGD business, (iii) the depreciation of plant and equipment being categorised under administrative expenses in view that the production of LGD had only commenced after 30 June 2022, and (iv) increase in the employee expenses due to the increased in manpower.

Other expenses increased by S$117,000 from S$221,000 in FY2021 to S$338,000 in FY2022. The increase is mainly due to ad-hoc professional fees incurred for corporate actions of the Group throughout FY2022, which were partially offset by the absence of depreciation charges in FY2022.

Finance costs decreased by S$7,000 from S$39,000 in FY2021 to S$32,000 in FY2022. There was a loan drawdown in July 2021 which was fully paid in August 2021. In view that the loan period was shorter as compared to the loan period in FY2021, lower finance costs were incurred.

As a result of the above, the net loss after income tax from continuing operations for FY2022 is S$2.76 million as compared to S$1.21 million. Higher loss was mainly due to lesser revenue as the production of the LGD had only commenced after 30 June 2022. Thus, there was insufficient gross profit earned to offset the higher expenses incurred during the financial year.

FINANCIAL POSITION

Property, plant and equipment increased by S$6.25 million from S$0.15 million as at 30 June 2021 to S$6.40 million as at 30 June 2022, as a result of the addition of assets amounting to S$6.44 million, which was offset by the depreciation charge of S$190,000. This included the right-of-use assets acquired under leasing arrangement.

The inventories amounting to S$483,000 as at 30 June 2022, consisted mainly of diamond seeds for production use and loose diamonds for trading purposes. The outstanding trade receivables of S$14,000 was generated from the trading of lab-grown diamonds which was sent to a customer before financial year end. Other receivables increased by S$212,000 to S$271,000 as at 30 June 2022 mainly due to (1) rental and utilities deposits paid and (2) advances made to acquire equipment. Certain equipment was received after the financial year end.

Other reserves comprise the foreign exchange translation reserves. Accordingly, the decrease in other reserves was mainly due to the strengthening of US Dollar against Singapore Dollar during the financial year.

Lease liabilities were increased by S$636,000 with the addition of right-of-use assets of S$747,000 acquired under leasing arrangement, netted off with repayment of S$111,000. The provision of S$75,000 is in relation to the future reinstatement of the factory premise at Kallang, which was leased for the LGD segment.

Other payables increased by S$357,000 to S$642,000 as at 30 June 2022. The increase was due to lower settlement of balances before 30 June 2022. The remaining balance as at 30 June 2022 consisted of payment to a contractor, accruals on professional fees, travel expenses, directors' fee and payroll expenses.

CASH FLOW

The Group recorded net cash used in operating activities of approximately S$3.14 million in FY2022. The higher net cash used in operating activities was due to higher negative operating cash flow before working capital changes.

Net cash used in investing activities of approximately S$3.30 million was mainly due to (a) acquisition of property plant and equipment of approximately S$3.36 million, (b) acquisition of a subsidiary of approximately S$507,000, and offset by the (c) disposal of a subsidiary of approximately S$567,000, in FY2022.

Net cash used in financing activities of approximately S$10.26 million was mainly due to proceeds from issuance of ordinary shares and subscription of investment by non-controlling interests aggregating to approximately S$10.37 million, and partially offset by the repayment of lease liabilities of approximately S$0.11 million.

As a result of the above, the Group's cash and cash equivalents as of 30 June 2022 increased by S$3.82 million from S$2.14 million to S$6.05 million as at 30 June 2022.

CORPORATE **GOVERNANCE REPORT**

The Board of Directors (the "Board" or the "Directors") of Metech International Limited (the "Company" and together with its subsidiaries, the "Group") is committed to achieving and maintaining a high standard of corporate governance within the Group. The Company recognises that good corporate governance provides the foundation for growth and enhancing investors' confidence.

The Board is committed to observing closely the principles in the revised Code of Corporate Governance 2018 (the "Code") and the accompanying practice guidance issued in August 2018, which formed part of the continuing obligations of the listing rules of Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules") and to continually review and improve its practices.

This report describes the Group's corporate governance structures and practices that were in place throughout the financial year ended 30 June 2022 ("FY2022"), with specific reference made to the principles and provisions of the Code.

The Board is pleased to confirm that for FY2022, the Group has adhered to the principles and/or guidelines set out in the Code. In so far as any principles and/or guideline has not been complied with, the reason and relevant explanation have been provided.

<table>
<tr><td colspan="3">BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.</td></tr>
<tr><td colspan="2">Provisions of the Code</td><td>Metech Corporate Governance Practices</td></tr>
<tr><td>1.1</td><td>Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict</td><td>The Board is collectively responsible for the stewardship of the Group and is primarily responsible for the preservation and enhancement of long-term value and returns for the shareholders. During FY2022, the Board has worked diligently to fulfill their primary responsibilities as follows:

(a) provide leadership, set strategic directions and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;

(b) set an appropriate tone from the top and desired organisational culture and ensures proper accountability within the Company;

(c) ensure that a framework of prudent and effective controls is established to enable risks to be assessed and managed, including the safeguarding of shareholders' interests and the Company's assets;</td></tr>
</table>

		(d) review and guide the performance of the Management; (e) ensure that the Company's values and standards are upheld and that obligations to shareholders and other stakeholders are met; (f) consider sustainability issues as part of its strategic formulation; and (g) identify key stakeholder groups and recognise that their perceptions affect the Company's reputation. The Directors have the appropriate core competencies and diversity of experience to enable them to contribute effectively. They can objectively raise issues and seek clarification from the Board and the Management as and when necessary on matters pertaining to their area of responsibilities. Each Director is required to promptly disclose any conflict or potential conflict of interest in relation to a transaction or proposed transaction. On an annual basis, each Director is also required to submit details of his associates for purposes of monitoring interested person transactions. In addition, the Constitution of the Company restricts a Director to vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any interest, directly or indirectly. A Director shall also not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.
1.2	Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.	To the best of their abilities, all Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

		The Board is kept up to date on pertinent business developments in the business, including the key changes in the relevant regulatory requirements and financial reporting standards, risk management, corporate governance and industry. The Directors are periodically furnished with information concerning the Group so that they can be kept up to date on the performance of the Group, and the decisions and actions taken by the Management. On an ongoing basis, the Company updates the Directors regarding developments in new laws and regulations or changes in regulatory requirements and financial reporting standards or corporate governance practices or news articles which are relevant to or may affect the businesses of the Group. In addition, the Company encourages the Directors to be members of the Singapore Institute of Directors ("SID"), and for them to receive updates and training from SID, as well as to attend relevant courses and seminars, so that they can stay abreast and be apprised of developments in the financial, legal and regulatory requirements and the business environment, at the Company's expense. For newly appointed directors, the Company will conduct an orientation programme to provide them with extensive background information about the Group's structure and core values, its strategic direction and corporate governance practices as well as industry-specific knowledge. The orientation programme gives the Directors an understanding of the Group's businesses to enable them to assimilate into their new role. For new Directors with no prior experience of an issuer listed on the SGX-ST, the Company ensures that they undergo training in the roles and responsibilities of a Director of a listed company within one (1) year from the date of his or her appointment to the Board as prescribed by the SGX-ST. There were no new directors appointed during FY2022.

		The details of update sessions, seminars, conferences and training programmes attended by the Directors collectively in FY2022 include: • briefing by the external auditors, Moore Stephens LLP to the AC and the Board on the developments in financial reporting and governance standards; and • updates provided by the Chief Executive Officer to the Board at each meeting on the business and strategic developments pertaining to the Group's business.
1.3	The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.	The Company has in place internal guidelines which specify the corporate matters that require the approval of the Board and these internal guidelines have been clearly communicated to the Management in writing. They include the following: (a) approval of financial results and all announcements; (b) approval of the annual report and financial statements; (c) convening of shareholders' meeting; (d) approval of change of corporate strategies including significant acquisitions and disposals and funding of investments; (e) authorisation of new banking facilities and declaration of interim and/or proposal of final dividends; (f) overseeing the process for risk management, financial reporting and compliance, and evaluating the adequacy of internal controls, as may be recommended by the Audit Committee ("AC"); (g) reviewing the performance of the Management, approving the nominees to the Board and the appointment of key management personnel, as may be recommended by the Nominating Committee ("NC"); (h) reviewing and endorsing the framework of remuneration for the Board and key management personnel, as may be recommended by the Remuneration Committee ("RC");

		(i) reviewing and endorsing corporate policies in keeping with good corporate governance and business practices; and (j) considering sustainability issues, e.g. environmental, social and governance factors, as part of the strategic formulation. The Company has also devised and adopted a set of internal controls and guidelines that set out the financial authorisation regime and approval limits for borrowings, including off-balance sheet commitments, investments, acquisitions, disposals, capital and operating expenditures, requisitions, and expenses. Under the financial authorisation regime and approval limits, approval sub-limits are provided at management level to facilitate operational efficiency.
1.4	Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.	To assist the Board in discharging its oversight functions and to enhance the Company's corporate governance framework, various Board Committees, namely the AC, the RC and the NC have been constituted with clearly defined written terms of reference. These terms of reference are reviewed on a regular basis, along with the committee structures and membership, to ensure their continued relevance, taking into consideration the changes in the governance and legal environment. Any change to the terms of reference of any Board Committee requires the written approval of the Board. All Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. The Directors are invited to attend meetings of the Board Committees. The Board acknowledges that while the Board Committees have the authority to examine issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board. The terms of reference and the activities of the respective Board Committees are set out in the various Principles in this Corporate Governance Report.

Composition of Board and Board Committees

As at the date of this report, the Board comprises four (4) Directors, three (3) of whom are Independent Directors, which complies with the Code's provision on the proportion of Independent Directors on the Board and make up at least one-third of the Board. There is a strong and independent element on the Board and no individual or small group of individuals dominate the Board's decision-making process. The composition of the Board and Board Committees are as follows:

NAME OF DIRECTOR	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
Chay Yiowmin (Independent Non-Executive Chairman)	Chairman	Member	Member
Samantha Hua Lei (Executive Director & Chief Executive Officer)	–	–	–
Ricky Sim Eng Huat (Independent Director)	Member	Member	Chairman
Chng Hee Kok (Independent Director)	Member	Chairman	Member

Note: The details of Directors' shareholdings in the Company and its related corporations are disclosed in the "Directors' Statement" section of this Annual Report.

1.5	Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.	The Board meets regularly and is provided with relevant updates and information. The dates of meetings of all the Board and Board Committee meetings as well as the Annual General Meeting ("AGM") are scheduled well in advance each year, in consultation with the Board. When a physical meeting is not possible, timely communication with members of the Board can be achieved through teleconferencing and videoconferencing facilities, which is allowed under the Company's Constitution. Besides formal meetings, the Board and Board Committees also make decisions through circulating resolutions.

		The Board held four (4) scheduled meetings in FY2022. Besides the scheduled Board meetings, the Board meets on an ad-hoc basis as warranted by circumstances. To ensure adequate independent views, it is a practice for all Board meetings to require at least one Independent Director to be present as part of the quorum. All Directors are required to declare their directorships. When a Director has multiple directorships, the NC will consider whether the Director is able to adequately carry out his duties as a Director of the Company, after taking into consideration the number of directorships and other principle commitments. Although some of the Directors have multiple directorships, the NC is satisfied that the Directors are still able to devote sufficient time and attention to the matters of the Company in discharging their obligations and duties towards the Company. The Board has not set the maximum number of directorships a Director may hold because each Director would be able to manage and assess his own capacity and ability to take on obligations or commitments when serving on the Board. In addition, the Board is of the view that setting a maximum number of directorships would not be meaningful as the contributions of the Directors would depend on many factors and their respective varied capabilities.

Board and Board Committees Meetings and Attendance

The attendance of the Directors at the scheduled Board and Board Committees meetings during FY2022 is set out below:

NAME OF DIRECTOR	BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE	GENERAL MEETINGS
No. of meetings held	4	3	1	1	2
No. of meetings attended:					
Chay Yiowmin(1) (Independent Non-Executive Chairman)	4	3	1 (by invitation)	1 (by invitation)	2
Samantha Hua Lei(2) (Executive Director & Chief Executive Officer)	4	3 (by invitation)	1 (by invitation)	1 (by invitation)	2
Ricky Sim Eng Huat (Independent Director)	4	3	1	1	2
Chng Hee Kok (Independent Director)	4	3	1	1	2
Tan Siji Macarthur(3) (Non-Executive Non-Independent Director)	4	3 (by invitation)	1	1	2

Notes:
(1) Mr Chay Yiowmin was appointed as a member of the NC and RC of the Company, with effect from 11 August 2022.
(2) Ms. Samantha Hua Lei was re-designated as Executive Director and the Chief Executive Officer of the Company with effect from 16 February 2022.
(3) Mr Tan Siji Macarthur resigned as Non-Executive Non-Independent Director of the Company with effect from 12 July 2022.

1.6	Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.	The Directors are periodically furnished with information concerning the Group so that they can be kept up to date on the performance of the Group, as well as the decisions and actions taken by the Management. The Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's businesses and operations.

		Board and Board Committees papers are circulated to the Directors ahead of meetings to allow Directors sufficient time to review and consider the matters to be discussed so that discussions can be more meaningful and productive. Where necessary, other members of the Management or external consultants engaged for a specific project will be available during the meetings to address queries and provide additional information.
1.7	Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.	The Directors have separate and independent access to the Management and the Company Secretary at all times through email, telephone or face-to-face meetings. Under the direction of the Chairman, the Company Secretary ensures timely and good information flows within the Board and its Board Committees and between the Management and Independent Directors. The appointment and the removal of the Company Secretary are subject to the approval of the Board. The Directors, whether individually or collectively, in furtherance of their duties, can seek legal and other independent professional advice concerning any aspect of the Group's operations or undertakings, at the Company's expense.
BOARD COMPOSITION AND GUIDANCE ***Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.***		
Provisions of the Code		**Metech Corporate Governance Practices**
2.1	An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.	Each Independent Director is required to complete a Confirmation of Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code. The Independent Directors must also confirm whether they have any relationships as stated in the Code that would otherwise deem any of them not to be independent.

		The Board and NC will review the independence of Directors based on the guidelines defined in the Code and the Catalist Rules, and any other salient factors. In its review, the NC will consider the nature of relationships and circumstances that could influence the judgments and decisions of the Directors prior to obtaining approval from the Board. Based on the respective confirmations and results of the NC's review, the NC is satisfied that the Independent Directors comply with Provision 2.1 of the Code and do not fall under any of the circumstances set out in Catalist Rule 406(3)(d). None of the Independent Directors have served the Company for a period exceeding nine (9) years.
2.2	Independent directors make up a majority of the Board where the Chairman is not independent.	As at the date of this report, Mr Chay Yiowmin is the Independent Non-Executive Chairman of the Company. The Board comprises four (4) Directors, of whom three (3) are Independent Directors. Accordingly, Independent Directors make up a majority of the Board.
2.3	Non-executive directors make up a majority of the Board.	As at the date of this report, the Board comprises one (1) Executive Director and three (3) Independent Directors. Accordingly, Non-Executive Directors make up a majority of the Board.
2.4	The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.	The profile of the Directors and key information are set out on pages 4 to 6 of this Annual Report. The NC is responsible for examining the size and composition of the Board and Board Committees. The Board's policy in identifying Director nominees is primarily to have an appropriate mix of members with complementary skills and core competencies and experience for the Group, regardless of gender.

		The NC annually reviews the existing attributes and competencies of the Board in order to determine the desired expertise or experience required to strengthen or supplement the Board whilst taking into account the scope and nature of the Group's businesses. This assists the NC in identifying and nominating suitable candidates for appointment to the Board. The NC is satisfied that the current Board has the right mix of talent with proven track records and requisite experience in their respective areas of expertise to steer the Company in achieving its strategic goals. The Company does not have a fixed board diversity policy. With the introduction of Rule 710(A) of the Catalist Rules effective from 1 January 2022, the Board will endeavour to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity, and describe such policy in its Annual Report for the financial year ending 30 June 2023. Each Director has been appointed based on his calibre and experience and is expected to bring his knowledge and experience in his field of expertise to contribute to the development of the Group's strategy and the performance of its businesses. The Board will continue to review its composition and size to ensure optimal balance in the membership of the Board.
2.5	Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.	The views and opinions of the Non-Executive Directors provide alternative perspectives to the Group's businesses and they bring independent judgment on business activities and transactions involving conflicts of interest and other complexities. Where necessary, the Company co-ordinates informal meetings for Independent Directors without the presence of the Management to review matters such as Board effectiveness and Management's performance. The Independent Directors had met and discussed with the external auditors once in the absence of key management personnel in FY2022.

<table>
<tr><td colspan="3">CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.</td></tr>
<tr><td colspan="2">Provisions of the Code</td><td>Metech Corporate Governance Practices</td></tr>
<tr><td>3.1</td><td>The Chairman and the Chief Executive Officer (“CEO”) are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.</td><td>The Chairman of the Board and the Chief Executive Officer are separate individuals who are not related to each other.

There is also a balance of power and authority in view that the Board Committees are chaired by Independent Directors of the Company.</td></tr>
<tr><td>3.2</td><td>The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.</td><td>Chairman of the Board

Mr Chay Yiowmin, the Independent Non-Executive Chairman of the Company, is responsible for the effective conduct of Board meetings. The Chairman’s responsibilities in respect of Board proceedings include:

(a) leading the Board to ensure its effectiveness on all aspects of its role;

(b) setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) promoting a culture of openness and debate at the Board;

(d) ensuring that the Directors receive complete, adequate and timely information;

(e) ensuring effective communication with Shareholders;

(f) encouraging constructive relations within the Board and between the Board and Management;

(g) facilitating the effective contribution of Non-Executive Directors in particular; and

(h) promoting high standards of corporate governance.</td></tr>
</table>

		Chief Executive Officer Ms Samantha Hua Lei, the Executive Director and Chief Executive Officer of the Company, together with the Management, is responsible for: (a) developing, with the Board, a consensus for the Company's vision and mission; (b) developing and implementing the strategic plan set by the Board; (c) providing strong leadership and effective day-to-day management of the Company to deliver the plan; (d) driving a culture of compliance and ethical behaviour; and (e) ensuring that the Board is informed about key company activities and issues.
3.3	The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.	Mr Chay Yiowmin was appointed as Lead Independent Director of the Company with effect from 3 April 2019. On 1 November 2020, Mr Chay Yiowmin was re-designated to Independent Non-Executive Chairman of the Company. Mr Chay Yiowmin, as the Independent Non-Executive Chairman of the Company, plays an important role in facilitating the contribution of Non-Executive Directors and encourages constructive relations within the Board and between the Board and the Management, as well as to ensure effective communication between the Company and its shareholders. He is the point of contact for shareholders in situations where there are concerns or issues and contact through the normal channels with the Management has failed to resolve the concerns or issues, or where such communication is inappropriate. There were no queries or requests received on any matters which requires the Independent Non-Executive Chairman's attention in FY2022.

BOARD MEMBERSHIP		
Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.		
Provisions of the Code		**Metech Corporate Governance Practices**
4.1	The Board establishes a Nominating Committee ("**NC**") to make recommendations to the Board on relevant matters relating to: (a) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; (b) the process and criteria for evaluation of the performance of the Board, its board committees and directors; (c) the review of training and professional development programmes for the Board and its directors; and (d) the appointment and re-appointment of directors (including alternate directors, if any).	The primary functions of the NC in accordance with its terms of reference are, *inter alia*, as follows: (a) to make recommendations to the Board on relevant matters relating to the review of board succession plans for Directors, in particular, the Chairman and the Chief Executive Officer; (b) to make recommendations to the Board on the process to evaluate the performance of the Board, its Board Committees and Directors. In this regard, the NC will decide how the Board's performance is to be evaluated and will propose objective performance criteria to address how the Board has enhanced long-term shareholder value; (c) to implement the process to assess the effectiveness of the Board as a whole and its Board committees, and to assess the contribution of the Chairman of the Board and each individual Director to the effectiveness of the Board and to each Board committee; (d) to review and determine annually, and as and when circumstances require, the independence of a Director in accordance with the definition of independence in the Code, together with any other salient factors;

		(e) to review the composition of the Board annually to ensure that the Board and the Board Committees comprise of Directors who as a group provide an appropriate balance and diversity of skills, expertise, gender and knowledge to the Company and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience, and customer-based experience and knowledge to the Company; (f) where a Director has multiple directorships, to decide whether the Director is able to and has been adequately carrying out his duties as a Director of the Company, taking into consideration, *inter alia*, the number of directorships and other principal commitments of the Director; (g) where new Directors are appointed with no prior experience of an issuer listed on SGX-ST, the NC ensures that they undergo training in the roles and responsibilities of a Director of a listed company; (h) to ensure that the Directors undergo mandated training and professional development programmes for Directors; and (i) to make recommendation on the appointment of Directors (including alternate Directors). In respect of re-nominations of Directors who are retiring by rotation for re-election by shareholders, to have regard to the Director's contribution and performance (e.g. his attendance, preparedness, participation, and candour).

4.2	The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.	The NC comprises of three (3) Directors, of which all three (3) are Independent Directors. The NC therefore consists of all Independent Directors. As at the date of this report, the members of the NC are as follows: Ricky Sim Eng Huat (Chairman) Chay Yiowmin Chng Hee Kok
4.3	The company discloses the process for the selection, appointment and reappointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.	***Process for selection and appointment of New Directors*** The NC is responsible for identifying candidates and reviewing all nominations for the appointment of Directors. The criteria for the appointment of Directors is driven by the need to position and shape the Board in line with the needs of the Group and its vision, mission, and business goals. In recommending new Directors, if any, the NC relies mainly on the contacts and network of the entire Board. However, the NC may engage the services of external recruitment companies, if necessary. The Board, with the help of the NC, looks into the background, skill sets, career experience and professional qualifications of a candidate to determine whether he or she is able to contribute to the growth of the Group. The Board places particular attention on his or her past achievements to determine whether he or she can enhance the quality and robustness of the decision-making process of the Board. The NC then meets with the shortlisted potential candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before recommending the most suitable candidate to the Board for approval and appointment as a Director of the Company.

		Process for Re-appointment of Directors All Directors, including the Executive Director and Chief Executive Officer, submit themselves for renomination and re-election at regular intervals. Under the Constitution, each Director shall retire from office at least once every three (3) years and a retiring Director shall be eligible for re-election. Pursuant to Regulation 89 of the Company's Constitution, one-third of the Board is to retire from office by rotation and be subject to re-appointment at the Company's AGM. In addition, Regulation 88 of the Company's Constitution stipulates that a Director newly appointed by the Board shall only hold office until the next AGM following his appointment. Thereafter, he is subject to be re-appointed at least once every three (3) years at the Company's AGM. In assessing whether the Director should be recommended for re-election, the NC would assess the performance of the Director in accordance with the performance criteria set by the Board; review the annual evaluations done by the Board, Board Committees and individual Directors; and assess the current needs of the Board. Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-election of the Director to the Board for its consideration and approval. Each member of the NC abstains from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolution in respect of the assessment of his re-nomination as a Director of the Company The Board recognises the contribution of its Independent Directors who over time have developed deep insight into the Group's businesses and operations and who are therefore able to provide invaluable contributions to the Group. As such, the Board has not set a fixed term of office for each of its Independent Directors so as to be able to retain the services of the Directors as necessary.

		The Directors retiring under Regulation 89 of the Company's Constitution at the forthcoming AGM of the Company are Mr Ricky Sim Eng Huat and Mr Chng Hee Kok. Mr Ricky Sim Eng Huat has indicated that he will not be seeking for re-election at the forthcoming AGM of the Company. Mr Chng Hee Kok has indicated his willingness to seek for re-election at the forthcoming AGM of the Company. Please refer to pages 27 to 34 in this Annual Report on information relating to Mr Chng Hee Kok as set out in Appendix 7F of the Catalist Rules, pursuant to Rule 720(5) of the Catalist Rules.
4.4	The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.	The NC is responsible for determining the independence of the Directors as set out under Provision 2.1 above. The Board, after taking into consideration the views of the NC, is of the view that Mr Chay Yiowmin, Mr Ricky Sim Eng Huat and Mr Chng Hee Kok are independent and that, no individual or small group of individuals dominates the Board's decision-making process, and none of them have any relationships as stated in the Code that would otherwise deem any of them not to be independent. During FY2022, there was no alternate Director on the Board.
4.5	The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.	The NC ensures that new Directors are aware of their duties and obligations. For re-nomination and re-appointment of Directors, the NC takes into consideration the competing time commitments faced by Directors and their ability to devote appropriate time and attention to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings.

		The NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2022. Each Director's listed company directorships and principal commitments can be found in the "Board of Directors" section in the Annual Report.

The following additional information on Mr. Chng Hee Kok from pages 27 to 34, who is seeking re-election as Director, is to be read in conjunction with his respective biograph under the section entitled "Board of Directors".

Details	**Name of Director** **Chng Hee Kok**
Date of Appointment	26 December 2019
Date of last re-appointment (if applicable)	30 October 2020
Age	74
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity consideration and the search and nomination process)	The Board of Directors, having considered the recommendation of the NC and having reviewed and considered the qualifications, working experience and suitability of Mr Chng Hee Kok, is of the view that Mr Chng Hee Kok has the requisite experience and capability to assume the responsibility as Independent Director of the Company. Accordingly, the Board of Directors approved the appointment of Mr Chng Hee Kok as Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive

Details	Name of Director Chng Hee Kok
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the RC and a member of the AC and NC.
Professional qualifications	Mr Chng Hee Kok holds a First-Class Honours degree from the National University of Singapore and a Master of Business Administration degree from the National University of Singapore. Mr Chng Hee Kok has also completed the Program for Executive Development at International Institute for Management Development, Switzerland. Please also refer to the section on "Board of Directors" in the Annual Report for more information.
Working experience and occupation(s) during the past 10 years	2021 to Present Chemical Industries (Far East) Limited – Interim Chief Executive Officer 2012 to 2018 LH Group Ltd – Executive Director and Managing Director 2010 to 2011 HG Metal Manufacturing Litd – Executive Director and Chief Executive Officer
Shareholding interest in the listed issuer and its subsidiaries	NIL
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

<table>
<tr><th colspan="2" rowspan="2">Details</th><th>Name of Director</th></tr>
<tr><th>Chng Hee Kok</th></tr>
<tr><td colspan="2">Other Principal Commitments Including Directorships</td><td>Past (for the last 5 years)
Director of:
1. China Flexible Packaging Holding Limited
2. Ellipsiz Ltd
3. KTL Global Limited
4. Rich Capital Holdings Limited (formerly known as Infinio Group Limited)
5. Samudera Shipping Line Ltd
6. Sino-American Tours Corporation Pte Ltd
7. Chaswood Resources Holdings Ltd

Present
Director of:
1. Blackgold Natural Resources Limited
2. Debao Property Development Ltd
3. Ferrstron Electric Pte Ltd
4. Full Apex (Holdings) Limited (undergoing de-listing)
5. Luxking Group Holdings Limited
6. Rational Pricing Technologies Pte Ltd
7. The Place Holdings Ltd
8. United Food Holdings Limited

Principal Commitments:
NIL</td></tr>
<tr><td>a.</td><td>Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?</td><td>No</td></tr>
</table>

Details		Name of Director Chng Hee Kok
b.	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes Mr.Chng Hee Kok is an independent director of Full Apex (Holdings) Limited ("FAHL"), a company listed on the mainboard of SGX-ST. A winding up petition was filed against FAHL on 8 February 2018 ("Petition") by certain creditors ("Petitioner"). For more details, please refer to FAHL's announcement dated 23 March 2018 on SGXNET. On 14 May 2019, FAHL announced that the creditors have confirmed receipt of the Total Consideration under a Loan Transfer Agreement (the "LTA"). Further, the joint provisional liquidators ("JPL") of FAHL understands that the Petitioner will apply for the withdrawal of the Petition before the next hearing, subject to fulfilment of certain conditions. On 9 July 2019, FAHL announced that the court had ordered for the Petition to be withdrawn during the hearing for the Petition held on 14 June 2019. There are however certain post-completion obligations under the LTA that are yet to be fulfilled prior to the discharge of the JPL. On 21 April 2020, FAHL announced that it is still working on the fulfilments of the outstanding obligations under the LTA which are required prior to the discharge of the JPL. On 23 November 2020, FAHL announced that the Bermuda Court had on 26 August 2020, ordered that the Petition be withdrawn and the JPL be discharged and released, with effect upon payment of the JPLs' fees, expenses and costs ("Withdrawal and Discharge Order"). The JPL, had on 3 November 2020 applied to the Bermuda Court for an order to declare the Withdrawal and Discharge Order to take effect on 3 November 2020 upon the settlement of the JPLs' fees, expenses and costs on the same day. On 15 January 2021, FAHL announced that it had received an Order dated 5 January 2021 that the Withdrawal and Discharge Order has taken effect on 3 November 2020. For more details, please refer to FAHL's announcements dated 14 May 2019, 9 July 2019, 21 April 2020, 23 November 2020 and 15 January 2021 on SGXNET.

Details		Name of Director Chng Hee Kok
c.	Whether there is any unsatisfied judgment against him?	No
d.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f.	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No

Details		Name of Director Chng Hee Kok
g.	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h.	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i.	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
j.	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	No
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No

Details		Name of Director Chng Hee Kok
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
k.	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes. Mr Chng was fined S$5,000 in August 2007 under Section 156 of the Companies Act, and given a warning under Section 28(B)(b) of the Prevention of Corruption Act 1960. The Board of the Company, which Mr Chng Hee Kok was sitting as an Independent Director at the material time, received a letter from Singapore Exchange Regulation ("SGX RegCo") dated 5 June 2020 and was given an opportunity to make representations in respect of a Notice of Compliance dated 27 December 2019 issued by SGX RegCo on the disclosure of a former Director. A private warning was subsequently issued to the Board by SGX RegCo. For the avoidance of doubt, Mr Chng was not a director of the Company during the time of the offence.

Details	Name of Director Chng Hee Kok
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This is a re-election of a Director
If yes, please provide details of prior experience.	Not applicable. This is a re-election of a Director
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable. This is a re-election of a Director

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions of the Code		Metech Corporate Governance Practices
5.1	The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.	The Board, based on the recommendation of the NC, recognises the need for regular reviews and evaluations of the effectiveness of the Board as a whole, each Board Committee and the effectiveness of individual Directors. Based on the recommendations of the NC, the Board has in place an annual assessment exercise for the Directors to assess the effectiveness of the Board as a whole, each Board Committee, and the contribution by individual Directors to the effectiveness of the Board. The performance criteria for the Board and Board Committees evaluation are in respect of board structure, strategy and performance, board risk management and internal control, board information, board procedures, Chief Executive Officer and top management, standards of conduct, compensation and communication with shareholders. The primary objective of the board evaluation exercise is to create a platform for the Board to provide constructive feedback on board procedures and processes, and changes which should be made to enhance the effectiveness of the Board.

		Individual Director's performance is evaluated annually and informally on a continual basis by the NC and the Chairman of the Board. Some factors taken into consideration by the NC and the Chairman of the Board include contribution to the development of strategy, availability at board meetings (as well as informal contribution via email and telephone), interactive skills, degree of preparedness, industry, business knowledge and experience each Director possess which are crucial to the Group's business. The individual Director's evaluation exercise assists the NC in determining whether to re-nominate Directors who are due for retirement at the forthcoming annual general meeting, and in determining whether Directors with multiple directorships are able to and have adequately discharged their duties as Directors of the Company. The Board may consider the use of external facilitators in the performance assessment, if required, to provide a greater level of objectivity in the evaluation process. Such facilitator should be independent of the Company and its directors.
5.2	The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.	During FY2022, the evaluation of the Board and Board Committees was conducted via questionnaires, which was completed by each member of the Board and each member of the respective Board Committees. Each Director also completed an individual Director assessment checklist to assess each Director's performance and contribution to the Board's effectiveness. To ensure confidentiality, the completed evaluation forms were submitted to the Company Secretary for collation. The consolidated responses were presented to the NC for review before submitting to the Board for discussion and to determine areas for improvement to enhance the Board's effectiveness. Following the review in FY2022, the Board is of the view that the Board and its Board Committees operate effectively, and each Director is contributing to the overall effectiveness of the Board. No external facilitator was used in the evaluation process.

REMUNERATION MATTERS

PROCEDURE FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions of the Code		Metech Corporate Governance Practices
6.1	The Board establishes a Remuneration Committee ("**RC**") to review and make recommendations to the Board on: (a) a framework of remuneration for the Board and key management personnel; and (b) the specific remuneration packages for each director as well as for the key management personnel.	The role of the RC is to review and make recommendations to the Board on the remuneration package of each Executive Director and key management personnel ("KMPs"). The RC also recommends the level of Directors' fees which are subject to the approval of shareholders. No Director is involved in the deliberation of his or her own remuneration. Where necessary, independent professional advice on the framework for remuneration packages may be sought by the RC.
6.2	The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.	The RC comprises of three (3) Directors, of which three (3) are Independent Directors. The RC therefore consists of all Non-Executive Directors and all, including the Chairman of the RC, are independent. As at the date of this report, the members of the RC are as follows: Chng Hee Kok (Chairman) Chay Yiowmin Ricky Sim Eng Huat
6.3	The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.	In recommending the remuneration packages of the Executive Director and KMPs, the RC is largely guided by the financial performance of the Group. It believes that the remuneration level should be competitive and sufficient to attract, retain and motivate the Executive Director and KMPs. In devising the packages, the RC is aware that termination clauses, wherever applicable, have to be fair and not overly generous. The Directors are not involved in deciding their own remuneration. Each member of the RC abstains from voting on any resolutions in respect of his remuneration package. The recommendations of the RC are submitted to the Board for endorsement.

		The Company's remuneration policy may be amended to take into account the overall performance of the Company, the meeting of key targets, shareholders' value enhancement and individual performance, to ensure they are fair.
6.4	The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.	The RC has explicit authority within its terms of reference to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary. During FY2022, the RC did not engage the service of an external remuneration consultant.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions of the Code		Metech Corporate Governance Practices
7.1	A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.	The Executive Director does not receive Directors' fees but is remunerated as a member of the Management. The remuneration packages of the Executive Director and the KMPs comprise a fixed component (basic salary) and a variable component (cash-based annual bonus) that is linked to the performance of the Group as a whole as well as the individual's performance. This is designed to align remuneration with the interests of shareholders and to link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

<table>
<tr><td></td><td></td><td>The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Director and KMPs in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or the Company (and not on forward-looking results) as well as the actual results of its Executive Director and KMPs, “claw back” provisions in the service agreements may not be relevant or appropriate. In addition, the Executive Director owes a fiduciary duty to the Company and the Company may avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.

When reviewing the structure and level of Directors’ fees for the Non-Executive Directors, the RC takes into consideration the Directors’ respective roles and responsibilities on the Board and Board Committees and the frequency of Board and Board Committee meetings. Each of the Non-Executive Directors receives a base Director’s fee. Directors who serve on the various Board Committees as Chairman also receive additional fees.</td></tr>
<tr><td>7.2</td><td>The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.</td><td>The structure of the fees payable to the Non-Executive Directors of the Company for FY2022 is as follows:

<table>
<tr><th>APPOINTMENT</th><th>PER ANNUM</th></tr>
<tr><td>Board of Directors
– Board Chairman
– Board Member</td><td>
S$10,000
S$36,000</td></tr>
<tr><td>Audit Committee
– AC Chairman
– AC Member</td><td>
S$5,000
Inclusive in Base fee</td></tr>
<tr><td>Remuneration Committee
– RC Chairman
– RC Member</td><td>
S$5,000
Inclusive in Base fee</td></tr>
<tr><td>Nominating Committee
– NC Chairman
– NC Member</td><td>
S$5,000
Inclusive in Base fee</td></tr>
</table>
</td></tr>
</table>

		The remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Non-Executive Directors. The RC will ensure that the Independent Directors are not over-compensated to the extent that their independence may be compromised. These fees are subject to Shareholders' approval at each annual general meeting of the Company.
7.3	Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.	The remuneration policy of the Company is to offer compensation packages that are at least pegged to market rates and reward good performances. The adopted principle is that the remuneration packages must be attractive in order to attract, retain and motivate Directors, executives and managers. The size of the remuneration packages takes into account the performance of the Company and the individuals. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks. The Company adopted the following share incentive schemes on 24 October 2013 to provide eligible participants (including Executive Directors and Non-Executive Directors) with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty: (a) an employee share options scheme known as the "Metech International Limited Employee Share Option Scheme ("ESOS"); and (b) a share scheme known as the "Metech International Limited Performance Share Plan" ("PSP"), (collectively, the "MIL Share Incentive Schemes"). The MIL Share Incentive Schemes are administered by the RC. To-date, no options or awards have been granted under the ESOS or PSP respectively.

DISCLOSURE ON REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1(a) – The breakdown of the total remuneration of the Directors of the Company for FY2022 is set out below:

NAME OF DIRECTOR	BASE/FIXED SALARY (%)	DIRECTOR FEE (%)	TOTAL
S$250,000 to S$500,000			
Samantha Hua Lei	100	–	100
Below S$250,000			
Chay Yiowmin	–	100	100
Ricky Sim Eng Hua	–	100	100
Chng Hee Kok	–	100	100
Tan Siji Macarthur(1)	–	100	100

Note:

(1) Mr Tan Siji Macarthur resigned as Non-Executive Non-Independent Director of the Company with effect from 12 July 2022.

Provision 8.1(b) – The breakdown of the total remuneration of the top key management personnel of the Group (who is not a Director) for FY2022 is set out below:

NAME OF KMP	BASE/FIXED SALARY (%)	TOTAL
Below S$250,000		
Ling Ee Dee	100	100

There was only one key management personnel of the Group who is not a Director, in FY2022.

Although the Code recommends full disclosure of the total remuneration paid to each individual Director, the Chief Executive Officer, KMP and substantial shareholder on a named basis, the Board is of the opinion that it is not in the best interests of the Company to disclose the exact details of their remuneration due to the competitiveness in the industry for key talent. The Board believes that such disclosure presentation provides sufficient overview of the remuneration of the Directors and that such information would be sufficient to the shareholders for their understanding of the Company's compensation policies.

<table>
<tr><th colspan="2">Guidelines of the Code</th><th>Metech Corporate Governance Practices</th></tr>
<tr><td>8.2</td><td>The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S$100,000 during the year, in bands no wider than S$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.</td><td>
<table>
<tr><th>NAME OF SUBSTANTIAL SHAREHOLDER</th><th>BASE/ FIXED SALARY (%)</th><th>TOTAL</th></tr>
<tr><td colspan="3">S$100,000 – S$150,000</td></tr>
<tr><td>Simon Eng*</td><td>100</td><td>100</td></tr>
</table>
* General manager of the Company's subsidiary, Metech Recycling (Singapore) Pte Ltd
Except as disclosed above, there are no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the Chief Executive Officer or substantial shareholder of the Company.
</td></tr>
<tr><td>8.3</td><td>The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.</td><td>
MIL Share Incentive Schemes
The members of the RC administering the schemes are as follows:
Chng Hee Kok (Chairman)
Ricky Sim Eng Huat
Chay Yiowmin
Under the rules of the ESOS and PSP, Directors and full-time employees of the Group who have attained the age of 21 years are eligible to participate in the MIL Share Incentive Schemes.
Participation by Directors who are controlling shareholders or Directors who are associates of controlling shareholders shall be approved by independent shareholders in separate resolutions for each such person for each such Option or Award.
</td></tr>
</table>

		ESOS The aggregate number of shares which may be available pursuant to Options granted under the ESOS on any date, when added to the number of new shares issued and/or issuable and/or existing shares transferred and/or transferable in respect of all Options granted under the ESOS, the PSP and any other share scheme which the Company may implement from time to time, shall not exceed 15% of the total issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings). The options that are granted under the ESOS may have exercise prices that are at the RC's discretion, set at a price equal to the average of the last dealt prices for the shares on the Official List of Catalist or any other publication by the SGX-ST, for the last five (5) Market Days immediately preceding the relevant date of grant of the relevant option (the "Market Price") ("Market Price Option"); or at a discount to the Market Price (subject to a maximum discount of 20%) ("Discount Price Option"); or at a price which is set as a premium to the Market Price ("Premium Price Option"). Market Price Options and Premium Price Option may be exercised after the first anniversary of the date of grant of that option while Discount Price Options may only be exercised after the second anniversary from the date of grant of the option. Market Price Options and Premium Price Options will expire upon the tenth anniversary of the date of grant of that option and Discount Price Options will expire upon the fifth anniversary of the date of grant. The ESOS shall continue in operation for a maximum duration of 10 years and may be continued for a further period thereafter with the approval of the shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

		PSP The aggregate number of shares which may be available pursuant to awards granted under the PSP on any date, when added to the number of new shares issued and/or issuable and/or existing shares transferred and/or transferable in respect of all awards granted under the PSP, the ESOS and any other share scheme which the Company may implement from time to time, shall not exceed 15% of the total issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings). The RC has the discretion to grant awards at any time in the year, depending on and to commensurate with the performance of the participant to the Group, which shall take into account criteria such as the rank and responsibilities, performance, years of service and potential for future development of the participant. The PSP shall continue in force at the discretion of the RC, subject to a maximum period of 10 years commencing on the date on which the PSP is adopted by the Company in general meeting, provided always that the PSP may continue beyond the above stipulated period with the approval of shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the PSP, any awards made to the participants prior to such expiry or termination will continue to remain valid.

ACCOUNTABILITY AND AUDIT		
RISK MANAGEMENT AND INTERNAL AUDIT		
Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.		
9.1	The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.	The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework, but recognises that an adequate and effective internal control system will not preclude all errors and irregularities as the internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against the occurrence of material errors or misjudgement in decision making. The Group has engaged an external party to conduct an internal audit report to put in place a documentation on its risk profile which summaries the material risks faced by the Group and the proposed countermeasures to be put in place to manage or mitigate those risks discovered during the interim audit, for the review by the AC and the Board. On an annual basis, the internal audit function prepares the risk management plan taking into consideration the risks identified which is approved by the AC. As part of the external audit plan, the external auditors also reviewed and reported certain key accounting controls relating to financial reporting, covering only selected financial cycles and highlight material findings, if any, to the AC. In FY2022, the AC, on behalf of the Board, reviewed the external audit reports relating to the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. It also reviewed the effectiveness of the actions taken by the Management on the recommendations made by the external auditors in this respect.

9.2	The Board requires and discloses in the company's annual report that it has received assurance from: (a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.	For FY2022, the Board received: (a) written assurance from the Chief Executive Officer and the Group Financial Controller that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) written assurance from the Chief Executive Officer and the Group Financial Controller that the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations. Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, as well as the reviews performed by the external auditors, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 30 June 2022 to address the risks that the Group considers relevant and material to its operations.

<table>
<tr><td colspan="3">AUDIT COMMITTEE
Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.</td></tr>
<tr><td colspan="2">Guidelines of the Code</td><td>Metech Corporate Governance Practices</td></tr>
<tr><td>10.1</td><td>The duties of the AC include:
(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;
(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;
(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;
(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
(e) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and</td><td>The key terms of reference of the AC sets out its duties and responsibilities. The responsibilities of the AC are, inter alia, as follows:
(a) to review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements made by the external auditors so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
(b) to review and report to the Board at least annually, on the adequacy and effectiveness of the Group's internal controls, including financial, operation, compliance and information technology risks;
(c) to review the effectiveness and adequacy of the Group's internal and external audit function;
(d) to review the assurance from the Chief Executive Officer and the Group Financial Controller on the financial records and financial statements;
(e) to review the scope and results of the internal and external audit, and the independence and objectivity of the external auditors;</td></tr>
</table>

	(f) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.	(f) to make recommendations to the Board on the proposals to the shareholders on the appointment, reappointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors; (g) to review the system of internal controls and management of financial risks with the internal auditors and the external auditors; (h) to review the co-operation given by the Management to the external auditors; (i) to review and approve any interested person transactions; and (j) to review the whistle-blowing policy and arrangements by which employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow-up actions to be taken. In carrying out its duties, the AC is guided by the Guidebook for Audit Committees in Singapore. It also has its own terms of reference that set out its duties and responsibilities in assisting the Board to maintain a high standard of Corporate Governance, particularly by providing an independent review of the effectiveness of financial reporting, management of financial and control risks, and monitoring of the internal control systems. The AC has the power to conduct or authorise investigations into any matter within its scope of responsibility. It is also given reasonable resources to enable it to perform its function properly, including access to external consultants and auditors. The AC meets with the Company's external auditors to review accounting, auditing and financial reporting matters. The AC has full access to the Management and full discretion to invite any members of the Management to attend its meetings, as well as to procure reasonable resources to enable it to discharge its function properly.

		The AC held three (3) meetings in FY2022 where the external auditors were present in all the meetings. For FY2022, the AC has reviewed the following key audit matters highlighted by the external auditors: Valuation of property, plant and equipment and valuation of inventories. For full details of the key audit matters, please refer to page 86 of the Annual Report. The AC has undertaken a review of the services, adequacy of audit plan and scope, independence and objectivity of the external auditors. Moore Stephens LLP, the external auditors of the Company, has confirmed that they are a public accounting firm registered with the Accounting and Corporate Regulatory Authority and has provided a confirmation of their independence to the AC. The AC noted that the external auditor will be paid S$90,000 (FY2021: S$76,000) for its audit service for FY2022. The AC has also undertaken a review of all non-audit services provided by the auditors and noted that they did not provide any non-audit services in FY2022. Having considered the adequacy and experience of the firm, their overall qualification and their independence status, the AC is satisfied that Catalist Rule 712 has been complied with and has recommended to the Board, the nomination of the external auditors for re-appointment at the forthcoming AGM. None of the AC members is a partner or director of Moore Stephens LLP. The auditors of the Company's subsidiaries are disclosed in Note 13 of the Financial Statements in this Annual Report. In appointing auditors for the Company's subsidiaries and significant associated companies, the Group has complied with Catalist Rules 712 and 715.

		The AC monitors the whistle-blowing framework that has been put in place by the Company, which provides guidelines and procedures for employees of the Group or any other persons to raise concerns regarding matters of suspected fraud, corruption, dishonest practices or other similar breaches regarding accounting, financial and audit matters, as well as alleged irregularities and violation of a general, operational and financial nature against the Company or against any applicable law, and other matters, and ensures that arrangements are in place for independent investigation of such matters and appropriate follow-up actions. All employees have been informed to direct such concerns to the AC and the AC reports to the Board on such matters at Board meetings. As per the whistle-blowing framework, the Group ensures that the identity of the whistle-blower is kept confidential and discloses its commitment to ensure protection of the whistle-blower against detrimental or unfair treatment. There were no reported incidents pertaining to whistleblowing during FY2022 and up to the date of this Annual Report. The AC is kept abreast by the Management and the external auditors of changes to the financial reporting standards, Catalist Rules and other codes and regulation which could have an impact on the Group's businesses and financial statements.
10.2	The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.	The AC is entirely comprised of Independent Directors and as at the date of this report, the members of the AC are as follows: Chay Yiowmin (Chairman) Ricky Sim Eng Huat Chng Hee Kok Mr Chay Yiowmin holds a Bachelor of Accountancy (Hons) from Nanyang Technological University, also a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountant and an Associate Chartered Accountant of the Institute of Chartered Accountants in England and Wales. He is currently the AC Chairman and a member of audit committees for several companies listed on Mainboard and Catalist of Singapore Exchange.

		Mr Chng Hee Kok holds a Bachelor of Engineer (Hons) from National University of Singapore. He is currently a member of audit committees of several companies listed on Mainboard and Catalist of Singapore Exchange. The Board considers that Mr Chay, who has extensive and practical financial management knowledge and experience, is well qualified to chair the AC. The Board is satisfied that the AC members, collectively, have relevant accounting and related financial management expertise or experience and are appropriately qualified to discharge their responsibilities.
10.3	The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.	None of the members of the AC or the AC Chairman are former partners or directors of the Group's existing auditing firm nor do any of them have any financial interests in the said auditing firm.
10.4	The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.	The Company's internal audit function is outsourced to Baker Tilly TFW LLP that reports directly to the AC Chairman and administratively to the Management. The internal auditors have full access to the Company's documents, records, properties and personnel, including the AC. The AC reviews the internal audit activities including, overseeing and monitoring the implementation of the improvements required on any internal control weaknesses that have surfaced. The AC ensures that the internal audit function is adequately resourced and has appropriate standing within the Company. In light of the above, the AC and the Board reviewed the adequacy and effectiveness of the internal audit function as required under Catalist Rule 1204(10C) and is of the view that the independent audit function was adequately resourced, independent and able to discharge its duties effectively (*inter alia*, its adherence to standards which is in line with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors).

<table>
<tr><td>10.5</td><td>The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.</td><td>In FY2022 the AC had one (1) meeting each with the external auditors and internal auditors without the presence of the Management.</td></tr>
<tr><td colspan="3">SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.</td></tr>
<tr><td colspan="2">Guidelines of the Code</td><td>Metech Corporate Governance Practices</td></tr>
<tr><td>11.1</td><td>The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.</td><td>Shareholders are informed of general meetings through the announcement released to the SGXNet and on the Company’s corporate website, to ensure fair dissemination to shareholders.

Annual reports are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all the relevant information about the Company, including future developments and other disclosures required by the Catalist Rules, Companies Act and Singapore Financial Reporting Standards (International). As the Board is accountable to the shareholders, it is the aim of the Board to provide shareholders with a balanced and easy-to-understand assessment of the Company’s performance, position and prospects when presenting financial and other price sensitive public reports, and reports to regulators, if required.

The annual general meeting (“AGM”) is the principal forum for dialogue with shareholders. The Company encourages its shareholders to attend the AGM to ensure a high level of accountability and to stay informed of the Company’s performance and plans. Relevant rules and procedures governing the annual general meetings, including voting procedures, will be clearly communicated to shareholders. The Company’s Constitution allows a shareholder to appoint one (1) or two (2) proxies to attend and vote on his or her behalf.</td></tr>
</table>

		Unlike the last general meeting that was conducted by the Company on 29 October 2021 at 10:00 am by way of electronic means, the upcoming AGM for FY2022 will be held at Raffles Marina, 10 Tuas West Drive, Singapore 638404. Accordingly, shareholders who want to exercise their voting rights would be required to (i) vote at the respective meetings or; (ii) appoint proxies, including the Chairman of the respective meetings, to vote on their behalf at the respective meetings. The Company recognises the value of feedback from shareholders. The Company has taken steps to solicit and understand the views of the shareholders, especially during annual general meetings, shareholders are given ample time and opportunities to air their views and concerns. All substantial and relevant questions related to general meetings were submitted to the Chairman of the AGM and were responded to by the Company by way of an announcement on the SGXNet, in advance of the AGM. All resolutions at general meetings are put to vote by poll and the results of the number of votes cast for and against each resolution, together with the respective percentages, will be made via a separate announcement on the same day on SGXNET.
11.2	The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the company explains the reasons and material implications in the notice of meeting.	The resolutions tabled at the general meetings are proposed each as a separate resolution, including the election or re-election of each Director. Detailed information on each item in the agenda is accompanied with the explanatory notes detailed in the notice of general meeting. “Bundling” of resolutions will only be done where resolutions are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the Company will explain reasons and material implications in the notice of general meeting.

11.3	All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the company's annual report.	At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company. The entire Board, including the Chairpersons of the AC, NC and RC were present at the last AGM. All Directors will endeavour to be present at the Company's forthcoming FY2022 AGM to address shareholders' questions relating to the Company and the Group. In addition, the Company had informed shareholders to submit its queries in advance of the respective meetings and that the Company would address their questions prior to the respective meetings by publishing its responses on SGXNet. The Company's external auditors, Moore Stephens LLP, will also be present at the AGM and are available to assist the Directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.
11.4	The company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.	The Company does not implement absentia voting methods such as voting via mail, e-mail or fax as these may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.
11.5	The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.	The Company prepares detailed minutes of general meetings, which include comments and the questions raised by shareholders, together with the responses from the Board and the Management, and such minutes are publicly available on the Company's website and on SGXNET within one (1) month after the general meetings.

11.6	The company has a dividend policy and communicates it to shareholders.	The Company does not have a fixed dividend policy. The form, frequency and amount of dividends to be declared each year will take into consideration the Group's profit growth, cash position, positive cash generated from operations, projected capital requirements for business growth and other factors that the Board may deem appropriate. Based on these factors, the Board does not recommend any payment of dividends for FY2022.
ENGAGEMENT WITH SHAREHOLDERS ***Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.***		
12.1	The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.	The Board is mindful of its obligation to provide timely and relevant information to shareholders. The Company is committed to treating all shareholders of the Company fairly and equitably to facilitate their ownership rights. The Company recognises and strives to protect and facilitate the exercise of shareholders' rights, and will continually review and update such governance arrangements. The Board believes in timely and accurate dissemination of information to shareholders and does not engage in selective disclosure. The Company adheres strictly to the continuous disclosure obligations of the Company pursuant to the Catalist Rules. Announcements on financial results, major changes to the composition of the Board, changes to interests of Directors and substantial shareholders, major developments in the Company, annual reports, notices and circulars of general meetings and extraordinary meetings and other stipulated disclosures are made through SGXNET. The aforementioned announcements and other information on the Company can also be found on the Company's website at www.metechinternational.com which shareholders are able to access freely and at any time to their convenience.

<table>
<tr><td>12.2</td><td>The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.</td><td>The Company currently does not have an investor relations policy in place, but will consider having one as the Company expands its business. In the meantime, information on the Company can be found on the Company's website which shareholders are able to access freely and shareholders can submit their feedback and raise any questions to the Company at the email address provided on the Company's website.</td></tr>
<tr><td>12.3</td><td>The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.</td><td>The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the resolutions tabled for approval and/or asking the Directors or the Management questions regarding the Company and its operations.</td></tr>
<tr><td colspan="3">ENGAGEMENT WITH STAKEHOLDERS
Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.</td></tr>
<tr><td>13.1</td><td>The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.</td><td>The Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address their concerns so as to improve services and products' standards, as well as to sustain business operations for long term growth.

The stakeholders have been identified as those who are impacted by the Group's businesses and operations and those who are similarly able to impact the Group's businesses and operations. Four (4) stakeholder groups have been identified through an assessment of their significance to the business operations. They are namely, employees, investors, regulators and customers.</td></tr>
</table>

13.2	The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	The Group has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually. Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships. Please refer to the Sustainability Report on pages 58 to 79 of this Annual Report for further details.
13.3	The company maintains a current corporate website to communicate and engage with stakeholders.	All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET and the Company's website. The Company does not practice selective disclosure of material information. All materials on the half-year and full year financial results are available on the Company's website at www.metechinternational.com. The comprehensive website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders.

DEALING IN SECURITIES

With respect to Rule 1204(19) of the Catalist Rules, the Company has a set of internal guidelines to provide guidance to the Directors and employees of the Group on their dealings in the Company's securities, as well as the implications of insider trading. The Company prohibits its Directors and employees from dealing in the Company's securities for the period commencing one (1) month prior to the announcement of the Company's half-year and full year financial statements and ending on the date of the announcement of the relevant results.

Reminders were emailed to all Directors and employees of the above ruling before the commencement of the respective periods. In the same emails, they were also reminded not to deal in the Company's securities when they are in possession of any potentially price sensitive information which have not been announced, or on short-term considerations.

INTERESTED PERSON TRANSACTIONS

The Company's internal policy with respect to any interested person transactions ("IPT") sets out the procedures for review and approval of such IPTs. When a potential conflict of interest arises, the Directors concerned do not participate in discussions and refrain from exercising any influence over other members of the Board. Prior to entry by the Company into an IPT, the Board and AC will review such a transaction to ensure that the relevant rules under Chapter 9 of the Catalist Rules are complied with. In FY2022 there were no IPTs involving transactions of more than S$100,000 and the Company does not have a shareholders' mandate pursuant to Rule 920 of the Catalist Rules.

MATERIAL CONTRACTS

With respect to Rule 1204(8) of the Catalist Rules, there was no material contract involving the interests of the Chief Executive Officer, any Director or controlling shareholder entered into by the Company or any of its subsidiaries since the end of the previous financial year. No such contract subsisted at the end of the financial year under review.

NON-SPONSOR FEES

With respect to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the Company's previous sponsor, RHT Capital Pte. Ltd., in FY2022.

USE OF PROCEEDS

As at the date of this Annual Report, the utilisation of the gross proceeds of approximately S$8.7 million raised from Placement Cum Warrant Issue completed on 19 October 2021 and subsequent partial exercise of 2021 Warrants is as follows:

	Allocation (S$'000)	**Amount utilised (S$'000)**	**Balance (S$'000)**
General working capital	2,615	(2,441)[1]	174
To fund general corporate activities, including but not limited to the expansion in environment and sustainability business and/or for strategic alliances	6,103	(6,103)	–
Total	**8,718**	**(8,544)**	**174**

Note:

1 The amount was utilised for (A) Employee benefit expenses of S$323,000, (B) Professional fees of S$861,000, (C) Administrative and miscellaneous expenses of S$1,075,000 and (D) Office rental and related expenses of S$182,000.

The utilisation of the proceeds is in line with the intended use and allocation as set out in the announcement dated 30 September 2021.

SUSTAINABILITY **REPORT**

Board Statement

Dear Stakeholders,

The Board of Directors (the "Board" or the "Directors") of Metech International Limited (the "Company" and together with its subsidiaries, the "Group" or "Metech") is pleased to present Metech's fifth annual sustainability report (the "Report") for the financial year ended 30 June ("FY") 2022. This Report reflects and reaffirms our commitment to generating positive impacts on the environment, coupled with creating lasting shared value for our business and stakeholders.

Over the past year, the COVID-19 situation progressively improved as the world grew in resilience to tackle its associated challenges. This notion enabled business activities to slowly transit back to normalcy. We have also made foray into new businesses with the establishment of a production plant for lab-grown diamonds in Kallang (the "Kallang Factory").

Nonetheless, albeit the inevitable increase in ecological footprint owing to the aforementioned causes, Metech is cognisant that driving sustainable development is imperative to achieving continued growth and success for the Group. Accordingly, we strive to integrate environmental, social, and governance ("ESG") considerations across our business operations, as well as continue to build on its capabilities and extend the value propositions of its business units to safeguard stakeholders' interests.

The Board, assisted by the Metech's sustainability management team, is responsible for the monitoring, and overseeing of ESG issues as part of its strategic formulation annually. To shed light, through the materiality assessment, the management team is well-informed about the Company's and industry's specific materiality topics and embeds their underlying implications into their strategic direction and management processes to achieve the various milestones in our sustainability journey. To realise them, our sustainability management team has developed the relevant metrics and targets in the short-term and medium-term to adequately address the various ESG material topics, and is actively monitoring their progress to achieve these ends.

To ensure transparent and focused implementation of Metech's sustainability strategy, this Report was prepared based on the internationally recognised Global Reporting Initiative ("GRI") standards of reporting our performance and was also guided by the United Nations Sustainable Development Goals ("UN SDGs").

All in all, we are pleased to share with you our fifth Sustainability Report and invite you to read about our latest progress and achievements during the year. Thank you for supporting us along this journey, and we are committed to working with all stakeholders to build a sustainable future together and deliver good progress on the sustainability front.

The Board of Directors
Metech International Limited

About this report

Scope of Report

This report describes the sustainability activities and performance of Metech, as well as highlights the environmental, social, and governance aspects of the Group's operations. The date disclosed and contents within this report have been disclosed in good faith and to the best of our knowledge. Together with the other information set out in our Annual Report, this Report provides comprehensive and transparent reporting to our stakeholders.

Reporting Framework

This report has been prepared in accordance with the sustainability reporting requirements as set out in the Singapore Exchange Securities Trading Limited: Listing Manual Section B: Rules of Catalist (Rules 711A and 711B) and internationally recognised GRI Standards (2021): Core Option. The GRI Standards were selected as our reporting framework because it provides guiding principles on report content and quality as well as suggests specific performance disclosures relevant to our material ESG topics. The content of this Report was defined by the four reporting principles established by GRI Standards as follows:

1. Stakeholder Inclusiveness: Report context was determined based on various stakeholder engagements and internal discussions that Metech considers to be accountable.
2. Sustainability Context: The report covers the Group's performance in various ESG aspects.
3. Materiality: Material issues in the report were determined through stakeholder engagements and internal discussions. All relevant factors were then weighted according to their respective importance to stakeholders, as well as their impact on Metech's business.
4. Completeness: This Report covers the impacts that Metech contributes to the material topics during the reporting period using all relevant data and information collected.

Report Content and Quality

This Report aims to provide an integrated overview of the Group's initiatives and strategies related to sustainability and responsible business development, as well as the key concerns and issues that Metech's stakeholders face. To ensure content quality, we have applied GRI's principles of accuracy, balance, clarity, comparability, reliability, and timeliness.

Feedback

As part of our continuous efforts on improving our sustainability performances, we welcome any question, comment, or feedback on any aspect of this Report. Please write to: info@metechinternational.com.

Our Sustainability Core

To meet our sustainability goals and targets, Metech has established a sustainability organisational structure and adopted corporate governance policies and practices across our business operations. Our corporate governance processes have been aligned with the principles and guidelines set out in the Code of Corporate Governance 2018 (the "Code").

To provide strategic direction to the management, as well as achieve sustainable business practices and overall performance of the Group, Metech has incorporated a sustainability team as follows:

Board of Directors	
Oversees the management and monitoring of issues	Determines strategic direction and policies

↓

Management Team	
Manages and monitors sustainability performances	Reports and feedbacks to the Board of Directors

↓

Employees	
Implements sustainability initiatives	Provides feedback and suggestions on areas of improvement to the Management Team

The Group's sustainability team is led by our Chief Executive Officer and assisted by Group Financial Controller. It also comprises senior management from across the Group, who guide the Group's sustainability strategy.

As highlighted in the organisational flowchart, the Group's Board of Directors oversees the management and monitoring of ESG issues, as well as considers them in the determination of the Group's strategic direction and policies.

Subsequently, the Management Team, which has oversight of ESG matters, reports to the Board on the sustainability progress annually to review, formulate and integrate sustainability strategies into the Group's business. Supporting them are our Employees, who implement the sustainability initiatives, as well as provide feedback and suggestions on the Group's sustainability improvements.

Materiality Assessment

At Metech, we regularly review and assess the importance of issues to our stakeholders through various channels and feedback. The materiality assessment was conducted to identify key ESG issues that are most relevant and significant to our business and stakeholders. The materiality review was conducted under the GRI guidelines and topics are prioritised based on the materiality matrix.

The Group adopts the following three-step process to define the material topics:

IDENTIFICATION
Background research including peer benchmarking

PRIORITISATION
Workshop for materiality prioritisation attended by the management team

VALIDATION
Presentation and validation of material factors by the Board

Stage 1: Identification

ESG considerations are identified through the feedback provided from stakeholders through transparent and open communication platforms. Additionally, benchmarking of Metech's ESG factors was made against those disclosed by suitable peer companies in the same industry.

Stage 2: Prioritisation

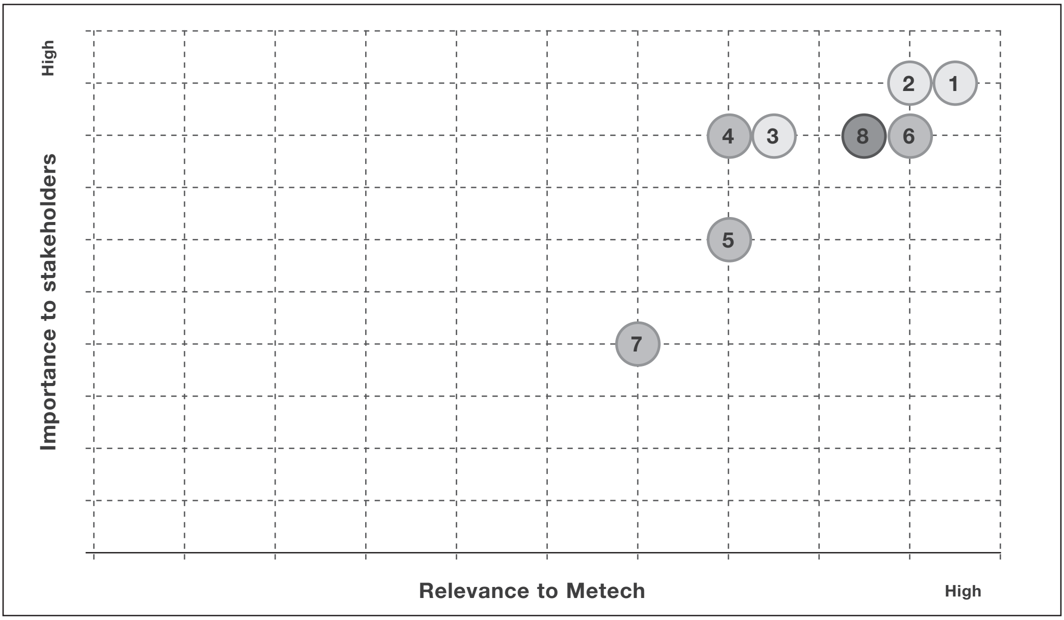
Based on the importance to our stakeholders and the level of impact on our business, our management team and employees are responsible for reviewing each identified ESG factor and evaluating the relevance of material factors. We have also aligned our material factors with the UN SDGs to demonstrate how our business has contributed to the achievement of these goals.

Stage 3: Validation

The findings and issues discovered from the first two stages are presented to the Board. Subsequently, the Board confirms and validates a list of key material ESG factors for disclosure.

The matrix below considers the potential impact of each topic on our business and its significance to stakeholders. The material topics are ranked in the materiality matrix below and are further discussed in the subsequent pages of this Report. This report focuses on three key aspects with eight identified material topics.

FY2022 Materiality Matrix



No.	ESG Material Topic	ESG Pillar
1	Emissions	Environmental
2	Impact on Environment and Natural Resources	
3	Climate Change	
4	Health and Safety	Social
5	Employment Practices and Compliance	
6	Supply Chain Management	
7	Staff Training and Development	
8	Business Conduct and Ethics	Governance

Material Topics	Stakeholders Impacted	Metech's Involvement
Environmental		
Emissions	Everyone	Direct & Indirect
Impact on Environment and Natural Resources	Everyone	Direct & Indirect
Climate Change	Everyone	Direct & Indirect
Social		
Health and Safety	Employees	Direct
Employment Practices and Compliance	Employees and Shareholders	Direct
Supply Chain Management	Business Partners, Clients, Communities, Employees and Shareholders	Direct & Indirect
Staff Training and Development	Employees and Shareholders	Direct
Governance		
Business Conduct and Ethics	Customers, Employees and Shareholders	Direct

Integration of UN SDGs

At the United Nations Sustainable Development Summit in 2015, the UN General Assembly adopted the 2030 Agenda for Sustainable Development which includes 17 Sustainable Development Goals (SDGs) and specific targets that aim to tackle the world's biggest sustainable development challenges by 2030. Metech is also committed to supporting the UN SDGs, of which we have adopted seven that are most aligned with our business operations and material issues. They are Goal 3: Good Health and Well-Being; Goal 5: Gender Equality; Goal 10: Reduce Inequalities; Goal 12: Responsible Consumption and Production; Goal 13: Climate Action; Goal 15: Life on Land; and Goal 16: Peace, Justice and Strong Institutions.

Our Material Topics	Our Commitment	Our Practices	Contribution to UN SDGs
Environment: • Climate Change • Emissions • Impact on environment and natural resources	• Minimising our electricity consumption in our operations. • Inculcating a sense of stewardship in our employees by minimising the use of resources in our office. • As an environmental solutions company, we strive to work solely with partners that adopt the best practices in sustainable corporate practices.	• We have retrofitted our office with energy-saving light-emitting diode (LED) lightbulbs. • We have reduced paper and toner usage by practising digital documentation and using both sides of scrap paper. • Trading with partners that have the necessary sustainable certifications to ensure responsible production.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 15 LIFE ON LAND
Social: • Employment Practices and Compliance • Health and Safety • Staff Training and Development • Supply Chain Management	• Metech adopts fair and performance-based recruitment and employment practices to attract the best-suited individuals and retain existing employees. • We are committed to providing training courses and programmes, coupled with education and development opportunities to our employees. • We are dedicated to creating a safe working environment for our employees to promote positive health and well-being effects.	• We have reached an average of three man-hours of training conducted for our employees, and they are encouraged to take up courses organised by third parties such as ISCA ("Institute of Singapore Chartered Accountants") and Singapore Institute of Directors ("SID"). • We have achieved zero workplace incidents that result in a fatality or permanent injury. • We have achieved zero incidents of non-compliance with relevant health and safety regulatory requirements.	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 10 REDUCED INEQUALITIES

Our Material Topics	Our Commitment	Our Practices	Contribution to UN SDGs
Governance: • Business Conducts and Ethics	• Metech's Whistle Blowing Policy encourages the reporting of possible improprieties for employees and third parties to raise their concerns. • We are committed to upholding fair and ethical business conduct as well as complying with local regulations and industry best practices. • We have adopted zero-tolerance for acts such as fraud, bribery, and corruption. • Metech does businesses with suppliers who have registered warehouses and with London Metal Exchange registered products. • We are committed to selecting local traders to minimise supply chain disruptions and maximise customer satisfaction.	• Refer to the Corporate Governance Section on pages 9 to 57 of Metech's Annual Report 2022. • We have achieved zero incidents of non-compliance with anti-corruption laws and regulations. • We have achieved zero incidents of non-compliance with various socioeconomic laws and regulations.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Stakeholder Engagement

At Metech, we are cognisant of the importance of engaging our key stakeholders closely by understanding their expectations and concerns. We engage them through constant dialogue on a wide range of topics using various platforms and feedback mechanisms. This is on top of our regular and formal materiality assessments. Both internal and external stakeholders are crucial to us as they can make a positive and meaningful impact on our sustainable business goal.

With a deep understanding of all our stakeholders – their changing needs and interests as well as emerging concerns – we ensure the relevance of our sustainability strategy and programmes to deliver the intended outcome and impact. Notably, the responsible units regularly review and evaluate all forms of feedback to enhance the solutions and experiences we provide.

The table below summarises our key stakeholder groups, current methods, frequency of engagement as well as the stakeholders' expectations and their commitments to sustainability.

Key Stakeholder	Current Engagement Methods	Frequency	Needs/ Expectations	Commitments to Sustainability
Investors and Shareholders	Annual General Meetings	Annual	• Business growth and returns, strategic direction, and outlook • Risk management process and sound corporate governance practices • Timely and transparent reporting including sustainability performance based on international reporting standards • Balance between economic viability and environmental sustainability	• Strive to generate sustainable long-term returns on investment • Provide clear goals and visions for business expansion • Adhere to timely and transparent dissemination of accurate and relevant information • Improve Investor Relations website
	Regular meetings with representatives of business partners	Ad-hoc		
	Timely and transparent updates of financial results and announcement	Half-yearly		
	Extraordinary general meetings and SGX announcements	Ad-hoc		
	Media/news/ marketing activities	Ad-hoc		
	Whistleblowing channel	Perpetual		
	Other relevant disclosures via Metech's website	Perpetual		
Employees	Employment rules and policies	Annual	• Healthy work-life balance • Remuneration and benefits • Career opportunities and development • Safe and healthy work environment • Fair & performance-based employment practice	• Provide a safe and cohesive working environment • Rewarding work and performance • Provide fair and equal opportunities to all employees
	Dialogue/feedback/ evaluation sessions between employees and senior management	Annual		
	Advocate flexible working hours and places to promote work-life balance	Ad-hoc		
	Training and development programme	On an average of three man-hours		

Key Stakeholder	Current Engagement Methods	Frequency	Needs/ Expectations	Commitments to Sustainability
Customers	Regular meetings with representatives of clients	Ad-hoc	• Quality products, graded certification and availability of services • Create sustainable development for future generations • Convenience and compliance with environmental regulations	• Participation as a vested stakeholder in selected projects • Forging strong and successful relationships in the long term • Enhance transparency of our supply chain
	Written and verbal feedback through business communications	Perpetual		
	Website feedback service	Perpetual		
Government and Regulators	Sustainability Report	Annual	• Compliances with safety & environmental laws and regulations • Reduce emissions, waste, and other detrimental environmental effects • Providing training and skills-upgrading, such as courses organised by ISCA and SID	• Strict compliance with relevant laws and regulations • Encouraging lifelong learning for mid-career change and skill-upgrading • Understand and support initiatives driven by the Government
	Government training workshops and surveys	Ad-hoc		
	Cooperating with public sector for their environmental needs	Ad-hoc		
	Website feedback service	Perpetual		

Environmental

Owing to the nature of its business, Metech acknowledges that its operations, especially those that involve the procurement of metals and production of lab-grown diamond, have indirectly resulted in resource depletion and environmental pollution.

As aspiring stewards of the environment, the Group recognises the imperative need to curtail our ecological footprint and operate sustainably. Accordingly, the table below sheds light on how Metech is advocating for sustainable development through its business practices in its various operations.

<table>
<tr><th>Business Operation</th><th>Sustainability Initiatives</th></tr>
<tr><td>Lab-grown diamond manufacturing</td><td>
• Advocating for lab-grown diamonds instead of mining diamonds for various use as the former is cheaper and more sustainable.
• Comparison of the environmental impact of mined and lab-grown diamonds[1]:
<table>
<tr><th>Impact Assessment</th><th>Mined Diamonds</th><th>Lab-grown Diamonds</th><th>Ratio</th></tr>
<tr><td>Land Impact</td><td>(Per Carat)</td><td>(Per Carat)</td><td></td></tr>
<tr><td>Land disturbed for mining/excavation</td><td>0.00091 hectares</td><td>0.00000071 hectares</td><td>1281:1</td></tr>
<tr><td>Mineral waste disposed/stored</td><td>2.63 tonnes</td><td>0.0006 tonnes</td><td>4383:1</td></tr>
<tr><td>Water Impact</td><td></td><td></td><td></td></tr>
<tr><td>Water usage</td><td>0.48m³</td><td>0.07m³</td><td>6.9:1</td></tr>
<tr><td>Air Impact</td><td></td><td></td><td></td></tr>
<tr><td>Carbon emissions</td><td>57,000 grams</td><td>0.028 grams</td><td rowspan="3">1.5 billion:1</td></tr>
<tr><td>Sulphur oxide emissions (SOx emissions)</td><td>0.014 tonnes</td><td>–</td></tr>
<tr><td>Nitrous oxide emissions (NOx emissions)</td><td>0.042 tonnes</td><td>0.09 mg</td></tr>
<tr><td>Energy usage</td><td>538,577,900 Joules</td><td>250,750,487 Joules</td><td>2.1:1</td></tr>
<tr><td>Environment Related Incidents</td><td>(Per Year)</td><td>(Per Year)</td><td></td></tr>
<tr><td>Number of environmental incidents</td><td>4.5 incidents</td><td>Nil</td><td>4.5:0</td></tr>
<tr><td>Human Impact</td><td>(Per 100 Employees Per Year)</td><td>(Per Year)</td><td></td></tr>
<tr><td>Lost Time Injury Frequency Rate (LTIFR)</td><td>0.115 injuries</td><td>Nil</td><td>0.12:0</td></tr>
<tr><td>Lost Time Injury Severity Rate (LTISR)</td><td>8.015 days</td><td>Nil</td><td>8.02:0</td></tr>
<tr><td>Occupational Disease Rate</td><td>0.075 incidents</td><td>Nil</td><td>0.075:0</td></tr>
</table>
Source: Frost & Sullivan – “Environmental Impact Analysis – Production of Rough Diamonds”
</td></tr>
<tr><td>Supply chain management</td><td>
• Provision of wholesale trading of metal products
• Management and advisory of recycling and supply chain services
</td></tr>
</table>

Beyond promoting environmental friendliness, these initiatives also aim to enhance Metech’s business and operations – increased productivity, lower consumption of natural resources, reduced wastage and pollution, creating a competitive edge and an overall improved financial performance.

Additionally, to further promote sustainability in our day-to-day operations, Metech adopts the following green practices:

(a) Promoting Energy Efficiency and Conservation in the Office

To achieve this end, Metech’s office is retrofitted with energy-efficient Light-Emitting Diode (“LED”) lightbulbs, that are more energy-efficient and durable as opposed to traditional incandescent bulbs, and do not compromise on lighting levels.

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[1] Lab-grown Diamonds: Sustainable Choice for Consumers? – Global Extraction Networks

Moreover, the Metech sustainability team has inculcated a spirit of environmental stewardship within fellow employees by reminding them to turn off the lights when they are no longer in use, and advocating for digital documentation wherever possible. Should printing be required, employees are encouraged to print double-sided or reuse unwanted paper if they are printing single-sided. Additionally, the eco-friendly practice of recycling paper is adopted and widely practised across the office.

(b) Trading with like-minded environmentally-conscientious suppliers

Despite the physical trading of metals having a low to insignificant environmental footprint, it is imperative for Metech to trade with suppliers that embody sustainability. This virtue signalling would promote trading between companies which minimises environmental degradation (e.g., erosion, sedimentation, soil & water pollution from metal mining), thereby, in turn, promoting sustainable trade.

To achieve this, Metech trades only with suppliers that live out the principles of global citizenship, sustainability, and corporate responsibility. To discern who is their ideal trading partner, Metech undergoes stringent assessments to select suppliers which conform to the best practices and regulations within the realm of sustainability, and are of credible reputation.

Targets and Performance

To demonstrate Metech's intentionality in being an environmental steward, we have developed the following metrics and targets in the short-term and medium-term to address our material topics by seeking bolder climate action.

Material Topics	Short-Term Target (1-2 years)	Medium-Term Target (2030)
Emissions	• Maintain or reduce GHG emission (Scope 2) levels and emission intensities from FY2022. • Track Scope 1 and 3 emissions.	Reduce GHG emission levels and emission intensities by 10%.
Impact on Environment and Natural Resources	To start tracking water usage and waste generated from operations at the Kallang Factory.	Reduce resource consumption, waste generation, and intensities by 10%.
Climate Change	Maintain or reduce GHG emission levels and emission intensities from FY2022.	Reduce GHG emission levels and emission intensities by 10%.

FY2022 Environmental Performance

Before delving deeper, Metech's energy consumption was derived from the collection of monthly utility usage, and its associated GHG emissions were computed using the Energy Market Authority's ("EMA") Singapore's Grid Emission Factor 2020 of 0.408.

(a) Energy Consumption and Intensity

As illustrated in the table below, following the gradual relaxation of COVID-19 regulations to assume "normal" business operations, it was inevitable that Metech's energy consumption and intensity rose sharply in FY2022 as compared to FY2021 in view of the Work from Home arrangement in FY2021. Further, the total energy consumption was much lower as we have moved to the Pasir Panjang office in May 2021 which was only two months towards our 30 June year-end and prior to moving office, the Company was on the Work from Home Arrangement.

Energy Consumption and Intensity		Total Energy Consumption (kWh)			Energy Intensity per GFA (kWh/m²)			Energy Intensity per Employee (kWh/employee)		
		FY2021	FY2022	Change	FY2021	FY2022	Change	FY2021	FY2022	Change
	Pasir Panjang	1149	4873	324.1%	0.64	2.72	325%	287.25	812.17	182.74%
	Kallang	–	1368	–	–	0.39	–	–	456	–

(b) Greenhouse Gas Emissions (Scope 2 Emissions) and Intensity

Similarly, as greenhouse gas ("GHG") emissions are positively associated with energy consumption, it is unsurprising that GHG emissions and emissions intensities rose significantly during this timeframe, and these notions are encapsulated in the following table:

GHG Emissions and Emissions Intensity		Total GHG Emissions (tCO_2e)			GHG Emissions Intensity per GFA (tCO_2e/m^2)			GHG Emissions Intensity per Employee (tCO_2e/employee)		
		FY2021	FY2022	Change	FY2021	FY2022	Change	FY2021	FY2022	Change
	Pasir Panjang	0.47	1.99	323.4%	0.00026	0.00111	326.92%	0.12	0.50	316.7%
	Kallang	-	0.56	-	-	0.00016	-	-	0.19	-

Akin to the previous table, GHG emissions and intensities increased by over threefold in FY2022 as compared to FY2021.

All in all, with the expected increase in energy and GHG consumption and intensities, we will work towards devising and implementing more green solutions to promote environmental sustainability in the face of increased business operations with the expected further easing of COVID-19 restrictions on business operations.

Social

At Metech, we firmly believe in creating a conducive working environment where our employees can develop and grow. We are committed to providing an inclusive and collaborative working culture that embraces the unique perspectives and experiences of our employees, empowering the development of our employees to their greatest potential. Training courses and programmes, coupled with education and development opportunities are provided to our employees, which create a win-win situation for both staff improvement and the resilience of the Group as a whole.

(a) Health and Safety

The health and safety of our employees are one of the top priorities in Metech, and it is vital to ensure that our workplaces are risk-free to protect the safety of our employees. Therefore, we continuously take proactive and precautionary steps to create a safe working environment that promotes positive health and well-being effects for our employees.

To continuously protect our employees from the post-COVID-19 pandemic and conduct our business responsibly, we practise flexible working hours and places to promote work-life harmony for our employees. Employees returning to the workplace are encouraged to self-test when they feel unwell or had recent contact with an infected person. For employees who are physically onsite at the workplace, mask-wearing is required indoors except when not interacting in person with another individual present in that area, and not in customer-facing areas where interaction is likely to happen. Moreover, to strengthen the resilience of our workplace, common spaces and touchpoints in office spaces are regularly cleaned.

(b) Employment Practices and Compliance

We adopt fair and performance-based employment and recruitment practices to attract the best-suited individuals and retain existing employees. Metech has formulated the Employment Handbook and various policies, including the Code of Conduct as well as hiring, termination, and retirement procedures. We have aligned our welfare practices with the Singapore Government's pro-family leave scheme, and key employee benefits comprise remuneration packages, performance bonuses, leave entitlements, insurances as well as reimbursement of medical and dental claims.

Moreover, we are also firm believers that, regardless of nationality, gender, age, race, or ethnicity, all employees can make significant contributions to the Group and should be treated fairly with respect and dignity. We adopt fair and merit-based recruitment and employment practices to foster a positive corporate culture for our people.

Furthermore, we are committed to providing our employees with a work environment that is conducive, safe, and free from discrimination. We also prohibit any form of retaliation against any person for making reports in good faith concerning allegations of discrimination, violation of the Code of Conduct, or any other allegation of improper behaviour. In FY2022, we have no reports of child labour, forced or compulsory labour involved in our business practices.

In FY2022, there are a total number of 9 employees as compared to 4 employees in FY2021, which reflects a sharp increase of 125%. Among all the employees, there were 3 males and 1 female in FY2021 while there were 5 males and 4 females in FY2022, which depicts an increase in 67% and 300% in the male and female employees respectively. Considering new employee hires, there was a total number of 5 joiners, and 3 of them embarked on their new journey in Singapore. Among these new joiners, there is 1 employee younger than 30 years of age, whereas the rest of them fall into the category of above 30 and below 50 years of age. In FY2022, there was no employee turnover.

Furthermore, we are committed to fair and progressive opportunities for all our employees. We continue to conduct annual performance evaluation reviews to identify their development gaps and needs through a lifelong learning approach. Additionally, we have also obtained feedback from our employees concerning the working environment and their progressive expectations during the annual performance review to ensure that the Group can meet their personal development needs and career aspirations.

In FY2022, we conducted performance appraisals for our employees and we aim to continue this practice in FY2023.

(c) Staff Training and Development

We are committed to investing in our human capital to keep their skills and knowledge current to cope with the post-COVID-19 pandemic economic recovery. Each year, we ensure that they upskill and reskill through internal and external training courses and programmes, keep abreast with industry trends and fulfil compliance-related training where relevant. Additionally, we have put in place immersion programmes lasting between three to six months to facilitate seamless integration of new hires, and align them with our mission, vision, as well as core values, and corporate cultures.

To tackle new issues and challenges brought about by the COVID-19 pandemic, employees are also encouraged to further equip their skillset with courses organised by third parties, such as ISCA and SID. Notably, we are also open to all kinds of training programmes that are beneficial to our employees, and will not hesitate to invest in the personal development and career progression of our talents.

Given the COVID-19 pandemic, all training in FY2022 was conducted online. On average, our employees have achieved an estimated three man-hours of training in FY2022.

(d) Supply Chain Management

Since the outbreak of the COVID-19 pandemic, Metech has adopted a customer-based procurement procedure by incorporating relevant assessment criteria to evaluate traders, as well as to optimise customer experiences, health, and safety. Under the post-COVID 19 pandemic economic sentiment, the Group had included customer-oriented metrics, for instance, compliance with COVID-19 measures and requirements, as well as customer satisfaction towards products provided by the traders.

Moreover, the Group also exhibits support for local suppliers and services in its procurement strategies and improves supply chain efficiency. Metech only does businesses with suppliers who have registered warehouses in Singapore and with London Metal Exchange ("LME") registered products, which reduces the Group's reliance on foreign traders and as a result, creates a shared value between the Group and community as a whole. As of FY2022, 92% of the Group's trading partners are local companies in Singapore.

Targets and Performance

We are committed to equipping our employees with the relevant skillset, knowledge, and capabilities to tap into their full potential and cultivate a collaborative mindset for the workforce of the future. We aim to set the following targets for FY2023.

Material topics	Short-Term Target (1-2 years)	Medium-Term Target (2030)
Health and Safety	Zero incidents of non-compliance with health and safety laws and regulations.	Achieve zero incidents of non-compliance with health and safety laws, as well as regulations concerning the health and safety of our office space.
Employment Practices and Compliance	Maintain low employee turnover (30%) and zero non-compliance with employment regulations.	Achieve gender equality and racial diversity as well as maintain low employee turnover (30%).
Staff Training and Development	Offer internal and external training courses that are beneficial to the personal development and career progression of our employees at all levels.	Continue providing internal and external training courses and programmes that are of interest to our employees, and increase the average of training man-hours by 10% in FY2023.
Supply Chain Management	Continue working with reputable and accredited partners.	Obtain emission data of trading partners.

Governance

At Metech, we have a zero-tolerance approach towards corruption and non-compliance. We are committed to upholding high standards of business ethics and complying with the best practices of good governance to enhance corporate sustainability. Please refer to the Corporate Governance Report set out on pages 9 to 57 of our Annual Report 2022 for details on our compliance with the Code.

Guided by the Code, we have implemented multiple sustainability measures to ensure that effective and robust governance practices are integrated into the way we make decisions and manage risks.

(a) Business Conduct and Ethics

Whistle Blowing Policy

Metech's Whistle Blowing Policy encourages the reporting of possible improprieties for employees and third parties through a defined process to raise their concerns, such as suspected bribery, violations, and misconduct. Endorsed by Audit Committee and approved by the Board of Directors, the Whistle

Blowing Policy preserves the confidentiality of the complainant's identity without fear of reprisal. Notably, new employees are briefed on key policies during orientation. Subsequently, to maintain awareness, changes will be notified in writing to the employees when they occur.

Risk Management Process

Metech also acknowledges that maintaining a sound system of risk management is crucial to safeguard the interests of the company and foster trust with our stakeholders. To keep abreast of any changes in existing regulatory requirements and maintain good corporate governance, Metech has formulated an Enterprise Risk Management ("ERM") Framework to guide the Group's management approach and mitigate sustainability-related risks.

With this systematic ERM framework in place, the Group's capabilities in identifying and mitigating any risks, coupled with competencies are continuously enhanced within the Group. To continuously enhance governance processes and raise risk awareness, ERMs are conducted to highlight and review any inadequacies in addressing material risks and attaining business sustainability.

Moving forward, we are to incorporate a Sustainability Risk Framework that is aligned to Metech's ERM to guide the Group on the specific processes and methods applied in identifying, assessing, and managing climate-related and sustainability-related risks and opportunities, including environmental and social impacts.

Legal & Regulatory Compliance

Being regulatory compliant with local laws and regulations remains a paramount priority of Metech, as it allows us to foster trust among our stakeholders and further establish our presence in the field of the lab-grown diamonds and environmental solution industry.

To ensure compliance with all relevant laws and regulations, we have engaged external legal advisors to review all our agreements and contracts and keep track of our regulatory submissions. To keep us informed of any updates to or changes in existing laws and regulations, our legal advisers will provide us with professional advice about the changes. Some examples of the laws and regulations that Metech needs to comply with and adhere to are as follows:

- Employment Act and Employment of Foreign Manpower Act;
- Companies Act;
- Catalist Rules;
- Personal Data Protection Act; and
- COVID-19 (Temporary Measures) Act 2020.

In FY2022, there were no incidents of non-compliance, and has not violated any applicable regulations in the jurisdiction in which the Group's business operates.

Anti-Corruption and Fraud

Being a Catalist-listed company on the SGX, Metech is dedicated to maintaining a high standard of business conduct and is strongly against any form of corruption. Supported by fair and open communication platforms with our stakeholders, we can achieve our sustainability goals and metrics with ethical business conduct without compromising the maximisation of our economic returns.

On top of utilising a transparent communication mechanism, we have also implemented various procedures to address and mitigate the risks of bribery and corruption within the Group. For instance, a designated officer was appointed to undertake anti-corruption due obligations for the Group, which include identifying potential ethics non-compliance incidents, reporting to the Board and the management, followed by formulating and executing escalation plans.

There were no incidents of non-compliance with anti-corruption laws and regulations in FY2022.

Targets and Performance

Metech has achieved zero cases of non-compliance or contravened any regulations during FY2022. As robust corporate governance and ethical business practices are imperative to Metech's branding, reputation, and fulfilment of sustainability objectives, the Group aims to continue its compliance with all applicable regulations and the Code of Governance.

Material topics	Short-Term Target (1-2 years)	Medium-Term Target (2030)
Business Conduct and Ethics	• Zero incidents of non-compliance with laws and regulations. • Establish Sustainability Risk Framework.	Achieve zero incidents of non-compliance with laws and regulations.

GRI Content Index

GRI Standard	Disclosure Number & Title	Page Reference & Remarks
GRI 2: General Disclosures 2021	2-1 Organisational details	Annual Report: Financial Statements (Pg 126)
	2-2 Entities included in the organisation's sustainability reporting	Annual Report: Financial Statements (Pg 126)
	2-3 Reporting period, frequency and contact point	Sustainability Report: About this report (Pg 59)
	2-4 Restatements of information	Not applicable
	2-5 External assurance	Metech has not sought external assurance for this reporting period, and may consider it in the future

GRI Standard	Disclosure Number & Title	Page Reference & Remarks
	2-6 Activities, value chain and other business relationships	Not applicable
	2-7 Employees	Sustainability Report: Social (Pg 71 – 73)
	2-8 Workers who are not employees	Not applicable
	2-9 Governance structure and composition	Sustainability Report: Governance (Pg 73 – 75)
	2-10 Nomination and selection of the highest governance body	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-11 Chair of the highest governance body	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-13 Delegation of responsibility for managing impacts	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-14 Role of the highest governance body in sustainability reporting	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-15 Conflicts of interest	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-16 Communication of critical concerns	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-17 Collective knowledge of the highest governance body	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-18 Evaluation of the performance of the highest governance body	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-19 Remuneration policies	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-20 Process to determine remuneration	Annual Report – Report of Corporate Governance (Pg 9 – 57)

GRI Standard	Disclosure Number & Title	Page Reference & Remarks
	2-21 Annual total compensation ratio	Not applicable
	2-22 Statement on sustainable development strategy	Not applicable
	2-23 Policy commitments	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-24 Embedding policy commitments	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-25 Processes to remediate negative impacts	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report – Report of Corporate Governance (Pg 9 – 57)
	2-27 Compliance with laws and regulations	Annual Report – Report of Corporate Governance (Pg 9 – 57) Sustainability Report: Social (Pg 71 – 75)
	2-28 Membership associations	Metech has memberships and association with relevant organisations
	2-29 Approach to stakeholder engagement	Sustainability Report: Stakeholder Engagement (Pg 65 – 67)
	2-30 Collective bargaining agreements	Not applicable, no collective bargaining agreements are in place
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report: Materiality Assessment (Pg 61 – 65)
	3-2 List of material topics	
	3-3 Management of material topics	

GRI Standard	Disclosure Number & Title	Page Reference & Remarks
Topic-specific disclosure		
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Annual Report: Financial Statements (Pg 80 – 152)
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainability Report: Supply Chain Management (Pg 72)
GRI 205: Anti-Corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report: Anti-corruption & Fraud (Pg 74 – 75)
	205-3 Confirmed incidents of corruption and actions taken	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report: Environmental (Pg 67 – 70)
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report: Environmental (Pg 67 – 70)
	305-4 GHG emissions intensity	
	305-5 Reduction of GHG emissions	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability Report: Supply Chain Management (Pg 72)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report: Employment Practices and Compliance (Pg 71 – 72)
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	

GRI Standard	Disclosure Number & Title	Page Reference & Remarks
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report: Health and Safety (Pg 71)
	403-6 Promotion of worker health	
	403-9 Work-related injuries	
	403-10 Work-related ill health	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Sustainability Report: Staff Training and Development (Pg 72)
	404-2 Programmes for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Sustainability Report: Employment Practices and Compliance (Pg 71 – 72)
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Report: Employment Practices and Compliance (Pg 71 – 72)
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Sustainability Report: Employment Practices and Compliance (Pg 71 – 72)
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Sustainability Report: Employment Practices and Compliance (Pg 71 – 72)

DIRECTORS' **STATEMENT**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

The directors present their statement to the members together with the audited consolidated financial statements of Metech International Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 30 June 2022 and the statement of financial position of the Company as at 30 June 2022.

In the opinion of the directors:

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as discussed in Note 3(b) to the consolidated financial statements.

1 Directors

The directors of the Company in office at the date of this statement are:

Chay Yiowmin
Samantha Hua Lei
Ricky Sim Eng Huat
Chng Hee Kok

2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other corporate body.

3 Directors' Interests in Shares or Debentures

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967 (the "Act"), the particulars of interests of directors who held office at the end of the financial year in shares or debentures of the Company, and/or of related corporations (other than wholly owned subsidiaries), are as follows:

	Shareholdings registered in the name of the director		Shareholdings in which directors are deemed to have an interest	
Name of Directors	**At the beginning of the year,or date of appointment, if later**	**At the end of the year**	**At the beginning of the year, or date of appointment, if later**	**At the end of the year**
The Company				
Number of ordinary shares				
Samantha Hua Lei	213,000	213,000	–	–
Tan Siji Macarthur[1]	2,546,793	2,546,793	2,370,769	3,649,769

(1) Resigned as Company's director on 12 July 2022.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 July 2022.

Except as disclosed in this statement, no directors who held office at the end of the financial year had interests in shares or debentures of the Company, and/or of related corporations, either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

4 Share Options

Other than the share incentive schemes as disclosed in the Report on Corporate Governance included in the Company's Annual Report and information disclosed elsewhere in the financial statements:

Options Granted

During the financial year, no options to take up unissued shares of the Company or its subsidiaries were granted.

Options Exercised

During the financial year, there were no shares of the Company or its subsidiaries issued by virtue of the exercise of options to take up unissued shares.

4 Share Options (Continued)

Unissued Shares under Option

At the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

5 Warrants

Date of issue	Warrants outstanding at 1 July 2021	Warrants issued	Warrants exercised	Warrants outstanding at 30 June 2022	Date of expiration	Exercise price per share
15 October 2019	10,000,000	–	(10,000,000)	–	14 October 2022	S$0.153
19 October 2021	–	16,673,250	(8,169,500)	8,503,750	18 October 2024	S$0.210

Each warrant entitles the warrant holder to subscribe for one new ordinary share in the Company. The warrants do not entitle the holders of the warrants, by virtue of such holdings, to any rights to participate in any share issue of any other company.

6 Audit Committee

The members of the Audit Committee at the end of the financial year were as follows:

Chay Yiowmin (Chairman)
Ricky Sim Eng Huat
Chng Hee Kok

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967, the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance and assists the Board of Directors in the execution of its corporate governance responsibilities within its established terms of reference.

The duties of the Audit Committee, amongst other things, include:

(a) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Group's/Company's system of internal accounting controls and the assistance given by the Group's/Company's management to the external and internal auditors;

6 Audit Committee (Continued)

The duties of the Audit Committee, amongst other things, include: (Continued)

(b) review the half-year announcement of financial statements, annual financial statements and the auditors' report on the annual consolidated financial statements of the Company and its subsidiaries before their submission to the Board of Directors;

(c) review the effectiveness of the Group's/Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;

(d) review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;

(e) review the cost effectiveness and the independence and objectivity of the external auditors;

(f) review the nature and extent of non-audit services provided by the external auditors;

(g) recommend to the Board of Directors the external auditors to be nominated, approve the compensation of the external auditors and review the scope and results of audit;

(h) report actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considers appropriate;

(i) review interested person transactions in accordance with the requirements of the Listing Manual Section B: Rules of Catalist of the SGX-ST; and

(j) undertake such other functions and duties as may be agreed to by the Audit Committee and the Board of Directors.

The Audit Committee, having reviewed all non-audit services (if any) provided by the independent auditors to the Group is satisfied that there were no non-audit services rendered that would affect the independence of the external auditors. The Audit Committee has also conducted a review of interested person transactions.

The Audit Committee convened three meetings during the current financial year with full attendance from all members. The Audit Committee has also met with the independent auditors, without the presence of the Company's management, at least once a year.

It is the opinion of the Board of Directors with the concurrence of the Audit Committee that the Group's internal controls including financial, operational, compliance and information technology controls, were adequate.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance included in the Company's Annual Report.

6 Audit Committee (Continued)

The Audit Committee has recommended to the Board of Directors the nomination of Moore Stephens LLP for their re-appointment as independent auditors of the Company at the forthcoming Annual General Meeting.

7 Independent Auditors

The independent auditors, Moore Stephens LLP, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

....
Chay Yiowmin
Director

....
Samantha Hua Lei
Director

Singapore
30 September 2022

INDEPENDENT **AUDITORS' REPORT**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Metech International Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (Continued)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Valuation of Property, Plant and Equipment

We refer to Note 3(h), Note 4(b)(i) and Note 12 to the consolidated financial statements.

The carrying amount of the Group's property, plant and equipment amounted to S$6,403,000 as at 30 June 2022.

During the current financial year, based on external and/or internal sources of information, there are impairment indicators for the Property, Plant and Equipment.

The Group's management determined the recoverable amounts of the individual cash-generating units using value-in-use calculations, which involved significant judgements and estimates in estimating the gross and profit margins, expected growth rate and discount rate.</td><td>Our procedures included the following:

• obtained an understanding of management's processes and controls in relation to the identification of impairment indicators and the impairment test on the Property, Plant and Equipment;

• reviewed the reasonableness of the key assumptions used in the cash flow models including expected growth rates, gross and profits margins and discount rates used and that the assumptions used are supportable taking into considerations market developments of the business;

• re-executed the calculations of the cash flow prepared by management to check the mathematical accuracy; and

• performed a sensitivity analysis and headroom analysis on the key estimates and assumptions, where necessary.

Based on our audit procedures, we found the estimates and assumptions used by management in deriving the value-in-use calculations to be reasonable.</td></tr>
<tr><td>Valuation of Inventories

We refer to Note 3(i), Note 4(b)(iii) and Note 14 to the consolidated financial statements.

The carrying amount of the Group's inventories amounted to S$483,000 as at 30 June 2022.

The Group's management measured the inventories at the lower of cost and net realisable value. In ascertaining net realisable value, significant judgements and estimates is involved in estimating the expected selling prices less the estimated costs of completion and the estimated costs to be incurred in marketing, selling and distribution.</td><td>Our procedures included the following:

• obtained an understanding of management's processes and controls in relation to the inventories management process; and

• reviewed the reasonableness of management's basis in deriving net realisable value of the inventories and that the assumptions used are supportable taking into considerations the market conditions of the business.

Based on our audit procedures, we found the estimates and assumptions used by management in deriving the net realisable value to be reasonable.</td></tr>
</table>

(Continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chan Rouh Ting.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
30 September 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group 2022 S$'000	Group 2021 S$'000
Revenue	5	**5,224**	15,757
Cost of sales		**(5,173)**	(15,466)
Gross profit		**51**	291
Other income:			
Others	6	**224**	117
Interest income	6	**2**	2
Expenses:			
Administrative expenses		**(2,670)**	(1,273)
Loss allowance on trade and other receivables		**–**	(101)
Other expenses		**(338)**	(221)
Finance costs	7	**(32)**	(39)
Loss before income tax	8	**(2,763)**	(1,224)
Income tax refund	10	**–**	17
Loss after income tax, from continuing operations		**(2,763)**	(1,207)
Profit from discontinued operations	21	**168**	–
Total loss for the year after income tax		**(2,595)**	(1,207)
Other comprehensive (loss)/income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on currency translation differences		**(183)**	94
Other comprehensive (loss)/income for the year, net of tax		**(183)**	94
Total comprehensive loss for the year		**(2,778)**	(1,113)
Loss for the year attributable to:			
Equity holders of the Company		**(1,910)**	(1,167)
Non-controlling interests		**(685)**	(40)
		(2,595)	(1,207)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		**(2,093)**	(1,073)
Non-controlling interests		**(685)**	(40)
		(2,778)	(1,113)
Basic and diluted (loss)/earnings per share (cents per share) attributed to equity holders of the Company			
Loss per share from continuing operations	11	**(1.50)**	(1.17)
Earnings per share from discontinued operations		**0.08**	–

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Group		Company	
		2022	2021	2022	2021
		S$'000	S$'000	S$'000	S$'000
ASSETS					
Non-current Assets					
Property, plant and equipment	12	**6,403**	150	**–**	–
Investments in subsidiaries	13	**–**	–	*****	*
		6,403	150	*****	*
Current Assets					
Inventories	14	**483**	–	**–**	–
Trade and other receivables	15	**285**	59	**10,560**	2,437
Cash and bank balances	16	**6,053**	2,138	**629**	46
		6,821	2,197	**11,189**	2,483
Total Assets		**13,224**	2,347	**11,189**	2,483
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	**189,134**	179,010	**189,134**	179,010
Translation reserve	17	**(157)**	26	**–**	–
Accumulated losses	17	**(179,036)**	(177,126)	**(178,388)**	(177,051)
		9,941	1,910	**10,746**	1,959
Non-controlling interest	13	**1,763**	–	**–**	–
Total Equity		**11,704**	1,910	**10,746**	1,959
LIABILITIES					
Non-current Liabilities					
Lease liabilities	20	**600**	100	**–**	–
Provisions	18	**75**	–	**–**	–
		675	100	**–**	–
Current Liabilities					
Other payables	19	**642**	285	**443**	524
Lease liabilities	20	**188**	52	**–**	–
Contract liabilities	5	**15**	–	**–**	–
		845	337	**443**	524
Total Liabilities		**1,520**	437	**443**	524
Total Equity and Liabilities		**13,224**	2,347	**11,189**	2,483

* Less than S$1,000

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Attributable to equity holders of the Company					
Group	Share capital S$'000	Translation reserve S$'000	Accumulated losses S$'000	Total S$'000	Non-controlling interest S$'000	Total Equity S$'000
2022						
Balance at 1 July 2021	**179,010**	**26**	**(177,126)**	**1,910**	**–**	**1,910**
Loss for the year	**–**	**–**	**(1,910)**	**(1,910)**	**(685)**	**(2,595)**
Other comprehensive income, net of tax						
– Exchange differences on currency translation differences	**–**	**(183)**	**–**	**(183)**	**–**	**(183)**
Total comprehensive loss for the year	**–**	**(183)**	**(1,910)**	**(2,093)**	**(685)**	**(2,778)**
Issuance of Ordinary Shares (Note 17)	**10,248**	**–**	**–**	**10,248**	**–**	**10,248**
Less: Share issue expenses	**(124)**	**–**	**–**	**(124)**	**–**	**(124)**
Investment in subsidiaries by non-controlling interests (Note 13)	**–**	**–**	**–**	**–**	**2,555**	**2,555**
Disposal of a subsidiary (Note 13)	**–**	**–**	**–**	**–**	**(107)**	**(107)**
Balance at 30 June 2022	**189,134**	**(157)**	**(179,036)**	**9,941**	**1,763**	**11,704**
2021						
Balance at 1 July 2020	179,010	(68)	(175,959)	2,983	40	3,023
Loss for the year	–	–	(1,167)	(1,167)	(40)	(1,207)
Other comprehensive income, net of tax						
– Exchange differences on currency translation differences	–	94	–	94	–	94
Total comprehensive income/(loss) for the year	–	94	(1,167)	(1,073)	(40)	(1,113)
Balance at 30 June 2021	179,010	26	(177,126)	1,910	–	1,910

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF
CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group 2022 S$'000	Group 2021 S$'000
Cash Flows from Operating Activities			
Loss before income tax, from continuing operations		**(2,763)**	(1,224)
Profit before income tax from discontinued operations		**168**	–
Adjustments for:			
Depreciation of property, plant and equipment		**190**	191
Loss allowance on trade and other receivables		**–**	101
Gain on disposal of a subsidiary		**(1)**	–
Unrealised loss on derivative contracts		**–**	44
Unrealised foreign exchange (gain)/loss		**(97)**	175
Gain on disposal of property, plant and equipment		**–**	(55)
Loss on termination of right-of-use assets		**–**	4
Interest income		**(2)**	(2)
Interest expense		**32**	39
Operating cash flows before changes in working capital		**(2,473)**	(727)
Changes in working capital:			
Inventories		**(483)**	–
Trade and other receivables and contract assets		**(268)**	121
Trade and other payables and contract liabilities		**113**	(247)
Cash used in operating activities		**(3,111)**	(853)
Interest received		**2**	2
Interest paid		**(32)**	(39)
Net cash used in operating activities		**(3,141)**	(890)
Cash Flows from Investing Activities			
Additions of property, plant and equipment		**(3,360)**	–
Proceeds from disposal of property, plant and equipment		**–**	55
Net cash flow from acquisition of a subsidiary	13	**(507)**	–
Net cash flow from disposal of a subsidiary	13	**567**	–
Net cash (used in)/generated from investing activities		**(3,300)**	55
Cash Flows from Financing Activities			
Proceeds from issuance of ordinary shares, net of share issuance expenses		**10,124**	–
Subscriptions of investment by non-controlling interests		**245**	–
Repayment of lease liabilities		**(110)**	(56)
Proceeds from loans from a third party		**–**	707
Repayment of loans from a third party		**–**	(707)
Loan from a shareholder		**–**	62
Repayment to a shareholder		**–**	(62)
Net cash generated from/(used in) financing activities		**10,259**	(56)
Net increase/(decrease) in cash and cash equivalents		**3,818**	(891)
Cash and cash equivalents at the beginning of the year		**2,138**	3,116
Effect of exchange rate changes on balances of cash held in foreign currencies		**97**	(87)
Cash and cash equivalents at the end of the year	16	**6,053**	2,138

The accompanying notes form an integral part of these financial statements

These notes form an integral part of, and should be read in conjunction with, the accompanying financial statements.

1 CORPORATE INFORMATION

Metech International Limited (the "Company") is a public limited liability company incorporated and domiciled in Singapore with its registered office and principal place of business at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523. The Company is listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 13.

2 APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)S")

(a) Application of New and Revised Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except that for the current financial year, the Group has adopted all the new and revised SFRS(I) and interpretations of SFRS(I) ("INT SFRS(I)") issued that are relevant to the Group and effective for annual financial periods beginning on or after 1 July 2021. The adoption of the new and revised SFRS(I) has had no material financial impact on the financial statements of the Group.

(b) New and Revised Standards Issued but Not Yet Effective

As at the date of authorisation of the financial statements, the Company has not adopted the following new or revised SFRS(I) that have been issued and which are relevant to the Company but will only be effective for the Company for the annual periods beginning on or after 1 July 2022. Management is in the process of assessing the impact of these new standards/amendments on the financial performance or financial position of the Company and is of the view that the adoption of these new standards/amendments will not have material impact on the consolidated financial statements in the period of initial application.

At the date of authorisation of these financial statements, the Group has not adopted the following new and revised standards applicable to the Group that have been issued but are not yet effective:

2 APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)S") (Continued)

(b) New and Revised Standards Issued but Not Yet Effective (Continued)

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-16, *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37, *Provision – Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to SFRS(I) 3, *Business Combination – Reference to the Conceptual Framework*	1 January 2022
Annual Improvements to SFRS(I)s 2018 – 2020 – SFRS(I) 9 *Financial Instruments – Fees in the '10 per cent' test for de-recognition*	1 January 2022
Amendments to SFRS(I) 1-1, *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-1, *Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements*	1 January 2023
Amendments to SFRS(I) 1-8, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023

Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*

The amendments prohibit an entity deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Amendments to SFRS(I) 1-37 *Provisions – Onerous Contracts – Cost of Fulfilling a Contract*

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

2 APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)S") (Continued)

(b) New and Revised Standards Issued but Not Yet Effective (Continued)

Amendments to SFRS(I) 3 *Business Combination*

The amendments confirm that a business must include inputs and a process. The amendments also clarify that the process must be substantive, and the inputs and process must significantly contribute to creating outputs. The revised definition of a business focuses on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs. A new optional test is available to assess whether a business has been acquired, when the value assets acquired is concentrated in a single asset or group of similar assets.

Annual improvements to SFRS(I)s 2018 – 2020 – SFRS(I) 9
Financial Instruments – Fees in the '10 per cent' test for de-recognition

This amendment clarifies that, in applying the de-recognition test for financial liabilities under paragraph B3.3.6 of SFRS(I) 9, a borrower includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*

The amendments require that the classification of liabilities as current or non-current must be based on rights that are in existence at the end of the reporting period. The classification is unaffected by management's intentions or expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments clarify that a counterparty conversion option that is recognised separately as an equity component of a compound financial instrument does not affect the classification of the associated liability component as current or non-current. All other obligations to transfer equity instruments, cash, assets and liabilities, affect the classifications. The amendments should be applied retrospectively.

Amendments to SFRS(I) 1-1
Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements

The amendments require entities to disclose their material accounting policies information rather than their significant accounting policies. It clarifies that accounting policy information may be material because of its nature, even if the related amounts are immaterial. Accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements. If an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

2 APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)S") (Continued)

(b) New and Revised Standards Issued but Not Yet Effective (Continued)

Amendments to SFRS(I) 1-8
Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a new definition of accounting estimates. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

Amendments to SFRS(I) 1-12
Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

3 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provisions of the Singapore Companies Act 1967 and SFRS(I). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(b) Going Concern Assumption

For the financial year ended 30 June 2022, the Group incurred a net loss and a total comprehensive loss of S$2,595,000 (2021: S$1,207,000) and S$2,778,000 (2021: S$1,113,000), respectively. The Group has negative cash flow in operating activities of S$3,141,000 (2021: S$890,000) for the financial year ended 30 June 2022. These conditions indicate an uncertainty exists that may cast doubt on the ability of the Group and the Company to continue as going concern and to realise their assets and discharge their liabilities in the ordinary course of business.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Going Concern Assumption (Continued)

Notwithstanding the above, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 30 June 2022 is appropriate after taking into consideration the following factors:

i. As at 30 June 2022, the Group and the Company has net current assets of S$5,976,000 (2021: S$1,860,000) and S$10,746,000 (2021: S$1,959,000) respectively and the Group and the Company has positive total equity of S$11,704,000 (2021: S$1,910,000) and S$10,746,000 (2021: S$1,959,000) respectively.

ii. Management has prepared a cash flow projection that shows the Group will have sufficient working capital for its operations for the next twelve months from 30 June 2022 and to meet its obligations as and when they fall due.

iii. The Group has been successful in raising capital and obtaining addition funds for working capital. As such, management will continue to evaluate various strategies to obtain alternative sources of finance where necessary to enable the Group to meet its obligations as and when they fall due.

(c) Group Accounting

Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three element of control.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position.

Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Group Accounting (Continued)

Acquisition of businesses

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in SFRS(I) 3.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The choice of measuring non-controlling interests at fair value or at the proportionate share of the acquiree's net assets applies only to instruments that represent present ownership interests and entitle their holders to a proportionate share of the net assets in the event of liquidation. All other components of non-controlling interests are measured at fair value unless another measurement basis is required by SFRS(I).

The excess of the sum of the fair value of the consideration transferred in the business combinations, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill on the statement of financial position.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Group Accounting (Continued)

Disposals of subsidiaries or businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard. Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Transaction with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(d) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the statement of financial position of the Company.

On disposal of investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments are recognised in profit or loss.

(e) Foreign Currencies

Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

The consolidated financial statement is presented in Singapore Dollar (S$), which is the Company's functional and presentation currency. All values are rounded to the nearest thousand (S$'000) except when otherwise indicated.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Foreign Currencies (Continued)

Transactions and balances

In preparing the financial statements of each individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss, unless they arise from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations.

Those currency translation differences are recognised in the translation reserve in the consolidated financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Translation of Group entities' financial statements

The results and financial position of each entity in the Group (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rates at the end of the reporting period;
- income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve within equity. These currency translation differences are reclassified to profit or loss on disposal (i.e. a disposal involving loss of control) of the entity giving rise to such reserve. Any currency translation differences that have been previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Foreign Currencies (Continued)

Translation of Group entities' financial statements (Continued)

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities not involving a change of accounting basis), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at the reporting date.

(f) Property, Plant and Equipment (including right-of-use assets)

Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any costs that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation

Depreciation is charged so as to write off the cost of assets over their useful lives, using the straight-line method, on the following bases:

Leasehold building	2 to 6.2 years
Renovation	5.5 years
Plant and equipment	2 to 10 years
Motor vehicle	9.1 years
Furniture and fittings and office equipment	3 years

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year and adjusted as appropriate at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property, Plant and Equipment (including right-of-use assets) (Continued)

Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. Other subsequent expenditures are recognised as repair and maintenance expenses in profit or loss during the financial year when incurred.

Disposal

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

(g) Intangible Assets

Intangible assets acquired separately are measured at cost. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least once at each financial year end. The amortisation expense on intangible assets with finite lives is recognised in profit or loss. Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(h) Impairment of Non-Financial Assets

Non-financial assets are tested for impairment whenever there is any indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment of Non-Financial Assets (Continued)

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. The amount of any write-down of inventories to net realisable value and all losses, is recognised in the period the written off or loss occurs. Cost is determined as the average cost of production, using the weighted average method. Cost includes cost of raw materials, labour and an attributable portion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs to be incurred in marketing, selling and distribution.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial Assets

Classification and measurement

The Group classifies its financial assets at amortised costs and fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Financial assets with embedded derivatives are considered in their entirety when determining their cash flows are solely payment of principal and interest.

Initial recognition

At initial recognition, the Group measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

The subsequent measurement categories depend on the Group's business model for managing the asset and the cash flow characteristics of the asset.

For debt instruments measured at amortised cost, these are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest and are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

For debt instruments measured at fair value through profit or loss, the movement in fair values and interest income is recognised in profit or loss in the period in which it arises.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial Assets (Continued)

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with the financial assets measured at amortised costs and financial guarantee contracts.

Loss allowances of the Group are measured on either of the following bases:

- 12-month expected credit loss – represents the expected credit loss that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime expected credit loss – represents the expected credit loss that will result from all possible default events over the expected life of a financial instrument or contract asset.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Simplified approach – Trade receivables

The Group applies the simplified approach to provide expected credit losses for all trade receivables as permitted by SFRS(I) 9. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

General approach – Other financial assets

The Group applies the general approach to provide for expected credit loss on all other financial assets, which requires the loss allowance to be measured at an amount equal to 12-month expected credit loss at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime expected credit loss. In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information that is reasonable and supportable, including the Group's historical experience and forward-looking information that is available without undue cost or effort.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial Assets (Continued)

Impairment (Continued)

General approach – Other financial assets (Continued)

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month expected credit loss.

The Group considers a financial guarantee contract to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating expected credit loss is the maximum contractual period over which the Group is exposed to credit risk.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. The evidence includes the observable data about the significant financial difficulty of the borrower and default or past due event.

Measurement of expected credit loss

Expected credit losses are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial Assets (Continued)

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset measured at amortised cost, the difference between the carrying amount and the net sale proceeds is recognised in profit or loss.

(k) Cash and Cash Equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, bank deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(l) Financial Liabilities

Financial liabilities include borrowings, trade and other payables, lease liabilities and derivative financial instruments. They are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

All financial liabilities, except for financial liabilities, at fair value through profit or loss, are recognised initially at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. For financial liabilities, at fair value through profit or loss, they are subsequently measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Derivatives

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

Fair value changes on derivatives that are not designated nor do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than twelve months and it is not expected to be realised or settled within twelve months. Other derivatives are presented as current assets or current liabilities.

(n) Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(o) Trade and Other Payables

Trade and other payables are initially measured at fair value, and subsequently carried at amortised cost, using the effective interest method.

(p) Borrowings

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Borrowings (Continued)

Borrowings (Continued)

Borrowings which are due to be settled within twelve months after the reporting date are included in current borrowings even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the reporting date are presented as non-current borrowings in the statement of financial position.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(r) Leases

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Leases (Continued)

When the Group is the lessee (Continued)

The Group recognised right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are presented within "Property, plant and equipment" in the consolidated statements of financial position. Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease term.

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- variable lease payments that are based on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if is reasonably certain to exercise the option; and
- payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases and account these as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- there is a change in future lease payments arising from changes in an index or rate;
- there is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a modification to the lease term.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Leases (Continued)

When the Group is the lessee (Continued)

When lease liabilities are re-measured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in the profit or loss.

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and low value assets. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are not based on an index or a rate are not included in the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

When the Group is the lessor

Leases of factory premises and equipment where the Group retains a significant portion of the risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) are recognised in profit or loss on a straight-line basis over the lease term. Contingent rents are recognised as income in profit or loss when earned.

Sub-lease arrangements where the Group acts as an intermediate lessor are classified as finance or operating leases with reference to the right-of-use asset arising from the head lease, rather than the underlying asset. Where the Group has applied the short-term lease exemption to the head lease, then the sub-lease will be classified as an operating lease.

(s) Government Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

(t) Share Capital

Ordinary shares are classified as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(u) Employee Benefits

Employee benefits are recognised as an expense, unless the costs qualify to be capitalised as an asset.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Employee Benefits (Continued)

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision for the estimated liability for annual leave is recognised for services rendered by employees up to the reporting date.

(v) Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

Revenue from the sale of goods is recognised at a point in time when the control of the goods is transferred to the end customers (i.e. when the goods are delivered in accordance with the applicable incoterms or/and terms and conditions and significant risks and rewards of ownership of the goods have been transferred to the customer).

A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due or associated costs.

Certain contracts for the sale of goods, the Group has transaction prices that include an element of consideration that is variable, which is subject to final price. The final price is dependent on the development of metal prices listed under the London Metal Exchange within a quotational period which commence upon receipt of the cargo payment or pricing deposit. For such contracts, the Group estimates the price for the amount of variable consideration to which it will be entitled in exchange for transferring the goods to the customer under the relevant contract. The variable consideration is estimated based on the expected value method – the sum of probability weighted amounts in a range of possible outcomes, as the contracts have similar characteristics. Variable consideration is only recognised as revenue when it is highly unlikely that a reversal for the sale of goods will occur.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Revenue (Continued)

Service fee

Service fee relates to the provision of management and advisory of recycling and supply chain services. Service fee is recognised over-time on completion of the service period.

(w) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reporting in the profit or loss because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Income Tax (Continued)

Deferred tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(x) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segment.

(y) Related Parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the "reporting entity").

a. A person or a close member of that person's family is related to a reporting entity if that person:

   i. has control or joint control over the reporting entity;

   ii. has significant influence over the reporting entity; or

   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Related Parties (Continued)

b. An entity is related to a reporting entity if any of the following conditions applies:

   i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

   ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

   iii. both entities are joint ventures of the same third party;

   iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

   v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;

   vi. the entity is controlled or jointly controlled by a person identified in (a);

   vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

   viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(z) Fair Value Estimation

The carrying amounts of current financial assets and current financial liabilities, carried at amortised cost, are assumed to approximate their fair values.

The fair values of financial instruments trade in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the reporting date. The quoted market prices used for financial assets held by the Group are the current bid prices and the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as estimated discounted cash flows, are also used to determine fair values of the financial instruments.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Fair Value Estimation (Continued)

The fair value of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

(aa) Discontinued Operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

(a) represents a major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumption and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management has taken into consideration the impact of Covid-19 pandemic and whether there are any indications that these assets may be impacted adversely. If any such indication existed, an estimate was made of the realisable amount and/or fair value of the relevant assets.

The Group makes estimates and assumptions concerning the figure. The resultant accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Critical Judgements in Applying the Accounting Policies

(i) Impairment of investments in subsidiaries

Management reviews the Company's investments in subsidiaries (including loan receivables from subsidiaries which are in substance part of the net investments in subsidiaries) at each reporting date to determine whether there is any indication that these investments may have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated to determine the amount of impairment loss.

The carrying amount of the Company's investments in subsidiaries as at 30 June 2022 and the allowance for impairment loss recognised are disclosed in Note 13.

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (Continued)

(b) Key Sources of Estimation Uncertainty

(i) Impairment for property, plant and equipment

Management reviews the Groups property, plant and equipment at each reporting date to determine whether there is any indication that this investment may have suffered an impairment loss. If any such indication exists, the recoverable amount of the property, plant and equipment is estimated to determine the amount of impairment loss.

During the current financial year, based on external/and or internal sources of information, there are impairment indicators for the property, plant and equipment. The Group's management determined the recoverable amounts of the individual cash-generating units using value-in-use calculations, which involved significant judgements and estimates in estimating the gross and profit margins, expected growth rate and discount rate.

At reporting date, the Group applied a discount rate of 15% to derive its value-in-use and the recoverable amounts are higher than the carrying amount of the Group's property, plant and equipment. The carrying amount of the Group's property, plant and equipment is disclosed in Note 12.

(ii) Useful life of property, plant and equipment

Property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of property, plant and equipment are disclosed in Note 3(f). These are common life expectancies for such assets. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, if any, and therefore, future depreciation charges could be revised.

The carrying amount of the Group's property, plant and equipment are disclosed in Note 12.

(iii) Valuation of inventories

The Group measures the inventories in accordance with the accounting policy as disclosed in Note 3(i). The Group's management measured the inventories at the lower of cost and net realisable value. In ascertaining net realisable value, significant judgements and estimates is involved in estimating the expected selling prices less the estimated costs of completion and the estimated costs to be incurred in marketing, selling and distribution.

There are no write off of inventories during the financial period. The carrying amount of the Group's inventories is disclosed in Note 14.

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (Continued)

(b) Key Sources of Estimation Uncertainty (Continued)

(iv) Loss allowance for trade and other receivables

The Group measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 3(j). In making this estimation and judgement, the Group evaluates, among other factors, the ageing analysis of receivables, the financial healthiness and collection history of individual debtors and expected future change of credit risks, including the consideration of factors such as general economy measure, changes in macro-economic indicators, etc.

The carrying amount of the Group's and the Company's trade and other receivables at 30 June 2022 are disclosed in Note 15. The information about the expected credit losses on the Group's trade and other receivables are disclosed in Note 15 and Note 25(c).

5 REVENUE

Disaggregation of revenue from contract with customers

The Group's revenue is disaggregated by principal geographical areas, major product and service line and timing of revenue recognition. This is consistent with the revenue information as disclosed in Note 24.

	Group	
	2022 S$'000	**2021 S$'000**
Principal geographical market		
People's Republic of China	**1,916**	–
Singapore	**3,291**	15,757
Others	**17**	–
	5,224	15,757
Major product or service line and time of recognition		
Performance obligations satisfied at a point in time		
Sale of goods – Lab-grown diamonds	**2,782**	–
Sale of goods – Nickel and Gold Ingot and jewellery setting	**2,442**	15,757
	5,224	15,757

5 REVENUE (Continued)

Contract balances

	Group	
	2022 **S$'000**	**2021** **S$'000**
Contract liabilities		
Advances from customers	**15**	–

Advances from customers relate to deposits received from customers held by the Group for future sale of goods. The advances from customers are interest-free and are not secured by any collateral.

Significant changes in contract liabilities balances during the financial year are as follows:

	Group	
	2022 **S$'000**	**2021** **S$'000**
Contract liabilities		
Balance at 1 July	**–**	–
Advance payment recognised as sales	**15**	–
Balance at 30 June	**15**	–

6 OTHER INCOME

	Group	
	2022 **S$'000**	**2021** **S$'000**
Foreign exchange gain/(loss) – unrealised/realised	**213**	(90)
Government grants income*	**10**	41
Gain on disposal of a subsidiary	**1**	–
Rental of building and plant and equipment income – operating leases	**–**	111
Gain on disposal of property, plant and equipment	**–**	55
	224	117
Interest income	**2**	2
	226	119

* includes grants received due to Covid-19 pandemic.

7 FINANCE COSTS

	Group	
	2022 S$'000	2021 S$'000
Interest expense on:		
– lease liabilities	**27**	7
– loans from third party	**5**	30
– loans from a shareholder	**–**	2
	32	39

8 LOSS BEFORE INCOME TAX

	Group	
	2022 S$'000	2021 S$'000
This is arrived at after (crediting)/charging:		
Cost of inventories	**(5,173)**	(15,466)
Operating lease expenses		
– included in administrative expenses	**–**	24
Depreciation of property, plant and equipment		
– included in administrative expenses	**190**	24
– included in other expenses	**–**	167
Employee benefits (including directors' remuneration)		
– included in administrative expenses (Note 9)	**1,065**	644
Directors' fees	**169**	169
Low value assets written off	**10**	–
Advertising and exhibition expenses	**444**	–
Travelling expenses	**204**	5
Entertainment expenses	**59**	2
Professional fees		
– included in administrative expenses	**313**	128
– included in other expenses	**337**	–
Unrealised losses on future contracts	**–**	44
Fees on audit services paid/payable to:		
– Auditors of the Company	**90**	76

There were no non-audit fees paid/payable to the auditors of the Company during the financial years ended 30 June 2022 and 2021.

9 EMPLOYEE BENEFITS EXPENSES

	Group	
	2022 S$'000	**2021 S$'000**
Employee benefits comprised:		
– Salaries and bonuses	**946**	576
– Employer's contribution to Central Provident Fund	**106**	62
– Other short-term employee benefits	**13**	6
	1,065	644

10 INCOME TAX

	Group	
	2022 S$'000	**2021 S$'000**
Current income tax	**–**	–
Over-provision in prior year	**–**	(17)
	–	(17)

A reconciliation of the effective tax rate to the Group's tax rate applicable to loss before income tax for the financial years are as follows:

	Group	
	2022 S$'000	**2021 S$'000**
Loss before income tax, from continuing operations	**(2,763)**	(1,224)
Tax at the applicable tax rate of 17% (2021: 17%)	**(470)**	(208)
Income not subject to tax	**(47)**	(272)
Tax effect of non-deductible items	**9**	96
Deferred tax benefits not recognised	**508**	384
Over-provision in prior year	**–**	(17)
	–	(17)

The Group's applicable tax rate used for the reconciliation above is the corporate tax rate of 17% (2021: 17%) payable by corporate entities in Singapore on taxable profits under the relevant tax regulation. The remaining corporate entities of the Group operating in jurisdictions other than the above have either no taxable income or are not material.

10 INCOME TAX (Continued)

As at the reporting date, the Group has unutilised tax losses and capital allowances of approximately S$28,871,000 and S$4,785,000 (2021: S$25,886,000 and S$4,785,000), respectively, that are available for offset against future taxable profits of those corporate entities of the Group in which these tax losses arose. The use of these unutilised tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax regulation of the respective countries in which the corporate entities of the Group operate. The unutilised tax losses have no expiry dates.

The deferred tax assets arising from these unutilised tax losses and capital allowances of approximately S$5,722,000 (2021: S$5,214,000) have not been recognised in accordance with the Group's accounting policy in Note 3(w).

11 LOSS PER SHARE

(a) Basic loss per share

	Group	
	2022 S$'000	**2021 S$'000**
Loss for the year attributable to equity holders of the Company used in the computation of basic loss per share (S$'000)		
Loss for the year, from continuing operations	**(2,011)**	(1,167)
Profit for the year, from discontinued operations	**101**	–
	(1,910)	(1,167)
Weighted average number of ordinary shares for the purpose of computation of basic loss per share ('000)	**134,077**	100,040
Basic and diluted (loss)/earnings per share (cents per share)		
Loss per share, from continuing operations	**(1.50)**	(1.17)
Earnings per share, from discontinued operations	**0.08**	–

(b) Diluted loss per share

For the purpose of calculating diluted loss per share, net loss from continuing operations, attributable to equity holders of the Company and the weighted average number of ordinary shares in issue are adjusted for the effects of all potential dilutive ordinary shares.

As at 30 June 2022, the Company has outstanding 8,503,750 (2021: 10,000,000) warrants that are convertible into 8,503,750 (2021:10,000,000) ordinary shares, at the exercise price of S$0.210 (2021: S$0.153) per share.

11 LOSS PER SHARE (Continued)

(b) Diluted loss per share (Continued)

There are no further potential dilutive shares during the financial years ended 30 June 2022 and 2021.

Diluted loss per share is the same as basic earnings per share for the financial year ended 30 June 2022 and 2021. The warrants issued were anti-dilutive during the financial year ended 30 June 2022 and 2021.

12 PROPERTY, PLANT AND EQUIPMENT

	Leasehold building S$'000	Renovation S$'000	Plant and equipment S$'000	Motor vehicles S$'000	Furniture and fittings S$'000	Total S$'000
Group						
Cost						
Balance at 1 July 2020	112	–	1,706	–	–	1,818
Additions	163	–	–	–	–	163
Disposals/Written off	(112)	–	(1,706)	–	–	(1,818)
Balance at 30 June 2021	163	–	–	–	–	163
Additions	634	765	4,720	300	24	6,443
Additions relating to acquisition of a subsidiary (Note 13)	–	–	–	5	–	5
Disposals relating to disposal of a subsidiary (Note 13)	–	–	–	(5)	–	(5)
Currency translation differences	*	–	–	*	–	*
Balance at 30 June 2022	797	765	4,720	300	24	6,606
Less: Accumulated depreciation and impairment						
Balance at 1 July 2020	33	–	1,539	–	–	1,572
Depreciation for the year	24	–	167	–	–	191
Disposals/Written off	(44)	–	(1,706)	–	–	(1,750)
Balance at 30 June 2021	13	–	–	–	–	13
Depreciation for the year	116	12	39	22	1	190
Currency translation differences	*	–	–	*	*	*
Balance at 30 June 2022	129	12	39	22	1	203

12 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold building S$'000	Renovation S$'000	Plant and equipment S$'000	Motor vehicles S$'000	Furniture and fittings S$'000	Total S$'000
Carrying amount						
Balance at 30 June 2022	668	753	4,681	278	23	6,403
Balance at 30 June 2021	150	–	–	–	–	150

* Not material to adjust.

Right-of-use assets acquired under leasing arrangement are presented together with the owned assets of the same class. During the current financial year, the property, plant and equipment included S$813,000 (2021: S$163,000) additions of right-of-use assets. The purchase of the motor vehicle of S$300,000 are partially paid in cash amounting to $121,000 and the remaining amounts are under leasing arrangement.

During the current financial year, the additions of plant and machinery included the non-cash contribution by non-controlling shareholders amounting to S$2,270,000.

During the financial year ended 30 June 2021, the Group disposed S$68,000 right-of-use assets under leasing arrangements (Note 20) and recognised gain on disposal of property, plant and equipment amounting S$55,000 in profit or loss.

13 INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 S$'000	**2021 S$'000**
Equity investments, at cost	**22,600**	22,600
Less: Impairment losses	**(22,600)**	(22,600)
	*****	*
Impairment losses on equity investments – Balance at 30 June	**(22,600)**	(22,600)

* Less than S$1,000

13 INVESTMENTS IN SUBSIDIARIES (Continued)

(a) The details of the subsidiaries held by the Group and the Company are as follows:

Name of Company/ country of incorporation	Principal activities	Percentage of effective equity interest held by the Group 2022 %	2021 %
Held by the Company			
Metech Recycling (Singapore) Pte. Ltd.[1] Singapore	Provision of a one-stop recycling and processing service centre for the electronics industry and the trading of plastics and non-precious metal materials	**100**	100
Metech Dynamics Pte. Ltd. (formerly known as Nolash Tech Pte. Ltd.) [1] Singapore	General wholesale trade (including general importers and exporters) and wholesale trade of a variety of goods without a dominant product	**100**	100
Asian Agritech Pte. Ltd.[3] Singapore	Carry out circular economy marketing, advisory and management services in relation to recycling and trading in Singapore and PRC	**–**	51
Asian Green Tech Pte. Ltd.[1] Singapore	Engineering design and consultancy services in energy management and clean energy system	**100**	100
Held by Metech Dynamics Pte. Ltd.			
Zhongxin Minghua (Shanghai) International Trade Co., Ltd (formerly known as Nolash Tech (Shanghai) Co., Ltd).[2] People's Republic of China	General wholesale trade	**100**	100
Held by Asian Green Tech Pte. Ltd.			
Asian Eco Technology Pte. Ltd.[1] Singapore	Manufacturing and distribution of lab-grown diamonds	**51**	–

(1) Audited by Moore Stephens LLP, Singapore.
(2) Audited by Moore Stephens LLP, Singapore for the purposes of consolidation.
(3) Stuck off during the current financial year.

13 INVESTMENTS IN SUBSIDIARIES (Continued)

(b) Incorporation of subsidiaries

On 27 September 2021, the Group, through its wholly-owned subsidiary, Asian Green Tech Pte. Ltd., incorporated a 51.0% owned subsidiary, Asian Eco Technology Pte. Ltd. in Singapore. Asian Eco Technology Pte. Ltd. has a total of issued and paid-up capital of S$5,132,650 divided into 5,132,650 ordinary shares. The non-controlling shareholder contributed S$245,000 paid in cash and S$2,270,000 non-cash contribution for the addition of plant and machinery.

On 17 August 2020, the Company incorporated a wholly-owned subsidiary, Asian Green Tech Pte. Ltd. in Singapore. Asian Green Tech Pte. Ltd. has an issued and paid-up capital of S$100 divided into 100 ordinary shares.

(c) Additional investment in a subsidiary

During the current financial year, the Group's wholly-owned subsidiary, Metech Dynamics Pte. Ltd. further invested S$400,000 to its subsidiary, Zhongxin Minghua (Shanghai) International Trade Co., Ltd.

(d) Acquisition and disposal of a subsidiary

On 21 September 2021, the Group acquired 60.0% equity interests in Blufu Water (Xinmin) Co., Ltd, a company incorporated in the People's Republic of China from a third party. The total purchase consideration amounted to S$516,000, paid in cash.

In the same financial year, the Group disposed its entire interest in Blufu Water (Xinmin) Co. Ltd to a third party for a cash consideration of S$618,000, paid in cash.

13 INVESTMENTS IN SUBSIDIARIES (Continued)

(d) Acquisition and disposal of a subsidiary (Continued)

Assets and liabilities recognised as a result of the acquisition/disposal

	Date of acquisition 2022 S$'000	Date of disposal 2022 S$'000
Carrying amounts of assets and liabilities		
Cash and bank balances	9	51
Intangible assets – goodwill	–	456
Property, plant and equipment (Note 12)	5	5
Trade and receivables	268	647
Contract assets	336	–
Trade and other payables	(518)	(435)
Total identifiable net assets recognised/ de-recognised	100	724
Less: Non-controlling interests		(107)
Total net assets disposed off		617
Purchase consideration	516	
Add: Non-controlling interests	40	
Less: Net assets acquired/disposed	(100)	
Goodwill arising on acquisition	456	
Net assets disposed off		617
Gain on disposal of subsidiary		1
Cash proceeds on disposal		618
Effect on cash flows of the Group		
Cash (paid)/received	(516)	618
Add/Less: Cash and cash equivalents	9	(51)
Net cash (outflow)/inflow	(507)	567

The goodwill arose in the initial acquisition included amounts in relation for the benefit of expected synergies, revenue growth of the entity and these was subsequently included as part of the consideration on disposal of the entity in the same year.

13 INVESTMENTS IN SUBSIDIARIES (Continued)

(d) Acquisition and disposal of a subsidiary (Continued)

Impact of acquisitions on the results of the Group

Included in the profit for the year is S$168,000 and revenue for the period includes S$388,000 attribute to the additional business generated by Blufu Water (Xinmin) Co., Ltd.

Had this business combination been effected from 1 July 2021 up to the disposal as disclosed under Note 21, the revenue of the Group from continuing operations would have been S$5,645,000, and the loss for the year from continuing operations would have been S$2,611,000. The Directors of the Group consider these ‘pro-forma’ numbers to present an approximate measure of the performance of the combined Group on an annualised basis and to provide a reference point for comparison in the future.

(e) Interest in subsidiaries with material non-controlling interests

The Group has the following subsidiaries that have material non-controlling interests as at the reporting date:

	Asian Eco Technology Pte. Ltd. (49%) 2022 S$'000	Blufu Water (Xinmin) Co., Ltd. (40%) 2022 S$'000
Investments by non-controlling interests during the year	2,515	40
(Loss)/profit allocated to non-controlling interests	(752)	67
Accumulated non-controlling interest at 30 June 2022	1,763	–

13 INVESTMENTS IN SUBSIDIARIES (Continued)

(e) Interest in subsidiaries with material non-controlling interests (Continued)

Summarised financial information (before intragroup eliminations) in respect of subsidiaries with material non-controlling interests is set out below:

	Asian Eco Technology Pte. Ltd. 2022 S$'000
Summarised Statement of Financial Position	
Non-current assets	**6,028**
Current assets	**2,306**
Non-current liabilities	**(488)**
Current liabilities	**(4,248)**
Net assets	**3,598**
Summarised Statement of Profit or Loss and Other Comprehensive Income	
Revenue	**2,782**
Expenses	**(4,317)**
Loss and total comprehensive loss for the year	**(1,535)**
Summarised Cash Flow	
Net cash used in operating activities	**(1,860)**
Net cash used in investing activities	**(3,239)**
Net cash generated from financing activities	**6,680**

During the financial year ended 30 June 2021, the share of loss for the year and total comprehensive loss attributable to non-controlling interest amounted to S$40,000. The summarised financial information of Asian Agritech Pte. Ltd. below represents amounts before elimination.

	Asian Agri-Tech Pte. Ltd. 2021 S$'000
Current assets	*
Current liabilities	–
Revenue	–
Expenses (including tax expenses)	(84)
Loss for the year	(84)

13 INVESTMENTS IN SUBSIDIARIES (Continued)

(e) Interest in subsidiaries with material non-controlling interests (Continued)

	Asian Agri-Tech Pte. Ltd. 2021 S$'000
Loss attributable to owners of the Company	(44)
Loss attributable to the non-controlling interests	(40)
	(84)
Total comprehensive (loss)/income attributable to owners of the Company	(44)
Total comprehensive (loss)/income attributable to the non-controlling interests	(40)
	(84)
Net cash inflow from operating activities	*
Net cash inflow from financing activities	*
Net cash inflow	–

* Less than S$1,000

14 INVENTORIES

	Group	
	2022 S$'000	2021 S$'000
Raw materials, at cost	**314**	–
Finished goods, at cost	**169**	–
	483	–

During the financial year, finished goods recognised in cost of sales amounted to S$5,173,000.

15 TRADE AND OTHER RECEIVABLES

		Group		Company	
		2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Trade receivables	(a)	**14**	101	**–**	–
Less: Allowances for impairment losses		**–**	(101)	**–**	–
		14	–	**–**	–
Other receivables:					
Amounts due from subsidiaries (non-trade)	(b)	**–**	–	**15,149**	6,711
Other receivables – third parties	(c)	**1,238**	1,226	**–**	–
Margin trading account:	(d)				
– Margin deposit		**–**	57	**–**	–
– Unrealised loss on derivative contracts		**–**	(44)	**–**	–
		–	13	**–**	–
Government grants receivable		**–**	3	**–**	3
Deposits	(e)	**102**	25	**–**	4
Advances	(f)	**138**	–	**–**	–
		1,478	1,267	**15,149**	6,718
Less: Allowances for impairment losses		**(1,226)**	(1,226)	**(4,603)**	(4,296)
Financial assets		**252**	41	**10,546**	2,422
Prepayments		**18**	14	**14**	14
GST receivable		**1**	4	**–**	1
		271	59	**10,560**	2,437
Total trade and other receivables		**285**	59	**10,560**	2,437

(a) Trade receivables

Trade receivables are non-interest bearing and generally has credit of 30 to 90 (2021: 30 to 90) day terms. Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses as disclosed in the accounting policy Note 3(j). There has been no change in the estimation techniques or significant assumptions made during the current reporting period. None of the trade receivables that have been written off is subject to enforcement activities.

The Group's credit risk exposure in relation to trade receivables are set out in the provision matrix as presented below. The Group's provision for loss allowance is based on past due as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

15 TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

	Lifetime expected loss rate %	Gross carrying amounts S$'000	Lifetime expected credit losses S$'000	Net carrying amounts S$'000
Group				
Current				
2022	*	14	*	14
2021	*	101	(101)	–

* Insignificant expected loss rate.

The movements in the allowance account used to record the impairment loss during the financial years are as follows:

	Group	
	2022 S$'000	2021 S$'000
Balance at 1 July	**101**	–
Impairment loss recognised in profit or loss	**–**	101
Write off impairment loss	**(101)**	–
Balance at 30 June	**–**	101

(b) Amounts due from subsidiaries (non-trade)

Except for a non-trade balance of S$3,450,000 due from subsidiaries as at 30 June 2022, which is non-trade in nature, unsecured, interest bearing at 6% per annum and repayable by 22 October 2023, the remaining non-trade balance of S$11,699,000 (2021: S$6,711,000) due from subsidiaries are unsecured, interest-free and repayable on demand.

The movements in the allowance account used to record the impairment loss during the financial years are as follows:

	Company	
	2022 S$'000	2021 S$'000
Balance at 1 July	**4,296**	2,618
Allowance for the year	**307**	1,678
Balance at 30 June	**4,603**	4,296

15 TRADE AND OTHER RECEIVABLES (Continued)

(c) Other receivables – third parties

As at 30 June 2022 and 30 June 2021, included in other receivables were amounts totalling S$1,162,000 due from a former subsidiary that was disposed of in the financial year ended 30 June 2019. The gross amounts of S$1,162,000 has been fully impaired in the previous financial year ended 30 June 2019.

The movements in the allowance account used to record the impairment loss during the financial year are as follows:

	Group	
	2022 S$'000	2021 S$'000
Balance at 1 July	**1,226**	1,226
Impairment loss	**–**	–
Balance at 30 June	**1,226**	1,226

(d) Margin trading account

Precious metals and currencies traded by the Group are subjected to fluctuations due to a number of factors that result in price risk. The Group purchased derivative contracts with the purpose of managing market exposure to adverse price movements in the precious metals and/or currencies. The fair values of derivative contracts traded in active markets were based on quoted market prices at the reporting date. These financial assets were included in Level 1.

The details of the derivative contracts outstanding as at the reporting date were as follows:

	Group 2021	
	Contract notional amount S$'000	Fair value S$'000
Derivative contracts at Fair value through profit or loss		
– Paper transactions on futures contracts – metals	147	*

* Less than S$1,000

15 TRADE AND OTHER RECEIVABLES (Continued)

(e) Deposit

Deposits mainly relate to deposits paid by the Group for the leasing of the office, factory premises and plant and equipment.

(f) Advances

These includes total advances amounting to S$138,000 due from non-controlling interests relating to advance payments for suppliers of inventories and business travelling expenses.

16 CASH AND BANK BALANCES

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Cash and bank balances	**6,053**	2,138	**629**	46

Bank balances are interest-bearing. Interest earned during the current and previous financial years are considered insignificant.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprised the cash and bank balances of the Group as set out above.

17 SHARE CAPITAL

	Group and Company			
	2022 No. of ordinary shares '000	2022 Amount S$'000	2021 No. of ordinary shares '000	2021 Amount S$'000
Issued and fully paid:				
Balance at 1 July	100,040	179,010	100,040	179,010
Issuance of ordinary shares	51,516	10,248	–	–
Share issue expenses	–	(124)	–	–
Balance at 30 June	151,556	189,134	100,040	179,010

17 SHARE CAPITAL (Continued)

Ordinary shares of the Company have no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

During the current financial year, the following transactions are entered:

- Issuance of 33,346,500 ordinary shares via placement of 33,346,500 shares at S$0.210 per share.
- Issuance of 16,673,250 warrants ("2021 Warrants"), of which 8,169,500 warrants have been exercised and 8,169,500 ordinary shares issued at S$0.210 per share.
- Exercised of 10,000,000 warrants ("2019 Warrants") and 10,000,000 ordinary shares issued at S$0.153 per share.

During the current financial year, the Group issued 51,516,000 ordinary shares for a total aggregate consideration of S$10,248,000. As at reporting date, 8,503,750 "2021 Warrants" (2021: 10,000,000 "2019 Warrants") remained outstanding.

Translation reserve and accumulated losses

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

The movements during the financial years are disclosed in the Group's consolidated statement of changes in equity.

18 PROVISIONS

	Group	
	2022 S$'000	**2021 S$'000**
Balance at 1 July	**–**	–
Additions for reinstatement costs	**75**	–
Balance at 30 June	**75**	–

19 OTHER PAYABLES

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Sundry creditors	**237**	33	**29**	7
Accruals for:				
– professional fees	**166**	207	**133**	62
– staff costs	**141**	35	**77**	107
– other costs	**65**	5	**36**	45
Deposits	**5**	5	**–**	–
GST payable	**28**	–	**16**	–
Amount due to subsidiaries	**–**	–	**152**	303
Total	**642**	285	**443**	524

The amounts due to subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand.

20 LEASE LIABILITIES

The Group have made period lease payments for buildings for the purpose of office, factory and residential usage and plant and equipment. These are recognised within property, plant and equipment (Note 12).

The carrying amounts of right-of-use assets classified within property, plant and equipment are as follows:

	Group	
	2022 S$'000	2021 S$'000
Leasehold buildings	**668**	150
Motor vehicles	**278**	–
	946	150

20 LEASE LIABILITIES (Continued)

Additions of right-of-use assets classified within property, plant and equipment during the financial year are S$813,000 (2021: S$163,000).

During the financial year ended 30 June 2021, the disposal of right-of-use assets classified within property, plant and equipment arising from termination of leased properties amounted to S$68,000. The Group de-recognised the corresponding lease liabilities amounted to S$64,000 and recognised loss on termination of right-of-use assets amounted to S$4,000 in profit or loss.

Depreciation charges on right-of-use assets classified within property, plant and equipment during the financial year are as follows:

	Group	
	2022 S$'000	**2021 S$'000**
Leasehold buildings	**116**	24
Motor vehicles	**22**	–
	138	24

Amounts recognised in the consolidated statement of comprehensive income and consolidated statements of cash flows are as follows:

	Group	
	2022 S$'000	**2021 S$'000**
Interest expenses on lease liabilities	**27**	7
Expenses relating to short-term leases	**–**	24
Total cash outflows for leases (excluding short-term leases)	**110**	56

The Group recognised lease liabilities as follows:

	Group	
	2022 S$'000	**2021 S$'000**
Lease liabilities:		
Current	**188**	52
Non-current	**600**	100
	788	152

21 DISCONTINUED OPERATIONS

As disclosed in Note 13 (d), the Group disposed its entire interest in Blufu Water (Xinmin) Co. Ltd in the same year it acquired the 60.0% equity interest. The principal activities of Blufu Water (Xinmin) Co. Ltd is that of provision of wastewater treatment services.

The results of the discontinued operations, included in the consolidated statement comprehensive income are set out below.

	Group	
	2022 S$'000	2021 S$'000
Profit for the year from discontinued operations		
Revenue	**388**	–
Other income	**1**	–
Expenses	**(221)**	–
Profit before income tax	**168**	–
Income tax expense	**–**	–
	168	–
Cash flows from discontinued operations		
Net cash inflows from operating activities	**42**	–

22 CASH FLOWS ARISING FROM FINANCING ACTIVITIES

The reconciliation of movement of liabilities to cash flows arising from financing activities are presented below:

Group	Lease liabilities S$'000	Total S$'000
2022		
At 1 July 2021	**152**	152
Proceeds	**–**	–
Repayment	**(110)**	(110)
Non-cash changes		
Adjustment to property, plant and equipment, less provisions	**738**	738
Exchange differences	**8**	8
At 30 June 2022	**788**	788

22 CASH FLOWS ARISING FROM FINANCING ACTIVITIES (Continued)

The reconciliation of movement of liabilities to cash flows arising from financing activities are presented below (Continued):

Group	Loan from a shareholder S$'000	Borrowings loans S$'000	Lease liabilities S$'000	Total S$'000
2021				
At 1 July 2020	–	–	109	109
Proceeds	62	707	–	769
Repayment	(62)	(707)	(56)	(825)
Non-cash changes				
Adjustment to property, plant and equipment	–	–	99	99
At 30 June 2021	–	–	152	152

23 RELATED PARTIES TRANSACTIONS

There are transactions and arrangements between the Group and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. In addition to the transactions and balances disclosed elsewhere in the financial statements, related party transactions include the following:

(a) Key Management Personnel Compensation

	Group	
	2022 S$'000	2021 S$'000
Key management personnel compensation comprised:		
– Short-term employee benefits	**354**	424
– Central Provident Fund contributions	**133**	35
– Fees to Directors of the Company	**169**	169
	656	628
Comprised amounts paid/payable to:		
– Directors of the Company	**523**	562
– Other key management personnel	**133**	66
	656	628

23 RELATED PARTIES TRANSACTIONS (Continued)

(b) Other Related Party Transactions

	Group	
	2022 S$'000	**2021 S$'000**
A shareholder of the Group		
Loan advanced to the Group	–	62
Repayment from the Group	–	(62)
With a non-controlling interest by the Group's subsidiary		
Sales	**1,061**	–
Purchases	**(770)**	–
Purchase of property, plant and equipment	**(4,678)**	–
Purchase of inventories	**(314)**	–
With a non-controlling interest by the Company		
Board advisor fee paid*	**36**	–
Consultants' fees paid (including CPF)*	**49**	–

* Paid for the financial year ended 30 June 2022, became a non-controlling interest on 17 April 2022.

During the financial year ended 30 June 2021, a shareholder of the Group provided an advance of RMB300,000 (S$62,000) to the Group, at interest rate of 9% per annum with interest expenses amounted S$2,000 and the amounts have been fully repaid by the Group in June 2021.

24 OPERATING SEGMENTS

The Group has three reportable segments, Lab-Grown Diamond, Supply-Chain Management and services and Corporate (2021: two reportable segments, Supply-Chain Management and services and Corporate) which are the Group's strategic business units. For each of the strategic business units, the Group's Chief Executive Officer (CEO) reviews and monitors the operating results of these strategic business units separately for the purpose of internal management reports on a monthly basis to make strategic decisions.

Segments

– Lab-Grown Diamond segment consists of manufacturing and distribution of lab-grown diamonds, commence during the current financial year ended 30 June 2022.

– Supply-Chain Management and services segment provides general wholesale trading of metal products, provides management and advisory of recycling and supply chain services.

– Corporate segment consists of investment holding company which does not meet any of the quantitative threshold for determining a reportable segment.

24 OPERATING SEGMENTS (Continued)

Information regarding the results of each reportable segment is included below. Performance is measured based on segment results before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment results before income tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The following is an analysis of the Group's revenue and results by reportable segments:

2022	Lab-Grown Diamond S$'000	Supply-Chain Management S$'000	Corporate S$'000	Total S$'000
Group				
Segment revenue	**2,782**	**2,442**	**–**	**5,224**
Depreciation of property, plant and equipment	**(115)**	**(75)**	**–**	**(190)**
Finance costs	**(14)**	**(18)**	**–**	**(32)**
Segment results	**(1,672)**	**(33)**	**(1,058)**	**(2,763)**
Capital expenditure	**6,143**	**300**	**–**	**6,443**

2021	Supply-Chain Management S$'000	Corporate S$'000	Total S$'000
Group			
Segment revenue	15,757	–	15,757
Depreciation of property, plant and equipment	(24)	(167)	(191)
Gain on disposal of plant and equipment	–	55	55
Loss allowance on trade and other receivables	(101)	–	(101)
Unrealised loss on future contracts	(44)	–	(44)
Finance costs	(39)	–	(39)
Segment results	(110)	(1,114)	(1,224)
Capital expenditure	163	–	163

24 OPERATING SEGMENTS (Continued)

	Group	
	2022 S$'000	2021 S$'000
Segment assets		
Lab-Grown Diamond	**8,334**	–
Supply-Chain Management and services	**3,414**	2,279
Corporate	**1,476**	68
Consolidated total segment assets	**13,224**	2,347
Segment liabilities		
Lab-Grown Diamond	**870**	–
Supply-Chain Management and services	**304**	215
Corporate	**346**	222
Consolidated total segment liabilities	**1,520**	437

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Group's revenue from external customers		Group's non-current assets	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Singapore	**3,291**	15,757	**6,403**	150
People's Republic of China	**1,916**	–	**–**	–
Germany	**17**	–	**–**	–
	5,224	15,757	**6,403**	150

Major customers

Included in revenue arising from Lab-Grown Diamond and Supply-Chain Management and services segment of S$5,224,000 (2021: S$15,757,000), were revenues of approximately S$5,004,000 (2021: S$15,612,000) which arose from sales to 3 (2021: 3) major customer(s) during the relevant financial years.

25 FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Group is exposed to financial risks arising from its operations. The key financial risks include price risk, credit risk, foreign currency risk and liquidity risk.

Financial risk management is carried out by management under policies approved by the Board of Directors. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management of the Group.

(a) Price risk

Commodities traded by the Group are subject to fluctuations due to a number of factors that result in price risk. The Group purchases and sells various derivative products with the purpose of managing market exposure to adverse price movements in these commodities. The Group has established policies and exposure limits that restrict the amount of unhedged fixed price physical positions in each commodity.

(b) Foreign currency risk

The Group operates in various countries. It is exposed to foreign exchange risk as it maintains its assets and liabilities in various currencies. Exposure to currency risk is monitored on an on-going basis and the Group endeavors to keep its net exposure at an acceptable level.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Singapore Dollar ("SGD"), US Dollar ("USD") and Renminbi ("RMB").

To manage the foresaid foreign currency risk, the Group maintains a natural hedge, whenever possible, by depositing foreign currency proceeds from sales into foreign currency bank accounts which are primarily used for payments of purchases in the same currency denomination.

25 FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(b) Foreign currency risk (Continued)

The Group's foreign currency exposure based on the information provided to key management is as follows:

	SGD S$'000	USD S$'000	RMB S$'000	Total S$'000
Group				
2022				
Financial assets				
Trade and other receivables	**252**	**12**	**2**	**266**
Cash and bank balances	**2,240**	**3,555**	**258**	**6,053**
	2,492	**3,567**	**260**	**6,319**
Financial liabilities				
Other payables	**(613)**	**–**	**(29)**	**(642)**
Lease liabilities	**(788)**	**–**	**–**	**(788)**
	(1,401)	**–**	**(29)**	**(1,430)**
Net financial assets	**1,091**	**3,567**	**231**	**4,889**
Less: Net financial (assets) denominated in the respective entities' functional currencies	**(1,301)**	**(2,710)**	**(231)**	**(4,242)**
Currency exposure	**(210)**	**857**	**–**	**647**
2021				
Financial assets				
Trade and other receivables	40	–	1	41
Cash and bank balances	97	2,021	20	2,138
	137	2,021	21	2,179
Financial liabilities				
Other payables	(276)	–	(9)	(285)
Lease liabilities	(152)	–	–	(152)
	(428)	–	(9)	(437)
Net financial (liabilities)/assets	(291)	2,021	12	1,742
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	196	(1,990)	(12)	(1,806)
Currency exposure	(95)	31	–	(64)

25 FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(b) Foreign currency risk (Continued)

The Group's foreign currency exposure based on the information provided to key management is as follows: (Continued)

If USD strengthen/weaken by 5% against SGD, with all other variables including tax being held constant, the effect arising from the net financial assets/(liabilities) position on the Group's loss before income tax is considered insignificant.

The Company has not disclosed its exposure to foreign currency risk as the Company's exposure is considered insignificant.

(c) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables and contract assets. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 120 days or there is significant difficulty of the counterparty.

The credit risk concentration profile of the Group's trade receivables and contract assets as at the reporting date are as follows:

	Group	
	2022 S$'000	2021 S$'000
Trade receivables by country:		
– Germany	**14**	–

The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

25 FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(c) Credit risk (Continued)

Trade receivables

As disclosed in Note 3(j), the Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Further details on the loss allowance of the Group's credit risk exposure in relation to the trade receivables is disclosed in Note 15.

Cash and bank balances

The cash and bank balances are entered into with bank and financial institution counterparties, which are rated A3, based on rating agency ratings. Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The Group uses a similar approach for assessment of expected credit losses for cash and bank balances to those used for debt investments. The amount of the allowance on cash and bank balances was considered insignificant.

Other receivables

For the purpose of impairment assessment, other than as disclosed elsewhere in the financial statements, other receivables are considered to have low credit risk as there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected loss basis.

In determining the expected credit loss allowance, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Other than as disclosed elsewhere in the financial statements, there has been no change in the estimation techniques or significant assumptions made during the current reporting period in measuring the loss allowance using 12-month expected credit loss.

25 FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(c) Credit risk (Continued)

Credit risk grading guideline

The Group's management has established the Group's internal credit risk grading to the different exposures according to their degree of default risk. The internal credit risk grading which are used to report the Group's credit risk exposure to key management personnel for credit risk management purposes are as follows:

Internal rating grades	Definition	Basis of recognition of expected credit loss
i. Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
ii. Under-performing	There has been a significant increase in credit risk since initial recognition (i.e. interest and/or principal repayment are more than 30 days past due)	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired (i.e. interest and/or principal repayments are more than 90 days past due)	Lifetime ECL (credit impaired)
iv. Write-off	There is evidence indicating that there is no reasonable expectation of recovery as the debtor is in severe financial difficulty (i.e. interest and/or principal repayments are more than 180 days past due)	Asset is written off

25 FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(c) Credit risk (Continued)

Credit risk exposure and significant credit risk concentration

The credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating grades, is presented as follows:

	Internal credit rating	Expected credit loss (ECL)	Gross carrying amount	Expected credit loss allowance	Net carrying amount
			S$'000	S$'000	S$'000
Group					
2022					
Trade receivables	Note A	Lifetime ECL (Simplified)	14	–	14
Other receivables	Performing	12-month ECL	114	–	114
Other receivables	Non-Performing	Lifetime ECL (Credit impaired)	1,226	(1,226)	–
2021					
Trade receivables	Note A	Lifetime ECL (Simplified)	101	(101)	–
Other receivables	Performing	12-month ECL	41	–	41
Other receivables	Non-Performing	Lifetime ECL (Credit impaired)	1,226	(1,226)	–

25 FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(c) Credit risk (Continued)

Credit risk exposure and significant credit risk concentration (Continued)

	Internal credit rating	Expected credit loss (ECL)	Gross carrying amount	Expected credit loss allowance	Net carrying amount
			S$'000	S$'000	S$'000
Company					
2022					
Other receivables	Performing	12-month ECL	–	*	–
Other receivables	Non-Performing	Lifetime ECL (Credit impaired)	15,149	(4,603)	10,546
2021					
Other receivables	Performing	12-month ECL	–	–	–
Other receivables	Non-Performing	Lifetime ECL (Credit impaired)	6,718	(4,296)	2,422

* Not material to adjust.

Note A – The Group has applied the simplified approach to measure the loss allowance at lifetime expected credit loss. The details of the loss allowance for these financial assets are disclosed in Note 15.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Further discussion on the Group's liquidity is disclosed in Note 3(b).

Other than the maturity profiles of the lease liabilities and borrowings disclosed in the relevant notes, the financial liabilities of the Group and the Company as at the reporting date are mostly repayable on demand or within the next one year.

25 FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(e) Fair value of financial instruments

Fair value measurements recognised in the statement of financial position

The Group has established control framework with respect to the measurement of fair values. This framework includes the finance team that reports directly to the Group's key management, and has overall responsibility for all significant fair value measurements, including Level 3 fair values.

The finance team regularly reviews significantly unobservable inputs and valuation adjustments. If third party confirmation, such as broker quotes or pricing services, is used to measure fair value, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SFRS(I)s, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Company's Audit Committee.

Fair value hierarchy

The financial instruments that are measured subsequent to initial recognition at fair value are required disclosure of fair value measurements by level of the following fair value measurement hierarchy:

i. Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

ii. Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

iii. Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There was no transfer between Level 1 and 2 during the current and previous financial years.

Other financial assets and financial liabilities

For other non-current financial assets and financial liabilities, their carrying amounts are assumed to approximate fair values as management does not anticipate that the carrying amounts recorded at the reporting date would be significantly different from the amounts that would eventually be received or settled.

The fair values of financial assets and financial liabilities with a maturity of less than one year are assumed to approximate their carrying amounts because of the short-term maturity of these financial instruments.

26 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital with reference to a net debt-to-equity ratio. The Group's strategies are to maintain a prudent balance between the advantage and flexibility afforded by a strong capital position and the higher return on equity that are possible with greater leverage. The Group's overall strategy remains unchanged from the previous financial year.

The net debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities (excluding income tax payable) less cash and bank balances. Total equity includes all capital and reserves of the Group that are managed as capital.

	Group	
	2022	**2021**
	S$'000	**S$'000**
Net debts	**(4,533)**	(1,701)
Total equity	**11,704**	1,910
Net debt-to-equity ratio	**N.M.**	N.M.

* N.M. – Not meaningful as cash and bank balances are higher than total liabilities less income tax payable.

27 EVENTS AFTER THE REPORTING DATE

On 2 June 2022, the Company entered into a sale and purchase an call option agreement with X Diamond Capital Pte. Ltd., one of the shareholders of the Company's 51% owned subsidiary, Asian Eco Technology Pte. Ltd., to acquire up to 51.0% interests in X Diamond Capital Pte. Ltd. The proposed acquisition has not been finalised at the date of this report.

STATISTICS OF **SHAREHOLDINGS**

AS AT 27 SEPTEMBER 2022

No of Shares issued	:	151,555,655
Voting Rights	:	1 Vote per shares (excluding treasury shares and subsidiary holdings)
Class of Shares	:	Ordinary shares
Treasury Shares	:	Nil
Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	3,952	34.89	154,822	0.10
100 – 1,000	5,300	46.78	1,739,907	1.15
1,001 – 10,000	1,605	14.17	5,083,115	3.35
10,001 – 1,000,000	449	3.96	28,779,711	18.99
1,000,001 AND ABOVE	23	0.20	115,798,100	76.41
TOTAL	**11,329**	**100.00**	**151,555,655**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	19,537,104	12.89
2	DBS NOMINEES (PRIVATE) LIMITED	15,306,541	10.10
3	NG ENG TIONG	14,261,500	9.41
4	ANG POH GUAN	11,910,000	7.86
5	XIANG TAO	6,757,250	4.46
6	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	6,492,466	4.28
7	FORT CANNING (ASIA) PTE LTD	5,030,000	3.32
8	IFAST FINANCIAL PTE. LTD.	4,106,021	2.71
9	APZENITH CAPITAL PTE LTD	3,625,769	2.39
10	TAN NG KUANG	3,115,840	2.06
11	WU YONGQIANG	3,025,300	2.00
12	LIM BOK HOO	3,000,000	1.98
13	TAN KIM TJIO @ TAN KIM CHOW	2,966,400	1.96
14	TAN SIJI MACARTHUR	2,226,793	1.47
15	UOB KAY HIAN PRIVATE LIMITED	2,078,164	1.37
16	PHILLIP SECURITIES PTE LTD	2,072,852	1.37
17	LIM HEAN NERNG	1,983,100	1.31
18	TAN HWEE KHENG	1,677,400	1.11
19	ZHONG BIHUA	1,548,100	1.02
20	LIM LIANG MENG	1,500,000	0.99
	TOTAL	**112,220,600**	**74.06**

Based on the information available to the Company as at 27 September 2022, approximately 61.06% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Catalist Rules has been complied with.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
SIMON ENG[(1) (2) (3)]	21,915,677	14.46	8,581,469	5.66
NG ENG TIONG	14,261,500	9.41	–	–
ANG POH GUAN	11,910,000	7.86	–	–
NG CHENG HUAT[(4)]	10,935,400	7.21	–	–

1 Mr. Simon Eng has 20,435,377 shares under his nominee account with Citibank Nominees Singapore Pte. Ltd. and 1,480,300 shares registered under his SRS account.

2 Mr. Simon Eng is deemed interested in 4,955,700 shares held by his spouse, Ms. Hau Chan Yen and 3,625,769 shares held by Apzenith Capital Pte. Ltd. in which he is a shareholder with 67% shareholding interests.

3 Mr. Simon Eng signed a sale and purchase agreement to sell 22,915,677 shares to X Diamond Capital Pte. Ltd. on 29 September 2022. X Diamond Capital Pte. Ltd. is owned by Mr. Deng Yiming, Ms. Xu Kang and Mr. Yang Hanyu, who are each accordingly deemed interested in the shares of the Company acquired by X Diamond Capital Pte. Ltd..

4 Mr. Ng Cheng Huat has 10,935,400 shares under his nominee account with DBS Bank Ltd.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS
Chay Yiowmin
(Independent Non-Executive Chairman)
Samantha Hua Lei
(Executive Director and Chief Executive Officer)
Ricky Sim Eng Huat
(Independent Director)
Chng Hee Kok
(Independent Director)

AUDIT COMMITTEE
Chay Yiowmin (Chairman)
Ricky Sim Eng Huat
Chng Hee Kok

NOMINATING COMMITTEE
Ricky Sim Eng Huat (Chairman)
Chay Yiowmin
Chng Hee Kok

REMUNERATION COMMITTEE
Chng Hee Kok (Chairman)
Chay Yiowmin
Ricky Sim Eng Huat

COMPANY SECRETARY
Gn Jong Yuh Gwendolyn

REGISTERED OFFICE
100G Pasir Panjang Road
#04-07 Interlocal Centre
Singapore 118523
Tel: +65 6250 4518
Email: info@metechinternational.com
Website: www.metechinternational.com

AUDITORS
Moore Stephens LLP
10 Anson Road #29-15
International Plaza
Singapore 079903

AUDIT PARTNER-IN-CHARGE
Chan Rouh Ting
(Appointed since financial year ended 30 June 2020)

PRINCIPAL BANKERS
CIMB Bank Berhad
HL Bank

CONTINUING SPONSOR
Novus Corporate Finance Pte. Ltd.
7 Temasek Boulevard,
#18-03B Suntec Tower 1,
Singapore 038987

SHARE REGISTRAR
In.Corp Corporate Services Pte. Ltd.
30 Cecil Street #19-08
Prudential Tower
Singapore 049712

metech
铭泰国际

METECH INTERNATIONAL LIMITED

Company Registration No. : 199206445M
100G Pasir Panjang Road
#04-07 Interlocal Centre
Singapore 118523
Telephone : +65 6250 4518
Email : info@metechinternational.com
Website : www.metechinternational.com

metech

铭泰国际

METECH INTERNATIONAL LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Metech International Limited (the "**Company**") will be convened and held at Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 21 October 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2022, together with the Independent Auditors' Report thereon.
(Ordinary Resolution 1)

2. To re-elect Mr Chng Hee Kok, who is retiring under Regulation 89 of the Company's Constitution, as a Director of the Company. **(Ordinary Resolution 2)**

   Mr Chng Hee Kok will, upon re-election as a Director of the Company, remain as an Independent Director of the Company and the Chairman of the Remuneration Committee, member of the Audit Committee and Nominating Committee. Mr Chng Hee Kok will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist. Information relating to Mr Chng Hee Kok as required under Rule 720(5) of the Rules of Catalist in relation to his re-election may be found on pages 27 – 34 of the Annual Report.

3. To note the retirement of Mr. Ricky Sim Eng Huat pursuant to Regulation 89 of the Company's Constitution.
[See Explanatory Note (a)]

4. To approve the payment of the sum of S$220,000 as Directors fees for the financial year ending 30 June 2023, to be paid quarterly in arrears. (FY2022: S$274,000)
[See Explanatory Note (b)] **(Ordinary Resolution 3)**

5. To re-appoint Messrs Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Share Issue Mandate**

That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Rules of Catalist**") and notwithstanding the provisions of the Company's Constitution, authority be given to the Directors of the Company to:

(a) (i) allot and issue new shares in the capital of the Company (the "**Shares**") (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options (collectively, the "**Instruments**") that might or would require Shares to be allotted and issued, including but not limited to the creation, allotment and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) allot and issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force,

Provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent. of the total number of issued shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

(A) new Shares arising from the conversion or exercise of any Instruments or any convertible securities;

(B) new Shares arising from the exercising of share options or vesting of share award, provided that the share options or the share awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and

(C) any subsequent bonus issue, consolidation or sub-division of Shares;

any adjustments made in accordance with sub-paragraphs (ii)(A) or (ii)(B) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Resolution.

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Act and the Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution for the time being; and

(iv) (unless revoked or varied by the Company in general meeting) such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (c)] **(Ordinary Resolution 5)**

8. **Authority to Offer and Grant Awards and Allot and Issue Shares under the Metech International Limited Performance Share Plan**

That the Directors of the Company be authorised to:

(a) offer and grant awards (the "**Awards**") in accordance with the provisions of the Metech International Limited Performance Share Plan (the "**Plan**") and pursuant to Section 161 of the Act:

(i) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to the vesting of the Awards under the Plan; and

(ii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to any Awards granted by the Directors in accordance with the Plan while the authority conferred by this resolution was in force, and

(b) subject to the same being allowed by law, apply any Shares purchased under any share purchase mandate and to deliver such existing Shares (including treasury Shares) towards the satisfaction of Awards granted under the Plan,

Provided that:

the aggregate number of Shares to be issued or transferred pursuant to the Awards under the Plan on any date, when aggregated with the number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued Shares of the Company excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares on the day preceding that date.
[See Explanatory Note (d)]. **(Ordinary Resolution 6)**

9. **Authority to Offer and Grant Options and Allot and Issue Shares under the Metech International Limited Employee Share Option Scheme**

That the Directors of the Company be authorised to:

(a) offer and grant options (the "**Options**") in accordance with the provisions of the Metech International Limited Employee Share Option Scheme (the "**Scheme**") and pursuant to Section 161 of the Act:

(i) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to the vesting of the Options under the Scheme; and

(ii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) to allot and issue from time to time such number of fully-paid new Shares as may be required to be delivered pursuant to any Options granted by the Directors in accordance with the Scheme while the authority conferred by this resolution was in force, and

(b) subject to the same being allowed by law, apply any Shares purchased under any share purchase mandate and to deliver such existing Shares (including treasury Shares) towards the satisfaction of Options granted under the Scheme, Provided that:

the aggregate number of Shares to be issued or transferred pursuant to the Options under the Scheme on any date, when aggregated with the number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued Shares of the Company excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares on the day preceding that date.
[See Explanatory Note (e)]. **(Ordinary Resolution 7)**

By Order of the Board

Samantha Hua Lei
Executive Director and CEO
6 October 2022

Explanatory Notes:

(a) Mr Ricky Sim Eng Huat will retire by rotation at the Annual General Meeting pursuant to Regulation 88 of the Company's Constitution and will not be offering himself for re-election. Accordingly, Mr Ricky Sim Eng Huat will cease to be the Non-Executive and Independent Director, Chairman of the Nominating Committee and member of the Remuneration Committee and Audit Committee after the conclusion of the Annual General Meeting.

(b) **Ordinary Resolution 3** is to request shareholders' approval for payment of Directors' fees on a current year basis, calculated based on a basic fee and the number of chairmanships and memberships on board committees and assuming that all non-executive Directors will hold office for the full year.

(c) **Ordinary Resolution 5** if passed, is to empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the day by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of Shares to be issued pursuant to resolution 5 (including Shares to be issued in pursuance of Instruments made or granted) shall not exceed one hundred per cent (100%) of the total number of issued Shares excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares of the Company, with a sub-limit of fifty per cent (50%) for Shares issued other than a *pro rata* basis (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to shareholders.

(d) **Ordinary Resolution 6** if passed, is to authorise the Directors of the Company to (a) offer and grant Awards in accordance with the provisions of the Plan and pursuant to section 161 of the Act; and (b) subject to the same being allowed by law, apply any Shares purchased under any share purchase mandate and to deliver such existing Shares (including treasury Shares) towards the satisfaction of Awards granted under the Plan, provided always that the aggregate number of Shares to be issued or transferred pursuant to the Awards under the Plan on any date, when aggregated with the number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued Shares of the Company excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares on the day preceding that date.

(e) **Ordinary Resolution 7** if passed, is to authorise the Directors of the Company to (a) offer and grant Options in accordance with the provisions of the Scheme and pursuant to section 161 of the Act; and (b) subject to the same being allowed by law, apply any Shares purchased under any share purchase mandate and to deliver such existing Shares (including treasury Shares) towards the satisfaction of Options granted under the Scheme, provided always that the aggregate number of Shares to be issued or transferred pursuant to the Options under the Scheme on any date, when aggregated with the number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed fifteen per cent (15%) of the total number of issued Shares of the Company excluding subsidiary holdings (as defined in the Rules of Catalist) and treasury Shares on the day preceding that date.

Important Notes to Shareholders on arrangements for the Annual General Meeting:

1. The Annual General Meeting ("**AGM**") will be held at Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 21 October 2022 at 10.00 a.m.. **There will be no option for Shareholders to participate virtually.**

2. Printed copies of this Notice of AGM, the Proxy Form and the Annual Report for the financial year ended 30 June 2022 (the "**FY2022 Annual Report**") will not be sent to Shareholders. This Notice of AGM, Proxy Form and the FY2022 Annual Report may be accessed at the Company's website at the URL https://www.metechinternational.com. This Notice of AGM, Proxy Form and the FY2022 Annual Report are also available on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

3. Alternative arrangements relating to attendance at the AGM, submission of comments, queries and/or questions to the Company in advance of the AGM, addressing of substantial and relevant comments, queries and/or questions prior to the AGM and voting by appointing a proxy, are set out in this Notice of AGM under the section below titled "*Summary of Key Dates and Times*".

4. **A Shareholder (whether individual or corporate) may vote live at the AGM or may appoint a proxy, including the Chairman of the AGM, to attend, speak and vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM.** The Proxy Form for the AGM may be accessed at the Company's website at the URL https://www.metechinternational.com and is also available on SGXNET at the URL https://www.sgx.com/securities/company-announcements. Where a Shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of proxy for that resolution will be treated as invalid. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM or at any adjournment thereof.

   Only Shareholders of the Company or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.

5. CPF/SRS investors who wish to appoint a proxy or the Chairman of the AGM as proxy should approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the AGM by 5.00 p.m. on 11 October 2022 (that is, at least seven working days before the date of the AGM).

6. Shareholders or their appointed proxy (other than the Chairman of the AGM) of the Company may speak and raise questions at the AGM. Shareholders of the Company may also submit questions relating to the resolutions tabled for approval at the AGM, together with their full name (as per CDP/CPF/SRS/Scrip-based records), identification number (e.g. NRIC/Passport/Company Registration Number), shareholding type (e.g. CDP/CPF/SRS/Scrip-based), email address and contact number to enable the Company (or its agents or service providers) to authenticate their status as Shareholders of the Company, in the following manner:

   (a) via post, be lodged with the Company's registered office at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523; or

   (b) via email, be submitted to the Company's email at shareholder@metechinternational.com,

   in either case, by **5.00 p.m. (Singapore Time), on 13 October 2022**. The Company will endeavour to address all substantial and relevant questions (determined by the Company in its sole discretion) received by **10.00 a.m. (Singapore Time), on 15 October 2022** (that is, at least 72 hours prior to the closing date and time for the lodgement of the Proxy Forms).

7. A proxy, including the Chairman of the AGM, need not be a Shareholder of the Company.

8. The Proxy Form must be submitted to the Company in the following manner:

   (a) via post, be lodged with the Company's registered office at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523; or

   (b) via email, be submitted to the Company's email at shareholder@metechinternational.com,

   in any case, by **10.00 a.m. on 18 October 2022** at (that is, not less than 72 hours before the time fixed for holding the AGM). A Shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means.**

Summary of Key Dates and Times

Dates and Times	Action to be taken by Shareholders of the Company
By 5.00 p.m. (Singapore Time) on 11 October 2022	**Deadline for CPF and SRS investors.** CPF/SRS investors who wish to appoint a proxy or the Chairman of the AGM as proxy to approach their respective CPF agent banks, SRS operators or relevant intermediaries to submit their votes and/or questions relating to the resolutions tabled for approval at the AGM.
By 5.00 p.m. (Singapore Time) on 13 October 2022	**Deadline for Shareholders to submit questions.** Shareholders of the Company may submit questions relating to the Ordinary Resolutions tabled for approval at the AGM in the following manner: (a) via post to the Company's registered address at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523; or (b) via email to shareholder@metechinternational.com.
By 10.00 a.m. (Singapore Time) on 15 October 2022	**Addressing questions.** The Company will endeavour to address all substantial and relevant questions received from Shareholders relating to the Ordinary Resolutions set out in the Notice of AGM by 15 October 2022, which will be published on the Company's website at the URL www.metechinternational.com and SGXNet at the URL https://www.sgx.com/securities/company-announcements.
By 10.00 a.m. (Singapore Time) on 18 October 2022	**Deadline for submission of Proxy Forms.** Shareholders of the Company to submit the completed and signed Proxy Forms in the following manner: (a) via post, be lodged with the Company's registered office at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523; or (b) via email, be submitted to the Company's email at shareholder@metechinternational.com. Shareholders of the Company are strongly encouraged to submit the completed and signed Proxy Forms via email.
10.00 a.m. (Singapore Time) on 21 October 2022	**AGM.** Shareholders of the Company or their appointed proxy(ies) may attend the AGM at Raffles Marina, 10 Tuas West Drive, Singapore 638404. **Voting.** Shareholders or their appointed proxy(ies) may vote live on the Ordinary Resolutions tabled at the AGM.
By 10.00 a.m. (Singapore Time) on 21 November 2022	**Minutes of AGM.** The Company will publish the minutes of AGM on the Company's website at the URL www.metechinternational.com and on SGXNet at the URL https://www.sgx.com/securities/company-announcements within one month after the AGM.

Personal data privacy:

By attending the AGM of the Company and/or any adjournment thereof and/or submitting the Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

PROXY FORM

IMPORTANT
1. Pursuant to Section 181(1C) of the Companies Act, Relevant Intermediaries (as defined in the Companies Act) may appoint more than 2 proxies to attend, speak and vote at the Annual General Meeting.
2. CPF Investors and SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. 11 October 2022 (that is, at least seven working days before the date of the AGM).
3. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by CPF Investors and SRS Investors.

I/We* ______________________ (Name) ______________________ (NRIC/Passport/Company Registration Number)

of ____ (Address)
being a Shareholder/Shareholders* of **METECH INTERNATIONAL LIMITED** (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholding**	
		No. of Shares	**%**
Address			

and/or*

Name	**NRIC/Passport No.**	**Proportion of Shareholding**	
		No. of Shares	**%**
Address			

or failing him/her*, the Chairman of the Annual General Meeting of the Company ("**AGM**"), as my/our* proxy/proxies* to attend and vote for me/us* on my/our behalf* at the AGM to be convened and held at Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 21 October 2022 at 10.00 a.m. and at any adjournment thereof in the following manner:

No.	**Ordinary Resolutions relating to:**	**For**	**Against**	**Abstain**
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2022, together with the Auditors' Report thereon			
2.	To re-elect Mr Chng Hee Kok as a Director of the Company			
3.	To approve the payment of the sum of S$220,000 as Directors fees for the financial year ending 30 June 2023			
4.	To re-appoint Messrs Moore Stephens LLP as Auditors of the Company			
5.	To approve the Share Issue Mandate			
6.	To approve the authority to offer and grant share awards and allot and issue shares under the Metech International Limited Performance Share Plan			
7.	To approve the authority to offer and grant options and allot and issue shares under the Metech International Limited Employee Share Option Scheme			

* Delete as appropriate

If you wish to appoint a proxy to cast all your votes "For" or "Against" a resolution, please indicate with a tick [√] within the box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box in respect of that resolution. If you wish to appoint the proxy to abstain from voting on a resolution, please indicate with a tick [√] in the "Abstain" box in respect of that resolution. Alternatively, please indicate the number of shares that the proxy is directed to abstain from voting in the "Abstain" box in respect of that resolution. **If no specific direction as to voting is given, the appointment of the Chairman of the AGM as proxy for the resolution will be treated as invalid. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM or at any adjournment thereof.**

Dated this ________ day of ____________________ 2022.

Total number of Shares in:	**Number of Shares**
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s) and/or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ THE NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. The Annual General Meeting ("**AGM**") will be held at Raffles Marina, 10 Tuas West Drive, Singapore 638404 on 21 October 2022 at 10.00 a.m.. **There will be no option for Shareholders to participate virtually.**

2. Printed copies of the Notice of AGM, this Proxy Form and the Annual Report for the financial year ended 30 June 2022 (the "**FY2022 Annual Report**") will not be sent to Shareholders. The Notice of AGM, this Proxy Form and the FY2022 Annual Report may be accessed at the Company's website at the URL https://www.metechinternational.com. The Notice of AGM, this Proxy Form and the FY2022 Annual Report are also available on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

3. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the SFA), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.

4. **A Shareholder (whether individual or corporate) may vote live at the AGM or may appoint a proxy, including the Chairman of the AGM, to attend, speak and vote on his/her/its behalf at the AGM if such Shareholder wishes to exercise his/her/its voting rights at the AGM.** The Proxy Form for the AGM may be accessed at the Company's website at the URL https://www.metechinternational.com and is also available on SGXNET at the URL https://www.sgx.com/securities/company-announcements. Where a Shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of proxy for that resolution will be treated as invalid. In addition, if no specific direction as to voting is given for the individual(s) named above, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM or at any adjournment thereof.

   Only Shareholders of the Company or their appointed proxy(ies) who have been successfully verified will be entitled to attend the AGM.

5. CPF Investors and SRS Investors who wish to appoint a proxy or the Chairman of the AGM as proxy should approach their respective CPF Agent Banks, SRS operators or relevant intermediaries to submit their votes by 5.00 p.m. on 11 October 2022 to allow sufficient time for their respective relevant intermediaries to, in turn, submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date at 10.00 a.m., on 18 October 2022.

6. A proxy, including the Chairman of the AGM, need not be a Shareholder of the Company.

7. The Proxy Form must be submitted to the Company in the following manner:

   (a) via post, be lodged with the Company's registered office at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523; or

   (b) via email, be submitted to the Company's email at shareholder@metechinternational.com,

   in any case, by 10.00 a.m. on 18 October 2022 (that is, not less than 72 hours before the time fixed for holding the AGM). A Shareholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. **Shareholders are strongly encouraged to submit the completed Proxy Forms by way of electronic means.**

8. Where the Proxy Form is executed by an individual, it must be executed under the hand of the individual or his attorney duly authorised. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

9. Where the Proxy Form is executed under the hand of an attorney duly authorised, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.

GENERAL:

The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the Shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by the Central Depository (Pte) Limited to the Company. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the AGM.

PERSONAL DATA PRIVACY:

By attending the AGM of the Company and/or any adjournment thereof and/or submitting the Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.