



(Company Registration No. 199206445M)

Metech International Limited

Condensed interim financial statements
For the six months and full year ended 30 June 2021



(Company Registration No. 199206445M)

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		Inc/(Dec)	Group		Inc/(Dec)
		6 months ended	6 months ended		12 months ended	12 months ended	
		30/06/2021	30/06/2020		30/06/2021	30/06/2020	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	4	13,307	98	nm	15,757	27,469	(42.6)
Cost of sales		(13,051)	-	nm	(15,466)	(26,948)	(42.6)
Gross profit		256	98	161.2	291	521	(44.2)
Gross profit margin		1.9 %	- %		1.8 %	1.9 %	
Other income:							
Others	6	132	500	(73.6)	117	1,038	(88.7)
Interest income		-	6	(100.0)	2	18	(88.9)
Administrative expenses		(532)	(472)	12.7	(1,273)	(1,303)	(2.3)
Loss allowance on trade and other receivables		-	(5)	(100.0)	(101)	(37)	173.0
Other expenses		(48)	(510)	(90.6)	(221)	(1,028)	(78.5)
Finance costs		(29)	(19)	52.6	(39)	(183)	(78.7)
Loss before income tax	7	(221)	(402)	(45.0)	(1,224)	(974)	25.7
Income tax expense	8	-	(17)	(100.0)	17	(17)	nm
Loss after income tax		(221)	(419)	(47.3)	(1,207)	(991)	21.8
Other comprehensive (loss)/income, net of income tax:							
Foreign currency translation difference		(48)	113	nm	94	98	(4.1)
Total comprehensive loss, for the financial period		(269)	(306)	(12.1)	(1,113)	(893)	24.6
Total comprehensive loss attributable to:							
Equity holders of the Company		(269)	(346)	(22.3)	(1,073)	(1,031)	4.1
Non-controlling interest		-	40	(100.0)	(40)	40	nm
		(269)	(306)		(1,113)	(991)	
Total loss per share, for the period attributable to the owners of the company							
Basic (in cents)		(0.221)	(0.419)		(1.207)	(1.020)	
Diluted (in cents)		(0.221)	(0.419)		(1.207)	(1.020)	

nm = not meaningful

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		As at 30/06/2021 S\$'000	As at 30/06/2020 S\$'000	As at 30/06/2021 S\$'000	As at 30/06/2020 S\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	150	246	-	-
Subsidiaries		-	-	-	-
		<u>150</u>	<u>246</u>	<u>-</u>	<u>-</u>
Current Assets					
Trade receivables		-	99	-	-
Other receivables		59	226	2,437	4,764
Cash and cash equivalents		2,138	3,116	46	104
		<u>2,197</u>	<u>3,441</u>	<u>2,483</u>	<u>4,868</u>
Total Assets		<u>2,347</u>	<u>3,687</u>	<u>2,483</u>	<u>4,868</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share Capital	12	179,010	179,010	179,010	179,010
Other reserves		26	(68)	-	-
Accumulated losses		(177,126)	(175,959)	(177,051)	(174,878)
		<u>1,910</u>	<u>2,983</u>	<u>1,959</u>	<u>4,132</u>
Non-controlling interest		-	40	-	-
Total Equity		<u>1,910</u>	<u>3,023</u>	<u>1,959</u>	<u>4,132</u>
LIABILITIES					
Non-Current Liabilities					
Lease liabilities		<u>100</u>	<u>63</u>	<u>-</u>	<u>-</u>
Current Liabilities					
Other payables		285	538	524	736
Lease liabilities		52	46	-	-
Income tax payable		-	17	-	-
		<u>337</u>	<u>601</u>	<u>524</u>	<u>736</u>
Total Liabilities		<u>437</u>	<u>664</u>	<u>524</u>	<u>736</u>
Total Equity and Liabilities		<u>2,347</u>	<u>3,687</u>	<u>2,483</u>	<u>4,868</u>

The Group had no external debt and borrowings as of 30 June 2021 and 30 June 2020.

C. Condensed interim statements of changes in equity

The Group	Note	Currency		Accumulated	Total	Non-controlling interest	Total
		Share Capital	Translation Reserve				
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
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 -							
Foreign currency translation		-	94	-	94	-	94
Total comprehensive income/(loss) for the financial period		-	94	(1,167)	(1,073)	(40)	(1,113)
Balance at 30 June 2021		179,010	26	(177,126)	1,910	-	1,910
2020							
Balance at 1 July 2019		177,480	(166)	(174,928)	2,386	-	2,386
(Loss)/profit for the year		-	-	(1,031)	(1,031)	40	(991)
Other comprehensive income -							
Foreign currency translation - discontinued operations		-	98	-	98	-	98
Total comprehensive income/(loss) for the financial period		-	98	(1,031)	(933)	40	(893)
Share placement		1,530	-	-	1,530	-	1,530
Subscription of interests in a subsidiary		-	-	-	-	-*	-*
Balance at 30 June 2020		179,010	(68)	(175,959)	2,983	40	3,023

* Less than 1,000

The Company	Accumulated		
	Share Capital	Losses	Total
	S\$'000	S\$'000	S\$'000
2021			
Balance at 1 July 2020	179,010	(174,878)	4,132
Loss for the year	-	(2,173)	(2,173)
Total comprehensive loss for the financial period	-	(2,173)	(2,173)
Balance at 30 June 2021	179,010	(177,051)	1,959
2020			
Balance at 1 July 2019	177,480	(175,245)	2,235
Loss for the year	-	367	367
Total comprehensive loss for the financial period	-	367	367
Share placement	1,530	-	1,530
Balance at 30 June 2020	179,010	(174,878)	4,132

D. Condensed interim consolidated statement of cash flows

	Group		Group	
	6 months ended 30 June 2021 S\$'000	6 months ended 30 June 2020 S\$'000	12 months ended 30 June 2021 S\$'000	12 months ended 30 June 2020 S\$'000
Cash flow from operating activities				
Loss before income tax	(221)	(402)	(1,224)	(974)
Adjustments for:				
Depreciation of property, plant and equipment	13	92	191	181
Impairment loss on property, plant and equipment	-	164	-	164
Gain on disposal of property, plant and equipment	-	-	(55)	-
Loss allowance on trade and other receivables	-	5	101	37
Payables written off	-	(7)	-	(7)
Reinstatement expenses for leased premises	-	76	-	118
Provision for restoration cost	-	(210)	-	(210)
Unrealised loss on futures contracts	57	22	44	-
Loss/(Gain) on foreign currency exchange - unrealised	10	(145)	175	(187)
Loss on termination of right-of-use assets	-	-	4	-
Interest income	-	(6)	(2)	(18)
Interest expense	29	19	39	183
Operating loss before working capital changes	(112)	(392)	(727)	(713)
Changes in operating assets and liabilities				
Inventories	-	-	-	13
Trade and other receivables	41	1,102	121	7,535
Trade and other payables	84	(1,213)	(247)	(3,419)
Cash generated from/(used in) operations	13	(503)	(853)	3,416
Interest received	-	6	2	18
Interest paid	(29)	(50)	(39)	(183)
Net cash (used in)/generated from operating activities	(16)	(547)	(890)	3,251
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	-	-	55	-
Net cash generated from investing activities	-	-	55	-
Cash flows from financing activities				
Proceeds from issuance of ordinary shares	-	-	-	1,530
Repayment of lease liabilities	(11)	(241)	(56)	(53)
(Repayment of)/Proceeds from third parties loan - net	-	(1,950)	-	(4,939)
Net cash used in financing activities	(11)	(2,191)	(56)	(3,462)
Net decrease in cash and cash equivalents	(27)	(2,738)	(891)	(211)
Cash and cash equivalents at beginning of financial period	2,252	5,881	3,116	3,354
Effect of currency translation on cash and cash equivalents	(87)	(27)	(87)	(27)
Cash and cash equivalents at end of the period	2,138	3,116	2,138	3,116

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Metech International Limited (the "Company") is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the "Group").

The primary activity of the Company is that of investment holding. The principal activities of the subsidiaries are provision of general wholesale trading of copper cathode and products, management and advisory of recycling and supply chain services.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The Group changed its useful life of plant and equipment from 2 to 10 years to 2 to 8 years based on expected remaining useful life of the assets. As a result of this, the assets were fully depreciated as at 31 December 2020. Upon disposal of the assets, the Group recorded proceeds of S\$55,000 and a corresponding gain of S\$55,000 in profit or loss.

Other than the above change, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group has two reportable segments as follows:

- (a) Supply-Chain Management: provision of general wholesale trading of copper cathode and products, management and advisory of recycling and supply chain services.
- (b) Corporate/other: investment holding company

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

4.1 Reportable segments

	Supply-Chain Management		Corporate/other		Per consolidated financial statements	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	13,307	98	-	-	13,307	98
Depreciation and amortisation	(13)	(91)	-	(1)	(13)	(92)
Amortization of restoration cost	-	-	-	(76)	-	(76)
Impairment on plant and equipment	-	-	-	(164)	-	(164)
Unrealised loss on future contracts	(57)	(22)	-	-	(57)	(22)
Loss allowance on trade and other receivable:	-	-	-	(5)	-	(5)
Payables written off	-	-	-	7	-	7
Finance cost	(29)	(19)	-	-	(29)	(19)
Segment profit/(loss)	158	213	(379)	(615)	(221)	(402)
Segment assets	2,279	3,547	68	140	2,347	3,687
Segment liabilities	215	424	222	240	437	664
	Supply-Chain Management		Corporate/other		Per consolidated financial statements	
	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended
	30/06/2021	30/06/2020	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	15,757	27,469	-	-	15,757	27,469
Depreciation and amortisation	(24)	(179)	(167)	(2)	(191)	(181)
Amortization of restoration cost	-	-	-	(118)	-	(118)
Gain on disposal of plant and equipment	-	-	55	-	55	-
Impairment on plant and equipment	-	-	-	(164)	-	(164)
Unrealised loss on future contracts	(44)	-	-	-	(44)	-
Loss allowance on trade and other receivable:	(101)	-	-	(37)	(101)	(37)
Payables written off	-	-	-	7	-	7
Finance cost	(39)	(125)	-	(58)	(39)	(183)
Segment (loss)/profit	(110)	178	(1,114)	(1,152)	(1,224)	(974)
Segment assets	2,279	3,547	68	140	2,347	3,687
Segment liabilities	215	423	222	241	437	664

4.2 Disaggregation of revenue

	Group			
	6 months ended 30/06/2021	6 months ended 30/06/2020	12 months ended 30/06/2021	12 months ended 30/06/2020
	S\$'000	S\$'000	S\$'000	S\$'000
Types of goods or service:				
Sale of goods	13,307	98	15,757	27,469
Geographical information:				
China	-	98	-	27,469
Singapore	13,307	-	15,757	-
	<u>13,307</u>	<u>98</u>	<u>15,757</u>	<u>27,469</u>

A breakdown of sales:

	Group		Inc/(Dec) %
	Financial 30/06/2021	Financial 30/06/2020	
	\$'000	\$'000	
Sales reported for the first half year	<u>2,450</u>	<u>27,371</u>	(91.05)
Operating loss after tax before deducting non-controlling interests reported for first half year	<u>(986)</u>	<u>(572)</u>	nm
Sales reported for the second half year	<u>13,307</u>	<u>98</u>	nm
Operating loss after tax before deducting non-controlling interests reported for first half year	<u>(221)</u>	<u>(419)</u>	(47.26)

nm = not meaningful

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 30 June 2020:

		Group		Company	
		As at	As at	As at	As at
		30/06/2021	30/06/2020	30/06/2021	30/06/2020
		S\$'000	S\$'000	S\$'000	S\$'000
Financial assets not measured at fair value					
Trade and other receivables #	Amortised cost	45	309	8	25
Cash and cash equivalents	Amortised cost	2,138	3,116	46	104
Amount due from subsidiaries	Amortised cost	-	-	2,415	4,727
		<u>2,183</u>	<u>3,425</u>	<u>2,469</u>	<u>4,856</u>
Financial liabilities not measured at fair value					
Trade and other payables *	Amortised cost	(285)	(519)	(221)	(222)
Amount due to subsidiaries	Amortised cost	-	-	(303)	(495)
		<u>(285)</u>	<u>(519)</u>	<u>(524)</u>	<u>(717)</u>

Excludes prepayments

* Excludes deferred income

6. Other income

		Group		Group	
		6 months	6 months	12 months	12 months
		ended	ended	ended	ended
		30/06/2021	30/06/2020	30/06/2021	30/06/2020
		S\$'000	S\$'000	S\$'000	S\$'000
Rental income		2	360	111	945
Government grants		41	34	41	34
Foreign currency exchange loss - realised		15	(211)	(1)	(258)
Foreign currency exchange gain/(loss) - unrealised		76	172	(89)	214
Reversal of provision for reinstatement cost, net		-	134	-	92
Payables written off		-	7	-	7
Gain on disposal of property, plant and equipment		-	-	55	-
Other miscellaneous income		-	4	-	4
		<u>134</u>	<u>500</u>	<u>117</u>	<u>1,038</u>

7. Loss before taxation

7.1 Significant items

	Group		Group	
	6 months ended 30/06/2021 S\$'000	6 months ended 30/06/2020 S\$'000	12 months ended 30/06/2021 S\$'000	12 months ended 30/06/2020 S\$'000
Depreciation of property, plant and equipment				
- included in administrative expenses	13	20	24	36
- included in other expenses	-	72	167	145
Impairment on property, plant and equipment	-	164	-	164

7.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	6 months ended 30/06/2021 S\$'000	6 months ended 30/06/2020 S\$'000	12 months ended 30/06/2021 S\$'000	12 months ended 30/06/2020 S\$'000
Current income tax expense				
Current year	-	-	-	17
Reversal of prior year provision	-	-	(17)	-
	-	-	(17)	17

9. Dividends

No interim dividend for the period ended 30 June 2021 (30 June 2020: Nil) is recommended.

10. Net asset value

	Group		Company	
	As at 30/06/2021 Cents	As at 30/06/2020 Cents	As at 30/06/2021 Cents	As at 30/06/2020 Cents
Net asset value per ordinary share	1.9092	3.0218	1.9582	4.1304

The calculation of net asset value per ordinary share was based on 100,039,655 shares as at 30 June 2021 (30 June 2020: 100,039,655).

11. Property, plant and equipment

During the financial year ended 30 June 2021, the Group's property, plant and equipment reduced from S\$246,000 as at 30 June 2020 to S\$150,000 as at 30 June 2021, mainly due to depreciation charge of S\$191,000 and disposal of right-of-use assets with net book value S\$68,000, offset by addition of right-of-use assets amounting to \$163,000.

12. Share capital

	30/06/2021		30/06/2020	
	Number of shares	Amount S\$'000	Number of shares	Amount S\$'000
Beginning of interim period	100,039,655	179,010	90,039,655	177,480
Issue of ordinary shares	-	-	10,000,000	1,530
End of interim period	<u>100,039,655</u>	<u>179,010</u>	<u>100,039,655</u>	<u>179,010</u>

There were no changes in the Company's share capital since the last reported financial period.

As at 30 June 2021 and 30 June 2020, the Company has outstanding 10,000,000 warrants that are convertible into 10,000,000 ordinary shares, at the exercise price of S\$0.153 per share.

The total number of ordinary shares issued, excluding treasury shares and subsidiary holdings as at 30 June 2021 and 30 June 2020 were 100,039,655.

There were no treasury shares held during the quarter ended and as at 30 June 2021 and 30 June 2020.

There were no subsidiary holdings during the quarter ended and as at 30 June 2021 and 30 June 2020.

13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed interim consolidated statement of profit or loss and other comprehensive income of Metech International Limited and its subsidiaries as at 30 June 2021 and the related condensed interim consolidated statements of financial position, condensed interim consolidated statement of changes in equity and condensed profit or loss and other comprehensive income consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

2A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

3. A review of the performance of the group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(i) Revenue

The Group's revenue for 2H2021 increased by \$13.2 million from \$98,000 in 2H2020 to \$13.3 million in 2H2021 due to the increase in the trading volume in the Group's traditional metal business as part of its supply chain management. The full year revenue decreased by \$11.7 million (42.6%) from \$27.5 million in FY2020 as compared to \$15.8 million in FY2021. The fluctuation in the revenue was due to the Group resuming its traditional metal business from December 2020 and the overall lower trading volume in FY2021.

(ii) Gross profit

The Group earned a gross profit of S\$256,000 in 2H2021 which was contributed by traditional metal business, as compared to S\$98,000 in 2H2020 which was contributed by provision of marketing, management and advisory of recycling and supply chain services. The Group earned gross profit of S\$291,000 in FY2021 as compared to gross profit of S\$521,000 in FY2020. The decrease in gross profit earned in FY2021 was due to the lower revenue earned during the year and this resulted in the decrease in gross profit margin earned.

(iii) Other income

Other income decreased by S\$368,000 (73.6%) from S\$500,000 in 2H2020 to S\$132,000 in 2H2021 and decreased by S\$921,000 (88.7%) from S\$1,038,000 in FY2020 to S\$117,000 in FY2021. The decrease in other income was mainly due to decrease in rental income during FY2021 and absence of one-off reversal of provision for reinstatement cost recognised in FY2020.

(iv) Administrative expenses

Administrative expenses increased by S\$60,000 (12.7%) from S\$472,000 in 2H2020 to S\$532,000 in 2H2021 due to increase in fees related to the Group's restructuring and reconfiguration. With implementation of lower-cost structure, the Group managed to reduce its administrative expenses

by S\$30,000 (2.3%) from S\$1,303,000 in FY2020 to S\$1,273,000 in FY2021, although there was increase in fees related to the Group restructuring and reconfiguration in 2H2021.

(v) Other expenses

Other expenses decreased by S\$462,000 (90.6%) from S\$510,000 in 2H2020 to S\$48,000 in 2H2021 and decreased by S\$807,000 (78.5%) from S\$1,028,000 in FY2020 to S\$221,000 in FY2021. The decrease in other expenses was mainly due to decrease in rental expenses and one-off impairment on property, plant and equipment recorded in FY2020.

(vi) Finance costs

Finance cost increased by S\$10,000 (52.6%) from S\$19,000 in 2H2020 to S\$29,000 in 2H2021 due to short-term funding received from third party to facilitate the metal trading business, and the loan was fully repaid before 30 June 2021. In FY2021, these costs decreased by S\$144,000 (78.7%) from S\$183,000 in FY2020 to S\$39,000 in FY2021. The higher finance cost in FY2020 was due to interest charged to S\$2 million Bond which was fully redeemed by 15 April 2020.

(vii) Loss after income tax

The Group reported a net loss after income tax of S\$221,000 in 2H2021 as compared to S\$419,000 in 2H2020 and S\$1,207,000 in FY2021 as compared to S\$991,000 in FY2020. The increase in full year losses was due to lesser revenue and gross profit earned to set off expenses incurred during the year.

(viii) Foreign currency translation difference

Foreign currency translation difference was negative S\$48,000 in 2H2021 as compared to a positive of S\$113,000 in 2H2020 due to the strengthening of US Dollars against Singapore Dollars in 2H2021 as compared to 2H2020. The foreign currency translation difference remains positive for both FY2021 and FY2020 due to the weakening of US Dollars against Singapore Dollars throughout FY2021 and FY2020.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on

Statement of financial position

- (i)** Property, plant and equipment decreased by S\$96,000 resulting from the depreciation amounting to S\$191,000, disposal of right-of-use assets with net book value S\$68,000 and addition of right-of-use assets with net book value S\$163,000.
- (ii)** As at 30 June 2021, there are no outstanding trade receivables as the Group received receipts for all revenue earned during the financial year. During the financial year ended 30 June 2021, the Group provided loss allowance of S\$101,000 for the outstanding receivable due as at 30 June 2020.
- (iii)** Other receivables decreased by S\$167,000 to S\$59,000 as at 30 June 2021 compared to S\$226,000 as at 30 June 2020 mainly due to repayment from non-trade customers before 30 June 2021.
- (iv)** Other reserves comprised of S\$26,000 in foreign exchange translation reserve. The change was mainly due to the weakening of US Dollar against Singapore Dollar during the financial year.
- (v)** Lease liabilities increased by S\$43,000 with new lease of S\$163,000, netted off with repayment of S\$56,000 and reversal of remaining balance S\$64,000 due to early termination of lease.
- (vi)** Other payables decreased by S\$253,000 to S\$285,000 as at 30 June 2021 compared to S\$538,000 as at 30 June 2020. The decrease was due to higher settlement of balances before 30 June 2021. The remaining balance as at 30 June 2021 consisted of accruals on director fees, professional fees and payroll expenses.

Cash flow statement

Net cash used in operating activities of the Group in 2H2021 was S\$16,000 as compared to 2H2020 of S\$547,000. The lower net cash used in operating activities was due to lower negative operating cash flow before working capital changes, offset with higher positive net changes in trade and other payables. Net cash used in operating activities of the Group in FY2021 was S\$890,000 as compared to net cash generated from operating activities in FY2020 of S\$3,251,000. The net cash used in operating activities of the Group in FY2021 was mainly due to lower positive net changes in trade and other receivables.

Net cash generated from investing activities of the Group in FY2021 was S\$55,000, due to net gain arising from disposal of property, plant and equipment.

Net cash used in financing activities of the Group in 2H2021 was S\$11,000 as compared to S\$2,191,000 in 2H2020. Net cash used in financing activities of the Group in FY2021 was S\$56,000 as compared to S\$3,462,000 in FY2020. In FY2020, the Group repaid third parties loan. There was no similar transaction in FY2021.

As a result of the above, the Group's cash and cash equivalents as of 30 June 2021 decreased by S\$978,000 from S\$3,116,000 as at 30 June 2020 to S\$2,138,000 as at 30 June 2021.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There is no material variance with the commentary previously disclosed in the results announcement for the financial year ended 30 June 2020.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

The supply chain management business which has been successfully resumed since December 2020 manage to achieve its targeted profitability for this financial year. Although metal businesses remain challenging, the Company still aims to achieve better profitability in the coming periods.

Meanwhile, the Company announced on 30 May 2021 that it had entered into a joint venture agreement with Jurong Barrels & Drums Industries Pte Ltd on 28 May 2021, to establish a joint venture company ("JV Company") to be incorporated in Singapore to explore the provision of environmental services globally, with the immediate focus on water treatment in People's Republic of China ("PRC"). The joint venture partner will provide existing resources and their technical support (such as an oil-water separate facility that is already based in PRC) whilst the Company will be responsible for overseeing the day-to-day operations of the JV Company. As of the date of this announcement, there has not been any definitive service agreement entered into with any third party.

The Company continues to explore other opportunities, such as exploring the acquisition of existing waste or wastewater treatment facilities in PRC and Singapore as part of its continued engagement in the renewable and sustainability industries.

Impact of COVID-19 on the Company's operations:

The Company's previous initiative in providing technical, operation and procurement services in China has been adversely affected. After repositioning itself post-AGM, the Company expects the Covid-19 pandemic to have no material impact on the Company's existing operations as of date.

6. Dividend Information

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the immediate preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?
No.

(c) Date of payable

Not applicable

(d) Books Closure Date

Not applicable

7. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or is recommended as the Group currently does not have accumulated profits available for the declaration of dividend.

8. Interested person transactions

There were no interested party transactions above S\$100,000 during the financial year under review. The Group did not obtain a general mandate from its shareholders for IPTs. During the financial year, the Company repaid a short term loan (less than \$100,000) provided by its controlling shareholder to its subsidiary.

9. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalyst Rules

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1) in the format set out in Appendix 7H.

10. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

There are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

On behalf of the Board of Directors

Mr. Chay Yiowmin

Independent Non-Executive Chairman

Ms. Samantha Hua

Executive Director & Deputy Chief Executive Officer

20 August 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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

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