metech
铭泰国际

ANNUAL REPORT 2020

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.

TABLE OF CONTENTS

DEAR VALUED SHAREHOLDERS

Since my appointment on 3 March 2020, this is my first letter to you, as your newly appointed Chairman of Metech International Limited (the "**Company**", and together with its subsidiaries, the "**Group**"). This year had seen major changes in the international business environment, especially in the challenges posed by the global pandemic as well as geopolitical influences in the region resulting from the on-going Sino-US trade war.

Traditionally, the Group had engaged in highly capital-intensive mode of operations. In recent years, such mode of business operations have been loss making and created difficulties in maintaining lower cost especially in challenging business environments caused by the global pandemic.

Following the disposal of the Group's electronic waste management business in April 2019, the Group had undergone a massive restructuring of its existing recycling business to become a provision of consulting and management services, as well as its supply chain management with the aim to head towards an asset-light and service focused business. The Group identified new markets and changed its emphasis towards service provision in the midst of these challenging times. With our new focus on providing management expertise, technical advisory, operations and procurement management services in the recycling, supply chain and renewable energy sectors, we will be in a better position to keep our costs down and increase profitability.

FINANCIAL REVIEW

The Company's wholly-owned subsidiary, Metech Recycling (Singapore) Pte. Ltd. ("MRS") had on 8 November 2019 issued bonds ("MRS-Bonds") in the principal amount of S$2,000,000 pursuant to a novation agreement entered into between the Company's bond holders and MRS. On 15 April 2020, the Company announced the completion of the full redemption of the MRS-Bonds, including the accrued interest, to the remaining MRS-Bonds holders and the corporate guarantee provided by the Company had been fully discharged.

In the year ended 30 June 2020 ("FY2020"), due to the uncertainties arising from the trade war between the United States and China, which had an adverse impact on the global trading system as well as increased volatility in foreign exchange risk and commodity prices, the Group reduced its volume and exposure in metal trading activities.

WITH OUR NEW FOCUS ON PROVIDING MANAGEMENT EXPERTISE, TECHNICAL ADVISORY, OPERATIONS AND PROCUREMENT MANAGEMENT SERVICES IN THE RECYCLING AND RENEWABLE ENERGY SECTORS, BEING ASSET-LIGHT, WE WILL BE BETTER ABLE TO KEEP COSTS DOWN AND INCREASE PROFITABILITY.

In view of the current coronavirus outbreak and movement restrictions imposed in most countries, the Group experienced a delay to its business that provides technical, operation and procurement ("TOP") services in relation to international supply-chain management and agritech. The Group continues to explore and expand its opportunities to increase its scope to also provide technical advisory, supply chain management in renewable, clean energy technologies and related industries. The Group incurred a net loss of S$991,000 for FY2020.

MOVING AHEAD

Due to the coronavirus outbreak and movement restrictions imposed in most countries, the global impact on businesses and the recovery depends on the performance of our clients and their ability to withstand the impact it has on their operations. The travel restrictions instituted by Singapore and China has also impacted travel plans by management into China to negotiate contracts with clients. However, it is noted that China is recovering well from the effects of the pandemic and businesses in China are also recovering as of date of this annual report.

The Chinese domestic economy remains a bright spot in these uncertain times and we believe that our new focus on this market is a right move. Expanding our customer base from only recycling to include renewable and sustainable energy sectors allows us to take advantage of this rapidly growing segment of the Chinese economy which will stand us in good stead in the future.

NEW BOARD MEMBERS

During the year, the Company welcome Mr. Chng Hee Kok ("Mr Chng") and Mr Clement Tay ("Mr Tay") to join the Board. Mr Tay was also appointed as Chief Executive Officer of the Company. Mr. Simon Eng who was also the Chief Executive Officer, served on the Board since November 2014 and stepped down on 8 June 2020. Mr. Wang Daming ("Mr Wang") retired at the Annual General Meeting held on 30 October 2019. The Board thank Mr. Simon Eng and Mr. Wang for their valuable services.

A WORD OF THANKS

In closing, on behalf of the Board, I would like to thank our shareholders, business associates, customers, employees and other stakeholders for their support in FY2020. Going forward, with your support, we will do better as we pursue more opportunities for our businesses.

Liu ChangSheng
Chairman

BOARD OF DIRECTORS

MR LIU CHANGSHENG

Chairman and Non-Executive Non-Independent Director

MR LIU CHANGSHENG was appointed as a Non-Executive Non-Independent Director of the Company on 1 September 2019 and he was re-designated as a Non-Executive Chairman on 3 March 2020.

Mr Liu is currently a Director at Raffles Financial Group Ltd, a diversified financial services company. He has both academic foundation and hands-on experience in various facets of investment, international trade, banking and finance. Mr Liu is an Executive Director of KTL Global Limited (listed on SGX Mainboard), a Non-Independent, Non-Executive Director of GS Holdings Limited (listed on SGX Catalist) as well as on a number of companies in various industries in Canada, Singapore, Hong Kong and the People's Republic of China.

Prior to joining our Group, he co-founded eCapital (China) Finance Leasing Company Limited in 2015 and also founded GuoRong China Finance Bank (Beijing) Asset Management Company Limited to serve companies in their financing needs. During 2011 to 2015, he was Deputy Head at China Construction Bank Henan Branch responsible for its personal and corporate banking businesses.

Mr Liu ChangSheng graduated from Luoyang Institute of Technology in 2000 with a Diploma in International Trade. He also obtained professional certificates in private equity fund awarded by Asset Management Association of China (AMAC) as well as an International Qualification certification of FAM Financial Risk Manager of GARP Global Risk Management Association.

MR CHNG HEE KOK

Independent Director

MR CHNG HEE KOK was appointed as an Independent Director 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 an Independent Director in Full Apex (Holdings) Limited, Luxking Group Holdings Limited, United Food Holdings Limited, The Place Holdings Ltd., Blackgold Natural Resources Limited and as Chairman and Independent Director in Ellipsiz Ltd. and KTL Global Limited.

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 CHAY YIOWMIN

Lead Independent Director

MR CHAY YIOWMIN was appointed as an Independent Director of the Company on 3 April 2019, and chairs the Group's Audit Committee. He 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 Ltd. and a non-executive director of 8I Holdings Limited. Between 2013 and 2015, Mr Chay was the lead independent director of 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), and a Chartered Valuer and Appraiser (CVA) of the Institute of Valuers and Appraisers of Singapore (IVAS).

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, a chairman of the Fernvale Community Development and Welfare Fund (CDWF) and an auditor with the Thomson Hills Neighbourhood Committee (NC). 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.

MR RICKY SIM ENG HUAT

Independent Director

MR RICKY SIM was appointed as an Independent Director on 1 July 2015. He is the Nominating Committee Chairman as well as a member of the Audit and Remuneration Committee.

Mr Sim started his career in 1977 in the Singapore Civil Service where he spent a total of 18 years, during which he served 6 years in Hong Kong and 3 years in Bangkok as a diplomat. In 1994, he entered the private sector by joining Suntec Investment Group of Companies (SIPL) in Singapore. 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 was an Honorary Advisor to the Real Estate Developers Association of Singapore from 2005 to 2013 and is a member of the Singapore Institute of Directors since January 2000.

Mr Ricky Sim is currently an Independent Director and Chairman of the Nominating Committee of Lafe Corporation Ltd, SK Jewellery Group Ltd and Mary Chia Holdings Ltd.

MR CLEMENT TAY MING LIANG

Executive Director

MR CLEMENT TAY joined the Company on 24 March 2020 as an Executive Director and CEO. Mr Tay is responsible for managing and overseeing the overall operations, corporate affairs, business strategy and development of the Company and its subsidiaries.

Prior to joining the Group, Mr Tay was the CEO of Shanghai Bamboo Consulting Co., Ltd based in Shanghai, China, a business consulting firm for foreign brands start-ups in the chinese market specialising in the F&B, AI, Health, Manufacturing and Security/Biometrics Industries. Mr Tay's diverse experiences include being a General Manager of Gardenia in China, Gaoyuan Pte. Ltd., a fully owned subsidiary of QAF Group, from 2017 to 2019; Deputy General Manager of Jianshun, a wholly owned subsidiary of Halden United Investment Pte Ltd in China managing the business of trading in F&B from 2015 to 2017; A Senior Engineer with Takenaka Corporation from 2011 to 2015; An Engineer (Civil) with Nishimatsu Construction Co., Ltd from 2010 to 2011. Since graduating in 2007, Mr Tay was with the Ministry of Education from 2007 to 2010 as a teacher.

Mr Tay graduated from the Nanyang Technological University, Singapore with a Bachelor in Engineering (Civil) and subsequently, a Postgraduate Diploma in Education.

THE MANANGEMENT TEAM

MR CLEMENT TAY MING LIANG

Chief Executive Officer

MR CLEMENT TAY is responsible for overall operations, corporate affairs and business development of the Company and its subsidiaries.

MS SAMANTHA HUA

Deputy Chief Executive Officer

MS SAMANTHA HUA joined the Company on 1 March 2016 as the Group Senior Financial Manager and was re-designated as Group Financial Controller on 1 June 2016 and currently a Deputy Chief Executive Officer re-designated on 18 March 2019. As a key member of the Group's Management Team, Ms Hua is overall responsible for the finance, accounting, taxation and compliance reporting of the Group and its subsidiaries. Her responsibilities also include business planning and forecasting to support the Group's strategic plans.

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 3 years where she set and oversaw its overall financial objectives including all aspects of finance and taxation. She also had 6 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 Association of Chartered Certified Accountants and Institute of Singapore Chartered Accountants.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Liu ChangSheng
(Non-Executive Non-Independent Chairman)

Chay Yiowmin
(Lead Independent Director)

Chng Hee Kok
(Independent Director)

Ricky Sim
(Independent Director)

Clement Tay
(Executive Director/ Chief Executive Officer)

AUDIT COMMITTEE

Chay Yiowmin (Chairman)
Chng Hee Kok
Ricky Sim

NOMINATING COMMITTEE

Ricky Sim (Chairman)
Chay Yiowmin
Chng Hee Kok

REMUNERATION COMMITTEE

Chng Hee Kok (Chairman)
Chay Yiowmin
Ricky Sim

COMPANY SECRETARY

Ng Siew Hoong, Linus

REGISTERED OFFICE

1 Raffles Place
Level 19, Tower 2
One Raffles Place
Singapore 048616
Tel: 65 6808 5552
Fax: 65 6808 5800
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 2020)

PRINCIPAL BANKERS

CIMB Bank Berhad

CONTINUING SPONSOR

RHT Capital Pte. Ltd.
9 Raffles Place #29-01
Republic Plaza Tower 1
Singapore 048619

SHARE REGISTRAR

RHT Corporate Advisory Pte. Ltd.
30 Cecil Street #19-08
Prudential Tower
Singapore 049712

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 2020 ("**FY2020"**), with specific reference made to the principles and guidelines of the Code.

The Board is pleased to confirm that for FY2020, 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.

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.

Guidelines of the Code	Metech Corporate Governance Practices
1.1 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 issue of conflict.	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 FY2020, the Board has worked diligently to fulfil their primary responsibilities which are 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) 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; (c) Review and guide the performance of the Management; (d) Ensure that the Company's values and standards are upheld and that obligations to shareholders and other stakeholders are met; (e) Consider sustainability issues as part of its strategic formulation; and (f) Identify key stakeholder groups and recognise that their perceptions affect the Company's reputation.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code		Metech Corporate Governance Practices
1.1	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 issue of conflict.	The Directors on the Board have the appropriate core competencies and diversity of experience to enable them to contribute effectively. They can objectively raise issues and seek clarification as and when necessary from the Board and the Management on matters pertaining to their area of responsibilities. Each Director is required to promptly disclose any conflict or potentially 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 persons 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 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 journal 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.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Metech Corporate Governance Practices
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.	When the Directors were newly appointed, the Company conducted 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 SGX-ST, the Company ensures that they undergo training in the roles and responsibilities of a Director of a listed company within one year from the date of his appointment to the Board as prescribed by SGX-ST. The details of update sessions, seminars, conferences and training programmes attended by the Directors collectively in FY2020 include: • the external auditors, Moore Stephens LLP, briefed the AC and the Board on the developments in financial reporting and governance standards; and • the CEO updated the Board at each meeting on the business and strategic developments pertaining to the Group's business. One Director attended seminars organised by the SID and other training courses organised by other course providers in FY2020 which included - ASEAN Corporate Governance Scorecard and Financial Reporting Seminar 2019 by Moore Stephens LLP.

Guidelines of the Code	Metech Corporate Governance Practices
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. They include the following: (a) Approval of financial results and all announcements; (b) Approval of the annual report and financial statements; (c) Convening 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) Oversee the process for risk management, financial reporting and compliance and evaluate the adequacy of internal controls, as may be recommend by the Audit Committee ("**AC**"); (g) Review the performance of the Management, approve the nominees to the Board and the appointment of key management personnel, as may be recommended by the Nominating Committee ("**NC**"); (h) Review and endorse the framework of remuneration for the Board and key management personnel, as may be recommended by the Remuneration Committee ("**RC**"); (i) Review and endorse corporate policies in keeping with good corporate governance and business practices; and (j) Consider 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 levels to facilitate operational efficiency.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Metech Corporate Governance Practices
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 AC, RC and 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 continue 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 Committee is 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 five Directors, three of whom are Independent Directors, which complies with the Code's guideline 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 Committeees are as follows:

NAME OF DIRECTOR	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE
Liu Changsheng (Non-Executive Chairman)	–	–	–
Clement Tay Ming Liang (Executive Director and Chief Executive Officer)	–	–	–
Chay Yiowmin (Lead Independent Director)	Chairman	Member	Member
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.

Guidelines of the Code	Metech Corporate Governance Practices
1.5 Directors attend and actively participate in Board and board committee meetings. The number of such meetings and each individual Director's attendance 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 teleconferences and video-conferencing 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 three scheduled meetings in FY2020. 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 board representations. When a Director has multiple board representation, 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 Director's number of listed company board representations and other principle commitments. Though some of the Directors have multiple board representations, the NC is satisfied that the numbers are currently manageable, and the Directors are still able to devote sufficient time and attention to the matters of the Company. The Board has not set the maximum number of listed company board representation that 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 listed company board representations would not be meaningful as the contributions of the Directors would depend on many factors such as whether they were in full time employment and their other responsibilities.

CORPORATE GOVERNANCE REPORT

Board and Board Committees Meetings and Attendance

The attendance of the Directors at the scheduled Board and Board Committees meetings during FY2020 is set out below:

NAME OF DIRECTOR	BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE	GENERAL MEETINGS
No. of meetings held	3	3	2	2	2
No. of meetings attended:					
Liu Changsheng[1] (Non-Executive Chairman)	2	2 (by invitation)	1 (by invitation)	1 (by invitation)	–
Clement Tay Ming Liang[2] (Executive Director and Chief Executive Officer)	N.A	N.A	N.A	N.A	N.A
Chay Yiowmin (Lead Independent Director)	3	3	2	2	2
Ricky Sim Eng Huat (Independent Director)	3	3	2	2	2
Chng Hee Kok[3] (Independent Director)	1	1	1	1	1
Simon Eng[4] (Executive Director)	3	3 (by invitation)	2 (by invitation)	2 (by invitation)	2
Wang Daming[5] (Non-Executive Non-Independent Director)	1	1	1	1	–

Note:
1. Appointed on 1 September 2019
2. Appointed on 24 March 2020
3. Appointed on 26 December 2019
4. Resigned on 8 June 2020
5. Retired on 29 October 2019

Guidelines of the Code		Metech Corporate Governance Practices
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. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business 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. The CEO personally ensures that the Board papers contain all necessary facts and figures to facilitate thorough deliberation and discussion of the issues. Where necessary, other members of the Management or external consultants engaged for a specific project will be invited to 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 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, which expenses will be borne by the Company, concerning any aspect of the Group's operations or undertakings.

CORPORATE GOVERNANCE REPORT

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.

Guidelines 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 circumstance 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 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, the Board comprises of five Directors, of whom three are considered independent by the Board.
2.3	Non-executive Directors make up a majority of the Board.	The Company has complied with the relevant provisions as majority of the Board members are Non-Executive Directors.

Guidelines of the Code		Metech Corporate Governance Practices
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 disclosure 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 business. 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. Each Director has been appointed based on his calibre and experience and is expected to bring his knowledge experience in his field of expertise to contribute to the development of the Group's strategy and the performance of its business. 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 business 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 FY2020.

CORPORATE GOVERNANCE REPORT

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.

Guidelines of the Code		Metech Corporate Governance Practices
3.1	The Chairman and the Chief Executive Officer ("**CEO**") are separate persons to ensure appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.	The Chairman and the CEO 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 the Independent Directors.
3.2	The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.	The Chairman of the Board is Mr Liu ChangSheng ("Mr Liu"). Following the disposal of the Group's electronic waste management business and in view of the Group's new business directions and investment parameters, Mr Liu, being the Company's legal representative of the Company's subsidiaries in China, is responsible to undertake the new business directions and investment parameters. Mr Clement Tay, who is the CEO and Executive Director, together with the Management are responsible for managing and overseeing the overall business strategy and development of the Group.
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.	The Board has appointed Mr Chay Yiowmin as the Lead Independent Director to lead the Board discussion and ensure that Board meetings are convened when necessary. He plays an important role to facilitate the contribution of Non-Executive Directors and encourages constructive relations within the Board and between the Board and the Management, as well as to ensures effective communications between the Company and its shareholders. He is the point of contact for shareholders in situations where there are concerns or issues which communication through the normal channels with the Chairman or Management has not resolve or where such communication is inappropriate. There were no query or request on any matters which requires the Lead Independent Director's attention received in FY2020.

BOARD MEMBERSHIP

Principle 4 : The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into consideration the need for progressive renewal of the Board.

Guidelines of the Code	Metech Corporate Governance Practices
4.1 The Board establishes a Nominating Committee to make recommendations to the Board on relevant matters relating to: (a) the review of succession plans for decisions, 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 as follows, amongst others: (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 (or equivalent). (b) to make recommendations to the Board on the development of a process for evaluation and 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 propose objective performance criteria which address how the Board has enhanced long-term shareholder value. (c) to implement a process for assessing the effectiveness of the Board as a whole and the Board committees and for assessing the contribution of the Chairman of the Board and each individual Director to the effectiveness of the Board and each Board committee on which he sits. (d) to review and determine annually, and as and when circumstances require, if a Director is independent, in accordance with the revised definition on Director's Independence, and any other salient factors. (e) to review the composition of the Board annually to ensure that the Board and the Board committees comprise Directors who as a group provide an appropriate balance and diversity of skills, expertise, gender and knowledge of 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. (f) where a Director has multiple board representations, to decide whether the Director is able to and has been adequately carrying out his duties as a Director, taking into consideration, *inter alia*, the Director's number of listed company board representation and other principal commitments. (g) 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) including, if applicable, as an Independent Director.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Metech Corporate Governance Practices
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 entirely Independent Directors and the members of the NC as at the date of this report are as follows: Ricky Sim Eng Huat (Chairman) Chay Yiowmin Chng Hee Kok The Lead Independent Director is a member of the NC.
4.3 The company discloses the process for the selection, appointment and re-appointment 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 appointments of new Directors. The criteria for the appointment of a Director are 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 they can enhance the quality and robustness of decision-making on 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 nominating the most suitable candidate to the Board for approval and appointment as Director.

Guidelines of the Code	Metech Corporate Governance Practices
4.3 The company discloses the process for the selection, appointment and re-appointment 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 Re-appointment of Directors*** All Directors, including the CEO, submit themselves for re-nomination 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 are 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 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 88 of the Company's Constitution at the forthcoming AGM of the Company are Mr Chng Hee Kok and Mr Clement Tay Ming Liang ("Mr Tay"), and the Director retiring under Regulation 89 of the Company's Constitution at the forthcoming AGM of the Company is Mr Ricky Sim Eng Huat. Mr Tay has indicated that he did not wish to seek for re-election at the forthcoming AGM of the Company and accordingly, he will retire as Executive Director of the Company at the conclusion of the AGM. For the avoidance of doubt, Mr Tay will remain as CEO of the Company.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code		Metech Corporate Governance Practices
4.3	The company discloses the process for the selection, appointment and re-appointment 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.	Please refer to the Company's announcement which will be released together with the Notice of Annual General Meeting on details and declaration of Mr Clement Tay's retirement under Rule 704(6) of the Catalist Rules. Please refer to pages 24 to 33 in this Annual Report on information relating to the retiring Directors 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 individual dominates the Board's decision making process and do not have any relationships as stated in the Code that would otherwise deem any of them not to be independent. During FY2020, 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 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 discharged 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 Committees 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 FY2020.

CORPORATE GOVERNANCE REPORT

The following additional information on Mr Ricky Sim Eng Huat and Mr Chng Hee Kok, all of whom are seeking re-election as Directors, is to be read in conjunction with their respective biographs under the section entitled "Board of Directors".

	RICKY SIM ENG HUAT **Independent Director, NC Chairman, AC Member and RC Member**	**CHNG HEE KOK** **Independent Director, RC Chairman, AC Member and NC Member**
Date of Appointment	1 July 2015 (last re-appointed on 31 October 2018)	26 December 2019
Age	67	72
Country of Principal Residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	After reviewing the recommendation made by the Nominating Committee, the Board of Directors is of the view that based on Mr Ricky Sim Eng Huat's ("Mr Sim") qualification, experience and overall contribution, he will be able to contribute positively to the Company.	The Board, having considered the recommendation of the Nominating Committee, and having assessed the qualifications, experience and strong business network of Mr Chng Hee Kok ("Mr Chng"), is of the view that based on Mr Chng's experience and capabilities, he will be able to contribute positively to the Company. The Nominating Committee has also taken note of Mr Chng's multiple board representation, and having considered that he has no principal commitment and his good attendance record at meetings, is satisfied that he will be able to dedicate sufficient time to fulfil his role as Independent Director of the Company.
Professional qualification	1971 to 1973 Victoria School (GCE "A" Level)	Bachelor of Engineer (1st Class Honours) – National University of Singapore Master of Business Administration – National University of Singapore Program for Executive Development – International Institute for Management Development, Switzerland

CORPORATE GOVERNANCE REPORT

	RICKY SIM ENG HUAT **Independent Director, NC Chairman, AC Member and RC Member**	**CHNG HEE KOK** **Independent Director, RC Chairman, AC Member and NC Member**
Working experience and occupation(s) during the past 10 years	<u>2013 to Present</u> Sunchest Property Consultants Pte Ltd, RS Advisory & Consultancy Pte Ltd and Talentchest Consulting Pte Ltd – Managing Director / Executive Director <u>2016 to 2018</u> RHT Chestertons Pte Ltd – Chairman <u>1994 to 2013</u> Suntec Investment Pte Ltd Group of Companies – Chief Operating Officer. Mr Sim was also concurrently the Managing Director of: (a) Chesterton Suntec International Property Consultants Pte Ltd (b) Suntec Dome Holdings Pte Ltd overseeing a chain of 16 Dome and Olio cafes (c) Suntec Food & Leisure Pte Ltd managing the largest foodcourt in Suntec City and a chain of outlets known as “Coffee Kakis” (d) Ewest Suntec Food R&D and Consultancy Pte Ltd (e) Singconex Management Pte Ltd (M&E/ Janitor Services)	<u>2012 to 2016</u> LH Group Ltd – Executive Director and Managing Director <u>2010 to 2011</u> HG Metal Manufacturing Ltd – Executive Director and Chief Executive Officer <u>2008 to 2010</u> Hartawan Holdings Ltd – Executive Director and Chief Executive Officer
Shareholding interest in the listed issuer and its subsidiaries	NIL	NIL

CORPORATE GOVERNANCE REPORT

	RICKY SIM ENG HUAT Independent Director, NC Chairman, AC Member and RC Member	CHNG HEE KOK Independent Director, RC Chairman, AC Member and NC Member
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	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments[1] Including Directorships[2]		
Past (for the last 5 years)	RHT Talentchest Pte. Ltd. – Director RHT Chestertons Pte. Ltd. – Director RHT Affiliates Pte. Ltd. - Director	China Flexible Packaging Holding Limited – Independent Director Pacific Star Development Limited (formerly known as LH Group Limited) – Executive Director Pacific Century Regional Developments Limited – Independent Director Sino-American Tours Corporation Pte Ltd – Director Rich Capital Holdings Limited (formerly known as Infinio Group Limited) – Independent Director Chaswood Resources Holdings Ltd – Independent Director Samudera Shipping Line Ltd – Independent Director Chinasing Investment Holdings Limited - Independent Director

Note:

1 The term "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a Director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments

2 These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)

CORPORATE GOVERNANCE REPORT

	RICKY SIM ENG HUAT **Independent Director, NC Chairman, AC Member and RC Member**	**CHNG HEE KOK** **Independent Director, RC Chairman, AC Member and NC Member**
Present	Metech International Limited – Independent Director SK Jewellery Group Limited – Independent Director Lafe Corporation Ltd – Independent Director Mary Chia Holdings Ltd – Independent Director Sunchest Property Consultants Pte. Ltd. – Director RS Advisory & Consultancy Pte. Ltd. – Director Talentchest Consulting Pte. Ltd. – Director F&L Builders Construction Pte Ltd – Partner	Metech International Limited – Independent Director Ellipsiz Ltd – Independent Director Full Apex (Holdings) Limited – Independent Director Luxking Group Holdings Limited – Independent Director United Food Holdings Limited – Independent Director The Place Holdings Ltd – Independent Director Blackgold Natural Resources Limited – Independent Director KTL Global Limited – Lead Independent Director and Non-Executive Chairman

Information required

Disclose the following matters concerning an appointment of Director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

	RICKY SIM ENG HUAT **Independent Director, NC Chairman, AC Member and RC Member**	**CHNG HEE KOK** **Independent Director, RC Chairman, AC Member and NC Member**
(a) 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?	No	No

	RICKY SIM ENG HUAT Independent Director, NC Chairman, AC Member and RC Member	CHNG HEE KOK Independent Director, RC Chairman, AC Member and NC Member
(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?	No	Yes Mr Chng 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 (the "Petition") by certain creditors. 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 understand 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 a court 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. FAHL was placed on the watch-list with effect from 5 June 2017 and the Cure Period ended on 4 June 2020. On 26 June 2020 FAHL has submitted an application to the SGX-ST for a 12-month extension of time to the Cure Period. On 29 September 2020 FAHL announced that it has received a notification of delisting from SGX-ST. For more details, please refer to FAHL's announcements dated 23 March 2018, 14 May 2019, 9 July 2019, 21 April 2020, 26 June 2020 and 29 September 2020 on SGXNET.

CORPORATE GOVERNANCE REPORT

	RICKY SIM ENG HUAT Independent Director, NC Chairman, AC Member and RC Member	CHNG HEE KOK Independent Director, RC Chairman, AC Member and NC Member
(c) Whether there is any unsatisfied judgment against him?	No	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	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	No

	RICKY SIM ENG HUAT Independent Director, NC Chairman, AC Member and RC Member	CHNG HEE KOK Independent Director, RC Chairman, AC Member and NC Member
(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	No
(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	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	No

	RICKY SIM ENG HUAT Independent Director, NC Chairman, AC Member and RC Member	CHNG HEE KOK Independent Director, RC Chairman, AC Member and NC Member
(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	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	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	No
(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	No

	RICKY SIM ENG HUAT Independent Director, NC Chairman, AC Member and RC Member	CHNG HEE KOK Independent Director, RC Chairman, AC Member and NC Member
(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	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?	No. However, Metech International Limited ("MIL"), MIL received a letter from SGX dated 5 June 2020 and was given an opportunity to make representations in respect of the matters set out in a Notice of Compliance dated 27 December 2019 issued by SGX RegCo on the disclosure of a former Director. This letter was not disclosed to shareholders and as of the date hereof, there is no outcome of the said matter. Please refer to Company's announcement dated 27 December 2019.	Yes. Mr Chng was fined S$5,000 in August 2007 under section 156 of the Companies Act, Chapter 50 and was given a warning under section 28(B)(b) of the Prevention of Corruption Act, Chapter 241. Separately, Metech International Limited ("MIL"), MIL received a letter from SGX dated 5 June 2020 and was given an opportunity to make representations in respect of the matters set out in a Notice of Compliance dated 27 December 2019 issued by SGX RegCo on the disclosure of a former Director. This letter was not disclosed to shareholders and as of the date hereof, there is no outcome of the said matter. Mr Chng was also not a Director at the material time of the query, as he was appointed as Director of MIL on 26 December 2019. Please refer to Company's announcement dated 27 December 2019.

CORPORATE GOVERNANCE REPORT

Information required Disclosure applicable to the appointment of Director only.		
	RICKY SIM ENG HUAT **Independent Director, NC Chairman, AC Member and RC Member**	**CHNG HEE KOK** **Independent Director, RC Chairman, AC Member and NC Member**
Any prior experience as a Director of an issuer listed on the Exchange?	Not applicable. This is a re-election of a Director	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	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	Not applicable. This is a re-election of a Director
Please provide details of relevant experience and the nominating committee's reasons for not requiring the Director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This is a re-election of a Director	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.

Guidelines 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 Group's activities include the provision of exclusive technical, operation procurement ("**TOP**") services and the provision of management and advisory in recycling and supply chain management services in China. The Board believes its performance would be judged based on the Group's ability to secure the TOP as well as the provision of management and advisory activities and to seek new investment opportunities to enhance shareholders' value. Updates on progress of the Group's operations are made at formal Board meetings. Regular discussions are also held between Management and Directors who offer their views and guidance on the matters. 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 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, and of 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, CEO 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 the board procedures and processes and the 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 the value of 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 evaluation exercise assists the NC in determining whether to re-nominate Directors who are due for retirement at the forthcoming AGM, and in determining whether Directors with multiple board representations are able to and have adequately discharged their duties as Directors of the Company.

Guidelines of the Code	Metech Corporate Governance Practices
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 FY2020, the NC had conducted the assessment via a questionnaire, which is completed by each Director for the evaluation of the Board. For the evaluation of the Board Committees, each committee members completed a questionnaire for the respective Board Committees. Each Director also completed a self-assessment form to assess their own performances and contributions 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 determining areas for improvement and enhancement of the Board effectiveness. Following the review in FY2020, 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

PROCEDURES 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.

Guidelines 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 fees for Directors and Board Committee members which are subject to the approval of shareholders. No Director is involved in the deliberation of his own remuneration or fee level. 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 Independent Directors and the members of the RC as at the date of this report are as follows: Chng Hee Kok (Chairman) Chay Yiowmin Ricky Sim Eng Huat

Guidelines of the Code		Metech Corporate Governance Practices
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 reccomendations 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.
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 the FY2020, the RC did not engage the service of an external remuneration consultant.

CORPORATE GOVERNANCE REPORT

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.

Guidelines 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 member of Management. The remuneration packages of the Executive Director and the KMPs comprises 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 performance. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group. The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Directors 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 Company (and not on forward-looking results) as well as the actual results of its Executive Directors and KMPs, "claw back" provisions in the service agreements may not be relevant or appropriate. The Executive Director owe a fiduciary duty to the Company. The Company avails 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 in 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 also receive additional fees in respect of each Board Committee that they serve on, with the respective Chairmen receiving a higher fee in respect of their service as Chairman of the respective Board Committees.

Guidelines of the Code	Metech Corporate Governance Practices
7.2 The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.	The structure of the fees payable to the Non-Executive Directors of the Company for FY2020 is as follows:

APPOINTMENT	PER ANNUM
Board of Directors	
- Board Chairman	S$30,000
- Board Member	S$20,000
Audit Committee	
- AC Chairman	S$5,000
- AC Member	S$1,000
Remuneration Committee	
- RC Chairman	S$2,000
- RC Member	S$1,000
Nominating Committee	
- NC Chairman	S$2,000
- NC Member	S$1,000

The RC has recommended an increase in Directors' fees payable for the year ending 30 June 2021 to be approved at its forthcoming AGM to closely align the Directors' Fees with market practice for similar sized companies and to enable the Company to continue to attract and retain qualified and effective Non-Executive Directors. The structure of the fees payable to the Non-Executive Directors of the Company for the year ending 30 June 2021 is as follows:

APPOINTMENT	PER ANNUM
Board of Directors	
- Board Chairman	S$46,000
- Board Member	S$36,000
- Lead Independent Director	S$41,000
Audit Committee	
- AC Chairman	S$5,000
- AC Member	Inclusive in Base fee
Remuneration Committee	
- RC Chairman	S$5,000
- RC Member	Inclusive in Base fee
Nominating Committee	
- NC Chairman	S$5,000
- NC Member	Inclusive in Base fee

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Metech Corporate Governance Practices
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 have to 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. As at 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 (in percentage terms) of the Directors of the Company for FY2020 is set out below:

NAME OF DIRECTORS	BASE/FIXED SALARY (%)	BONUS[1] (%)	DIRECTOR FEE[2] (%)	TOTAL
Below S$250,000				
Liu ChangSheng	-	-	100	100
Clement Tay Ming Liang	100	-	-	100
Chay Yiowmin	-	-	100	100
Ricky Sim Eng Huat	-	-	100	100
Chng Hee Kok	-	-	100	100
Simon Eng[3]	92.3	7.7	-	100

Note:

1 Comprising the 13th month annual wage supplement

2 Approved at the annual general meeting held on 29 October 2019

3 Resigned as Chief Executive Officer on 2 June 2020 and as Executive Director on 8 June 2020

Provision 8.1(b) - The breakdown of total remuneration of the top five key management personnel of the Group (who are not Directors) for FY2020 is set out below:

NAME OF KMPS	BASE/FIXED SALARY (%)	VARIABLE OR PERFORMANCE-RELATED INCOME/BONUS[1] (%)	OTHER BENEFITS (%)	TOTAL
Below S$250,000				
Samantha Hua	**87.5**	**5.7**	**6.8**	**100**

Note:

1 Comprising the 13th month annual wage supplement

Although the Code recommends full disclosure in aggregate to the nearest thousand dollars of the total remuneration paid to each individual Director and the Chief Executive Officer (or equivalent) on a named basis as well as the aggregate remuneration paid to the top five key management personnel (who are not Directors or the Chief Executive Officer), 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 of the industry for key talent. The Board believes that such disclosure presentation provides sufficient overview of the remuneration of the Directors and key management personnel and that such information would be sufficient to the shareholders for their understanding of the Company's compensation policies.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code		Metech Corporate Governance Practices
8.2	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.	There are no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or substantial shareholder of the Company.
8.3	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.	**MIL Share Incentive Schemes** 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. **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 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**").

Guidelines of the Code	Metech Corporate Governance Practices
8.3 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.	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 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 be commensurate with the performance and value 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.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9 : The Board is responsible for the governance of risk and ensures that Management maintains sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Guidelines of the Code	Metech Corporate Governance Practices
9.1 The Board determines the nature and extent 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.	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 preclude all errors and irregularities, as a 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 poor judgment 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 countermeasures in place to manage or mitigate those risks 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 FY2020, the AC, on behalf of the Board, reviewed the internal and 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 external auditors in this respect.

Guidelines of the Code	Metech Corporate Governance Practices
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 the financial year under review the Board received the following: (a) written assurance from the CEO and the Deputy CEO 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 CEO and the KMPs 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 and internal 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 2020 to address the risks that the Group considers relevant and material to its operations.

AUDIT COMMITTEE

Principle 10 : The Board has an Audit Committee ("AC") which discharges its duties objectively.

Guidelines of the Code	Metech Corporate Governance Practices
10.1 The duties of the AC include:	
(a) reviewing the significant financial reporting issues and judgments 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;	The key terms of reference of the AC sets out its duties and responsibilities. The responsibilities of the AC is as follows: (a) 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) Review and report to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operation, compliance and information technology risks; (c) Review the effectiveness and adequacy of the Group's internal audit function;

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Metech Corporate Governance Practices
10.1 (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 (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 public discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.	(d) Review the scope and results of the external audit, and the independence and objectivity of the external auditors; (e) Make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors; (f) Review the system of internal controls and management of financial risks with the internal auditors and the external auditors; (g) Review the co-operation given by the Management to the external auditors; (h) Review and approve any interested person transactions; (i) 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. 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 the financial reporting, management of financial and control risks, and monitoring of the internal control systems. The AC has 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 the full discretion to invite any members of the Management to attend its meetings, as well as procure reasonable resources to enable it to discharge its function properly. The AC held three meetings in FY2020 where the CEO and the Deputy CEO were present in all the meetings and the external auditors on one occasion.

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Metech Corporate Governance Practices
10.1	For FY2020, the AC has reviewed the following single key audit matter highlighted by the external auditors: Recoverability of trade and other receivables (including Company's receivables). For full details of the key audit matter, please refer to page 78 of the Annual Report. The AC has undertaken a review of the services, 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$84,000 for its audit service for FY2020. 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 FY2020. Having paid regards to 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. 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 (read with Catalist Rule 716).

CORPORATE GOVERNANCE REPORT

Guidelines of the Code	Metech Corporate Governance Practices
10.1	The AC monitors the whistle-blowing framework that has been put in place in the Company, which provides guidelines and procedures for the 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 the Board meetings. There were no reported incidents pertaining to whistleblowing during FY2020 and until 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 business 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 and related financial management expertise or experience.	The AC comprises Independent Directors and the members of the AC as at the date of this report are: Chay Yiowmin (Chairman) Ricky Sim Eng Huat Chng Hee Kok The Board considers Mr Chay Yiowmin, 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.

Guidelines of the Code		Metech Corporate Governance Practices
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 nor the AC Chairman are former partners or Directors of the Group's existing auditing firm within the last twelve months nor does any of them has 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 team. 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 are surfaced. The AC ensures that the internal audit function is adequately resourced and has appropriate standing within the Company. The AC and the Board review the adequacy and effectiveness of the internal audit function as well as the internal auditors' audit plans on an annual basis and are satisfied that the internal audit function is staffed by suitably qualified persons with relevant qualifications and experience.
10.5	The AC meets with the external auditors, and with the internal auditors, in each case, without the presence of Management, at least annually.	In FY2020 the AC had one meeting with the external auditors without the presence of the Management.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLER 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.

Guidelines of the Code	Metech Corporate Governance Practices
11.1 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.	Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are published in the Business Times, and together with the annual reports and other relevant supporting documents (where applicable) and posted onto the SGXNET. 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 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. The Company's Constitution allows a shareholder to appoint one or two proxies to attend and vote on his or her behalf. 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 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.

Guidelines of the Code		Metech Corporate Governance Practices
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 as each substantially separate resolution, including the election or re-election of each Director. Detailed information on each item in the AGM agenda is accompanied with the explanatory notes detailed in the notice of AGM which can also be found in the Annual Report.
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 Executive Chairman and 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 2020 AGM to address shareholders' questions relating to the Company and the Group. 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 AGM minutes, which include comments and the questions raised by shareholders, together with the responses from the Board and the Management, and such AGM minutes are publicly available on the Company's website.
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 the Board may deem appropriate. Based on these factors, the Board does not recommend any payment of dividends for FY2020.

CORPORATE GOVERNANCE REPORT

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.

Guidelines of the Code		Metech Corporate Governance Practices
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 Corporate Disclosure Policy of SGX-ST. Announcements on financial results, major changes to the composition of the Board, changes to interest of Directors and substantial holders, major developments in the Company, annual reports, notices and circulars of general meetings and extraordinary meetings and other stipulated disclosures are made through SGXNet. This and other information on the Company can also be found on the Company's website at www.metechinternational.com where shareholders are able to access freely and at any time to their convenience.
12.2	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.	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 where shareholders are able to access freely and shareholders can submit their feedback and raise any questions to the Company at the email address provided in the Company's website.
12.3	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.	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 ask the Directors or the Management questions regarding the Company and its operations.

MANAGING STAKEHOLDERS RELATIONSHIPS
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.

Guidelines of the Code	Metech Corporate Governance Practices
13.1 The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.	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 the concerns so as to improve services and products' standards, as well as to sustain business operations for longterm growth. The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly are able to impact the Group's business and operations. Four stakeholders groups have been identified through an assessment of their significance to the business operations. They are namely, employees, investors, regulators and customers.
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 54 to 72 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-yearly and full year financial results are available on the Company's website – 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.

CORPORATE GOVERNANCE REPORT

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 two weeks prior to the announcement of the Company's financial results for the first three quarters of the financial year and one month prior to the announcement of the full year results 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 of any transaction with interested persons ("**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 Listing Manual are complied with. In FY2020 there were no IPTs involving transactions of more than S$100,000 and the Company did not seek shareholders' mandate pursuant to Rule 920 of the Listing Manual.

MATERIAL CONTRACTS

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

Pursuant to the joint venture agreement entered into between the Company and Mr In Nany Sing Charlie("**Charlie**") on 22 April 2020, the Company incorporated Asian Agritech Pte. Ltd. ("**JV Company**") on 30 June 2020 with an issued and paid-up share capital of S$100 divided into 100 shares. Subsequently the Company announced on 22 July 2020 that Charlie had transferred his 49% shares in the JV Company to Mr Liu Jian. The Company holds 51% in the JV Company.

NON-SPONSOR FEES

With respect to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the Company's sponsor, RHT Capital Pte. Ltd., in FY2020.

1. BOARD'S STATEMENT

The Board of Directors (the "**Board**" or the "**Directors**") of Metech International Limited (the "**Company**" and together with its subsidiaries, the "**Group**" or "**Metech**") reaffirm our commitment to sustainability with the publication of our sustainability report ("**Report**") to provide a transparent and balanced view of the Company, to reflect and address the interests of our key stakeholders. For this Report, we provide insights while being mindful of the importance of managing the Group's environmental, social, governance ("**ESG**") factors and economic performance for the financial year 2020.

The Board believes that building a sustainable business is crucial to our continuous growth and success. We recognise our business and actions have an impact on our stakeholders. As such, we understand the importance of sustainability in every aspect of our operations.

The Board is committed to uphold the highest standards of ethics and integrity while conducting its business activities and conform to local and international best practices. As a Catalist listed company on Singapore Exchange ("**SGX**"), we have established good corporate governance and a risk management process that includes the assessment of ESG issues which are essential for the Group. We have in place proper communication channels and policies like our whistleblowing policy to safeguard our shareholders' interest and to enable stakeholders engaged in business activities to report unethical behaviours. This approach ensures that sustainable practices are incorporated into every link of our supply chain, provides a reasonable presentation of the Company's sustainability strategies, and also identify opportunities for sustainable growth in relation to our growth strategy.

The key material ESG factors for the Group have been identified and reviewed by the management. We will work together to manage and monitor ESG matters that are material to our business and stakeholders, and take them into consideration when determining the Group's strategic direction and policies. We hope that this Report will aid in furthering our efforts towards sustainability as we continue to refine our sustainability efforts in the coming years.

Sustainability is a part of the Group's wider strategy to create long-term value for all its stakeholders, to ensure growth and success. We ensure that we do our duty as a responsible corporate citizen and continue to contribute to our community and protect our environment. The Board endorses the material factors presented in this Report.

2. REPORTING FRAMEWORK

This Report has been prepared in accordance with the Global Reporting Initiative Standards ("**GRI**") Standards: Core option and published in pursuant to 711(A) and 711(B) Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). We have chosen to report using GRI Standards as it is an internationally recognised reporting framework.

3. REPORTING PERIOD AND SCOPE

This Report covers data and information from 1 July 2019 to 30 June 2020 ("**FY2020**") across the Group. We have not sought external assurance for this Report. We have relied on internal verification to ensure the accuracy of data but will consider doing so as our reporting matures over time.

The content of this Report will focus on the sustainability performance, activities and initiatives that are under our direct control, including our Singapore offices and operations, our local supply chain as well as any overseas activities directly associated with us. This Report excludes joint ventures which are not directly under our control. Material issues and topics described in this Report have been selected according to their level of significance within the Company boundaries, the sustainability context and the expectations of stakeholders which are reflective of our core business in a consistent manner for comparability of our performance indicators across time.

In FY2019, the Group disposed its electronic-waste business and classified as discontinued operations. Since April 2020, the Group restructured our business model to the provision of management and advisory of recycling and supply chain services.

This Report focuses on the Group's sustainability strategies and practices whilst highlighting the economic, environmental, and social and governance aspects of our activities and developments. The Report aims to provide an overview of our approach, priorities and targets, as well as a performance review for our key sustainability areas.

4. FEEDBACK AND ACCESSIBILITY

We welcome feedback from all stakeholders on this Report. For any related questions, comments, suggestions or feedback on this Report, please email to info@metechinternational.com.

As part of our environmental conservation efforts, only limited copies of this annual report and sustainability report are printed. Current electronic edition of the Report is available at www.metechinternational.com and SGXNET.

5. OUR SUSTAINABILITY TEAM AND APPROACH

The Board has assigned the responsibility for monitoring and overseeing the company's sustainability efforts to the Sustainability Lead, which is chaired by the Audit Committee Chairman and assisted by both the Chief Executive Officer, Deputy Chief Executive Officer and comprises members of senior management.

The Board has emphasized to the Sustainability Lead that the management provides regular progress reports to the Board every quarter and that it will be evaluated by its success in executing the company's sustainability strategy to meet stakeholders' and the Board's expectations.

Supporting the Sustainability Lead consists of four (4) key employees across departments, who executes our sustainability strategy, monitors, and reports on our Economic, Environmental, Social and Governance ("**ESG**") performance.

Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large influences our financial performance. In order to accommodate our sustainability goals and values, we have developed a sustainability organisational structure.

We have adopted a framework of corporate governance policies and practices in line with the principles and guidelines set out in the Code of Corporate Governance 2018 (the "**Code**"). The corporate governance processes and practices adopted by the Group can be found in the Corporate Governance Report of the Annual Report and/or our website www.Metechinternational.com. The Board is committed to observing closely the principles in the Code and to continually reviewing and improving its practices.

6. STAKEHOLDERS ENGAGEMENT

We recognise the importance of close collaboration with our key stakeholders in order to achieve a sustainable business goal. We do not only analyse the various stakeholders and understand their view points, but also actively communicate and respond to stakeholders' needs to align our expectations and goals. Metech divides stakeholders into 4 groups, namely people, shareholders, clients, and communities, with responsible units to be established, manpower to be provided and duties to be assigned. Communication channels will be defined for them to work in agreement with the way each group of stakeholders operates. The responsible units will be required to regularly review the needs and expectations of their respective groups of stakeholders to ensure that responses from Metech are recognised as valuable and satisfactory.

STAKEHOLDER	CURRENT METHODS	FREQUENCY	NEEDS/ EXPECTATIONS	COMMITMENTS TO SUSTAINABILITY
People – comprising employees	• Through employment policy • Dialogue/ feedback/ evaluation sessions between employees and senior management • to advocate work-life balance / flexible working hours and place • Staff event/training	• Annual • Annual • Ad-hoc • Bi-annual	• Healthy work-life balance • Remuneration and benefits • Career opportunities • Employee safety and welfare • Fair & non-discriminatory employment practices	• Appointing staff as Engagement Ambassador for each subsidiary • Provide safe and cohesive working environment • Rewarding work/ performance • Provide fair and equal opportunities to all employees
Shareholders – comprising shareholders, investors and other business partners	• General Meetings/ Annual Report • Regular meetings with representatives of business partners • Financial results announcement • Extraordinary general meetings and SGX announcements • Media/ news/ marketing activities • Face-to-face social meetings • Whistleblowing channel • Company's website	• Annual • Ad-hoc • Quarterly • Ad-hoc • Ad-hoc • Ad-hoc • Perpetual • Perpetual	• Balance between commercial viability and environmental sustainability • Return on investment, business growth, strategy and outlook • Risk management/ corporate governance and compliance to listing requirements • Timely and transparent reporting including Sustainability performance and reporting standards	• Provide clear goals and directions for business expansion • Strive to generate sustainable long-term returns on investment • Adhere to timely and transparent dissemination of accurate, relevant information to the market • Improve Investor Relations website

STAKEHOLDER	CURRENT METHODS	FREQUENCY	NEEDS/ EXPECTATIONS	COMMITMENTS TO SUSTAINABILITY
Customers – comprising buyers, suppliers, Commodities owners/ agent, trading platforms	• Regular meetings with representatives of clients • Written and verbal feedback through business communications • Website feedback service	• Ad-hoc • Perpetual • Perpetual	• Quality products, graded certification and availability of services • Create sustainable developments for future generations • Convenience and compliance with environmental regulations	• Participation as a vested stakeholder in selected projects • Building long-term and successful relationships • Improve transparency of our supply chain
Communities – comprising government agencies, NGOs, professional practice boards, and the local community at large	• Sustainability Report • Government training workshops, surveys • Cooperating with public sector for their environmental needs • Website feedback service	• Annual • Ad-hoc • Ad-hoc • Perpetual	• Compliances with safety & environment laws and regulations • Reduce emissions, waste and other detrimental environmental effects • Giving back to the community through donations or volunteering	• Strict compliance with relevant laws and regulations • Encouraging life-long learning for mid-career change and skill-upgrading • Understand and support initiatives driven by the Government

6.1 Alignment with International Initiatives

6.1.1 Sustainable Development Goals (SDGs)

Established in 1945 under the Charter of the United Nations (UN), the General Assembly occupies a central position as the chief deliberative, policymaking and representative organ of the United Nations. Comprising all 193 Members of the United Nations, it provides a unique forum for multilateral discussion of the full spectrum of international issues covered by the Charter. It also plays a significant role in the process of standard-setting and the codification of international law.

On 25 September 2015, the UN General Assembly adopted the 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years. Although the SDGs are primarily aimed at governments, they represent an important opportunity for businesses to also act for a more sustainable world. We will use SDGs as one of the guiding principles for our sustainability initiatives.

We acknowledge that our participation in reaching the SDGs has room for improvement. As we advance on our sustainability journey, we will continue to assess our alignment with the SDGs and, whenever possible, redirect our internal priorities and sustainability strategy to more effectively and comprehensively address the goals.

SDG GOAL	RELEVANT TARGETS TO OUR BUSINESSES	OUR PARTICIPATION
13 CLIMATE ACTION	13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	We have in place internal processes and environmental policies to reduce electricity and fuel consumption. Our approach to mitigating climate change includes staff training and implementing energy-efficient measures. As we are mainly in the provision of consultation services, we consider the energy used at our offices to be the primary source of GHG emissions for the Group.
15 LIFE ON LAND	15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.	As much as practicable in our offices, we use papers that are Forest Stewardship Council (FSC) certified. We not only actively promote the use of such papers across our organisation, but also ensure to use both sides before recycling it. Our business focus/specialisation in agritech industries supports efforts in mitigating global warming and the creation of positive rural community engagement, job opportunity, and better livelihood for the farmers and members of the community that we operate our business in.

3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	The following SDG goals are relevant to our business, operations and value chain. They are addressed in our various policies at Group level. Such goals are also embedded in various initiatives carried out across the organisation.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
13 CLIMATE ACTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	

1 NO POVERTY	2 ZERO HUNGER	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	We do not believe these goals are relevant to our business or industry. They are not within our boundaries and scope of influence; therefore, we are currently unable to make noticeable contributions to such goals.
14 LIFE BELOW WATER				

6.1.2 United Nations Global Compact (UNGC)

The United Nations (UN) Global Compact is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption.

Below are the references of our Report to the 10 principles of the UN Global Compact.

	PRINCIPLE	REPORT SECTION
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	10
Principle 2	Make sure that they are not complicit in human rights abuses.	10
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	10
Principle 4	Elimination of all forms of forced and compulsory labour.	10
Principle 5	Effective abolition of child labour.	10
Principle 6	Elimination of discrimination in respect of employment and occupation.	10
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	9
Principle 8	Undertake initiatives to promote greater environmental responsibility.	9
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	9
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	8, 10

Stakeholder engagement (SE) goals

Metech acknowledges that stakeholder engagement forms an integral part of a good materiality assessment. Our SE goals include ensuring openness in dialogues, continuing to improve SE platforms such as investor relations website, staff/clients/supplier feedback portal, and accessibilities to email addresses to reach us. We recognise who our stakeholders are and target to have candid communication with them, rank and prioritise their concerns. This keeps us agile and allows us the opportunity to initiate collaboration and be part of formulating and /or facilitating our business strategies. All of which are critical in this age of corporate transparency and reporting.

We continuously listen to and communicate with our stakeholders regularly, so that we can address their needs, build trust and create value. Our SE goals focus on frequency, reachability and clarity to avoid any information asymmetry.

7. MATERIALITY ASSESSMENT

We have considered, assessed and reviewed the topics that the Group as a whole and its stakeholders are concerned about, as well as those that can potentially impact the long-term sustainability of our business against both the changing business landscape, and our key business developments to ensure that these are the issues relevant to us.

Metech's material topics are derived from the materiality matrix. In accordance to the reporting principles, we take into account the materiality topic's influence on stakeholders' decisions as well as the significance of the topic's impact to ESG factors. The material topics are ranked in the materiality matrix and are further discussed in the subsequent pages of the Report.

7.1 Materiality Matrix

Influence on stakeholder assessments & decisions (Low → High)			
High	• Procurement practices (204)	• Energy (302) • Diversity and Equal Opportunity (405)	• Supplier Environmental Assessment (308) • Labour / Management Relations (402)
	• Customer privacy (418)	• Employment practices (401) • Supplier Social Assessment (414)	• Customer Health and Safety (416)
Low		• Non-discrimination (406)	
	Significance of economic, environmental and social impact Low →		→ High

MATERIAL TOPICS	WHERE THE IMPACTS OCCUR	METECH'S INVOLVEMENT
Economic		
Procurement practices	Shareholders, People, Clients, Communities	Direct & indirect
Environment		
Energy	People and Communities	Direct & indirect
Supplier Environmental Assessment	People, Clients, and Communities	Direct
Social		
Employment practices	People and Shareholders	Direct
Labour / Management Relations	People and Shareholders	Direct
Diversity and equal opportunity	People and Shareholders	Direct & indirect
Non-discrimination	Shareholders, People and Clients	Direct & indirect
Supplier Social Assessment	People, Clients and Communities	Direct
Customer privacy	Shareholders, People and Clients	Direct
Customer Health and Safety	Shareholders, People and Clients	Direct

(GRI102-46)

7.2 ESG Factors – Policies, Practices, Performance and Targets

The materiality review took into account the GRI guidelines. In this Report, we have identified, evaluated and prioritised our topics using a materiality matrix. The matrix considers the potential impact of each topic on our business and its significance to stakeholders. Our review focuses on the below list of material sustainability factors:

Supplier Environmental Assessment (GRI 308)
Labour / Management Relations (GRI 402)
Customer Health and Safety (GRI 416)

8. ECONOMIC IMPACT

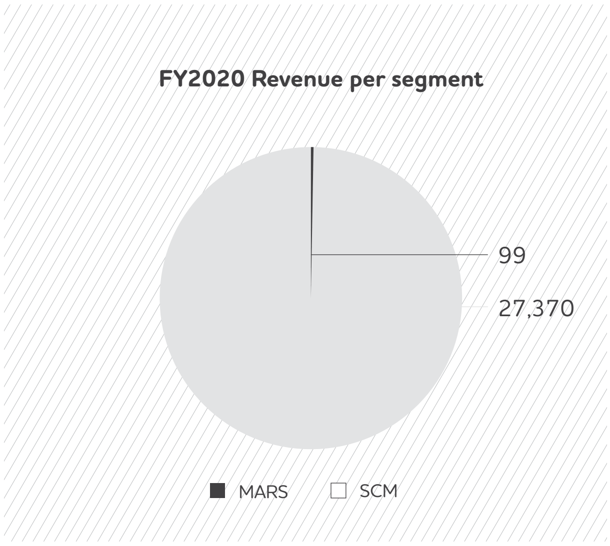
Economic performance is vital importance to a company's stakeholders particularly to investors or owners as the performance delivers a return on their investment. Other stakeholders, such as employees and the community also deem to benefit from such performance. As a Catalist-listed company, we publish a detailed annual report comprising our corporate governance and financial performance. For detailed information, please refer to the financial statements in our Annual Report 2020.

Material Environmental Issues, Context and Business case

The following elements are Metech's material economic issues:

Management's approach:
Since 2nd half FY2020, Metech continues to carry out circular economy marketing by expanding our management and advisory of recycling and supply chain management ("MARS") services and technical, operate and procure ("TOP") services in Singapore and China, where contracts are mostly secured and revenue generated in China. Despite that, Metech continues to improve and made conscientious effort to ensure our procurement strategies continues to support local suppliers and services, with the human capital being a key factor in giving it a competitive advantage. Upon establishing improved stability, we aim to expand Singapore relationships using the new expertise we gained from the expansion, and contribute to the economy.

From the 1st half FY2020, Metech wrapped up certain supply chain business ("SCM") business with its geographical definition of 'local', refers specifically to Singapore. Traders with operations registered in Singapore and/or warehouses situated in Singapore. In FY2020, the SCM business have approximately 100% of our trades to local counterparts; an improvement from 42% in FY2019.



Method/ Action plan

To address the material economic issues, we have adopted the following policies:

ISSUE	METECH'S POSITION	METECH'S EFFORTS AND PROGRAMMES
Procurement practices	Metech only works with traders with London Metal Exchange ("LME") registered products, with registered warehouses. Metech takes a constant effort to validate the contracts it enters into and trades in only certified contracts which are listed on LME, which provides an added level of assurance as guided within the framework of LME.	Since 2nd half FY2020, the Company has reduced its business to focus on MARS and TOP. MARS and TOP services focus on relationships with providing customers services that supports Singapore by way of manpower utilisation, or utilises financial resources and/or materials. Going forward, we shift our focus issues from Procurement Practices to maximizing Customer Satisfaction, Health and Safety especially so under the current Covid-19 situation.
Anti-corruption	Legal compliance and ethical practices are the core foundation of our business. Metech's culture is established and sustained through strong corporate governance, transparent reporting and open communications with all our stakeholders.	Our dedicated officer, with an escalation plan, maintains a register of incidences regarding ethics and compliance issues, escalates to the management and Board, where and when appropriate

Targets

Metech recognises the importance of customer satisfaction as we expand and grow our recycling business to include not only management and advisory of recycling, supply chain services but also services in energy management, clean energy systems and on environment and clean technologies. We commit to continuously build a loyal customer base with our sustainability goals by maximizing customers' satisfaction by way of our services provided to our clients, our clients can focus on growing their business and revenue. We also ensure constant communication with our clients through Metech's business updates through electronic means and various online platforms. Customer feedbacks and inquiries on Metech's website (https://metechinternational.com/contact-us/). We have set also the following environment targets as a stepping stone to reach our long-term targets

9. ENVIRONMENTAL IMPACT

We are committed to protecting the environment by making our operations environmentally friendly and sustainable. We aim to minimise the environmental impact during our course of activities through continuous improvements in our business processes and operations. We believe that the effective management and monitoring of our carbon footprint would contribute to the Group's increased productivity, lower consumption of natural resources, reduced wastage and pollution, create a competitive edge and an overall of improved financial performance.

Material Environmental Issues, Context and Business case

The following elements are Metech's material environmental issues:

- Emissions – while our core activities have a positive environmental effect, especially since April 2020, as the Group restructured our business model to the provision of management and advisory of recycling and supply chain services. We remained vigilant of the overall emissions as the global greenhouse gas (GHG) emissions so as to enhance energy efficiency, reduce operating costs and increase stakeholder value. The Group currently have insignificant direct (305-1) emission, and we do not include the GHG emissions generated by any of our suppliers (305-3).

- Previously, our GHG emission was predominantly indirect emission (305-2). In FY2020, with the restructured business, the management considered the indirect (305-2) emission generated is insignificant. Going forward, we shall, in our business, continuously work with our suppliers and partners to align with international standards and best practices to protect the environment by reducing negative environmental impact of our services.

SUSTAINABILITY REPORT

- Supplier Environment Assessment – our core SCM functions do not result in significant direct environmental impacts, however we aim to reduce the indirect environmental impacts through the selection of our suppliers, such as our printers, paper supplies, and electricity vendor, etc. Through assessing our suppliers, we manage supply chain risks in terms of sustainability aspects, such as environment, human rights, financials, and etc. The traceability of supply chain is a collaboration between our stakeholders and Metech.

Monitoring environmental impacts is a direct and fundamental part of our everyday business. Improvements in these areas, though seemingly insignificant to our business operations, we continue to remind our staff on some basic and socially responsible habits in their administrative office environment such as adopting greener work ethics, going paperless by adopting digital documentation, switching off appliances when not in use, enabling power save modes, etc.

The Group is committed to protect the environment and ensure that its operations are conducted responsibly. In order to achieve this, the Group adhere strictly to national laws and international standards, such as the Environmental Public Health (Toxic Industrial Waste) Regulations 1988 in Singapore. The Group strives to make a positive contribution to the local environments in which we operate, seek to reduce any potential negative impacts so as to help conserve the Earth's resources, mitigates climate change for the future generation and contributes to the long-term sustainability of not only our company but the world.

Method/ Action plan

To address the material environmental issues, we have adopted an overall green business approach and put in place the following policies:

ISSUE	METECH'S POSITION	METECH'S EFFORTS AND PROGRAMMES
Emissions	Environmental Management System (EMS) and guidelines, waste recycling and management, environmental policy and Green Campaigns	**Awareness, continuous education and promoting Greener work ethics** • Going paperless by adopting digital documentation, • Usage of paper on both sides before recycling • switching off appliances when not in use, enabling power save modes
Supplier Environmental Assessment	As our environment impact is not large, we aim to contribute to the global environment footprint through the assessment and selection of our suppliers 70% percentage of new suppliers that were screened using environmental criteria. The effect of supply-chain losses due to the coronavirus ("CoVid19") are largely felt during lockdowns and the number of countries imposing such restrictions. Metech managed to seek out alternative supplies effectively as we continue to conduct supplier assessment exercise and appreciate its utility especially in dealing with current unforeseen circumstances.	Criteria includes suppliers' knowledge and engagement in global citizenship, sustainability and best practices related to corporate responsibility. Methods used for information collection and communication methods includes regular feedback sessions and in-person meetings to communicate our expectations and evaluate their engagement. Support local from overseas 0% to local 100% (an improvement from FY2019 of overseas 47% to local 53%) ; Achieved target to increase support local to 70%. During the CoVid19, Metech focused on short-term scenarios and situation to adapt to the "new normal" and modified supply quantities as the situation unfolds. The main challenges were mainly labour availability and transportation capacity. Technology is the enabler. Metech improved its communication methods by adopting more electronic and digital communication tools to ensure continuous and regular dialogues.

Targets

We have set the following environment targets as a stepping stone to reach our long-term targets

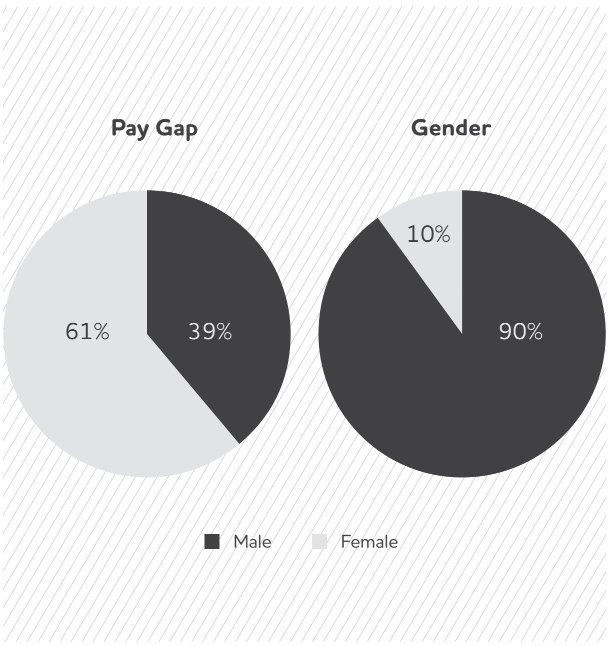
ISSUE	METECH'S CURRENT PROGRESS	2020 TARGET	LONG TERM TARGET
Energy	Total fuel consumption from non-renewable/ renewable sources. Total energy usage in joules for electricity	Implement data collection and monitoring systems	Undertake further initiatives to manage the material factors
Supplier Environmental Assessment	Working with supplier whom has the knowledge and engagement in global citizenship, sustainability and best practices related to corporate responsibility.	Develop a specific supplier code of conduct and to improve supplier screening criteria	Set up self-assessment questionnaire and validated audit process by adopting a systematic approach.

Our own impact is not large as we are doing consultancy and advisory, so we want to select suppliers and customers based on their ESG impact.

10. SOCIAL IMPACT

The Group is also committed to carry out its social responsibility at the workplace for employees, and recognise that it is important to provide a safe and conducive working environment for employees. In addition, employees are employed under fair and equitable terms. Furthermore, employees are also given equal opportunities with regard to their career advancement.

Employee information of the Group as at 30 June 2020:



All employees are treated fairly, with respect and dignity, regardless of nationality, gender, age, race or religion. The hiring procedures are fair and non-discriminative, based on merit, experience, skills and/or competency to perform the job. The Group ensures compliance with labour and employment laws, including working hours. During their employment with the Company, employees are expected to uphold and ensure that they do not engage in any interest that is conflicted with any of the Company's businesses. The code of work ethics is published in our Company's Employee Handbook as well as action guidelines which are to be adhered by the officers and employees across the organisation. Every new employee is introduced to our Code of Conduct in the Employee Handbook and our policies on ethics and compliances which includes areas such as anti-corruption.

In view of the CoVid19 situation, Metech shifted its focus from diversity and equal opportunities to labour / management relations in FY2020 as Metech placed priority on employees' health and safety, job security, training and reskilling of staff, as key importance, whilst keeping everyone in the organisation connected virtually.

Material Employment Issues, Context and Business case

As part of Metech's business continuity plans to comply to government's call to institute safe distancing measures, Metech embraced "work from home" arrangements to the furthest extent possible. Even when staff were needed to

SUSTAINABILITY REPORT

return to office, staff were briefed on usage of SafeEntry check-in and TraceTogether applications. Efforts to provide face masks, hand sanitisers and temperature taking were also put in place. In order to maintain labour/management relations, Metech kept abreast of staff's concerns on job security, deferred any retrenchment plans and encouraged training and reskilling of staff to meet new challenges. Most importantly, Metech continued in its efforts in keeping everyone within the organisation connected virtually, in form and intangibly in spirit.

The following elements are Metech's material social issues:

Management's approach:

- **Employment practices** – management approach: Metech had developed an Employee Handbook ("Handbook"). The Handbook is reviewed and updated on an annual basis. The Handbook is based on our human resource policy which comprises of three key pillars:

    - **Competitive Remuneration and Benefits;**
    - **Competent Workforce; and**
    - **Safe and Friendly workplace.**

- **Labour / Management Relations** – Metech believes that cooperative labour management relations makes up the basis of management. Metech places an utmost emphasis on equality of the work force, as well as mutual trust between us especially in trying times like the CoVid19 pandemic.

- **Diversity and equal opportunity** Metech believes in fostering fairness, equity, and respect for social and cultural diversity, regardless of gender, age and educational background. For FY2020, employee diversity was not identified as a material social factor as we maintained a lean organisational structure. Despite that, the Company will be looking developing talents by setting aside certain resources to encourage employee to pursue training and skills upgrading opportunities.

- **Non-discrimination** – management approach: Metech is committed to non-discrimination and equal opportunities even at the highest governance level. This is supported and communicated to our employees through the Handbook, which sets the tone of Metech's stance against discrimination on any basis, including ethnicity, gender, religious beliefs, or age.

Metech strongly believes that workplace satisfaction and productivity can be enhanced when individuals feel that they are part of an inclusive environment, where their contributions are recognised and valued, and where they feel supported and motivated to do their best. To that end, we value our employees and are committed to human resource policies that help us attract, retain and grow talent, in addition to building a conducive work environment.

Method/ Action plan

Conditions of work: compensation, working time, rest periods, workplace environment, and occupational health and safety, etc.

ISSUE	METECH'S POSITION	METECH'S EFFORTS AND PROGRAMMES
Employment practices	We have developed an Employee handbook	• Ongoing efforts to keep Handbook up to date and are being reviewed on an annual basis
Labour/ Management Relations	Metech places an utmost emphasis on equality of the work force and mutual trust, respecting the rights of workers and open dialogues with employees	• Discussions with employees on how best to improve workplace structure, remote working arrangements during the CoVid19, motivation and tackling management issues. • Employee working conditions and status were discussed between staff and management, with results of these discussions promptly attended to and disseminated accordingly. • Respecting employees as individuals and continue to strive to improve their welfare while employees doing their part to fulfill their duties.

ISSUE	METECH'S POSITION	METECH'S EFFORTS AND PROGRAMMES
Diversity and equal opportunity	We are willing to increase diversity, encourage continuous learning in our company	• Believes in fostering fairness, equity, and respect for social and cultural diversity, regardless of gender, age and educational background • Developing talents by setting aside certain resources to encourage employee to pursue training and skills upgrading opportunities
Non-discrimination	We take discrimination very seriously; No incident has ever occurred	• Code of Conduct in Employee's handbook • Racial awareness
Customer Health and Safety	Metech adopts customer satisfaction and customer-centric approach. Reliability, quality services and ensuring health and safety of our customers are our priority, especially so with our MARS and TOP services.	• Ensure compliance with regulations, international standards and industry practices. • To totally eliminate product safety incidents by adopting a 'Safety First' culture through employee training and quality control • Continuous monitoring and consolidate customer feedback through a range of communication channels including our website, regular customer survey, and our customer service personnel. Through customer feedback system, we capture our customers' comments for analysis and action. • In FY2020, despite being constantly challenged, there is no material impact to Company's supply chain. However, the demand for Company's services is largely depended on the performance of our clients and their ability to withstand the CoVid19 impact to their operations. During CoVid19, Metech assisted customers as much as possible, did not insist on strict legal rights and even extended services and advisory on remote arrangements. • In one instance, a customer was not able to perform contractual obligations due to the travel restrictions, Metech allowed customer to "go-slow" and delay in its deliverables while the Company monitors the situation.

Targets

Metech's dynamic management noted the uncertainty posed by the global pandemic and challenges faced by the global economic, they embraced the changes and continuously take myriad actions to deal with various situation amidst the CoVid19 crisis.

Metech maintained a lean organisational structure during the reporting period. We aim to continue to engage our employees and customers through feedback channels and activities that forge stronger relationships. Metech understands that by showing solidarity with staff and customers will not only generate goodwill but also reputational benefits for the future.

SUSTAINABILITY REPORT

11. GOVERNANCE AND REGULATORY

The Group strives to comply with the best practices of good governance, guided by the Code, throughout its operations to safeguard the interests of all stakeholders. The Group recognises that good corporate governance processes are essential for enhancing corporate sustainability. Please refer to pages 9 to 53 of our Annual Report 2020 for details on our compliance to the Code as set out in our Corporate Governance Report.

- Risk Management

  Metech's approach to sustainability and corporate responsibility related risks are managed in accordance to Metech's risk management framework, which is integrated into the Company's operational processes. The Board of Directors also oversees the Company's risk management which was developed since 6 May 2016 and has since been reviewed and updated annually. An integral part of good corporate governance, a comprehensive risk management framework enables the Group to identify and manage risks in a systematic and consistent manner. In driving risk awareness, decision-making and business processes are put through prudent risk assessment. Fraud, corruption and economic value-added risks have been identified as material to ensure business sustainability.

- Whistle Blowing Policy

  The Whistle Blowing Policy adopted by the Board serves to provide an effective mechanism for employees and other stakeholders of the Group to raise concerns regarding any illegal conduct or malpractice. The policy also allows such concerns to be raised without being subject to victimization, harassment or discriminatory treatment, and ensures that such concerns are properly channeled to the right party for further investigation.

- Dealings in Securities

  The Group's code of conduct includes guidelines to Directors and employees in the Group, which sets out prohibitions against dealings in the Company's securities (i) while in possession of material unpublished price-sensitive information and (ii) before the announcement of the Company's results. Prior to announcement of the Group's results, an email would be sent out as reminder to all Directors and employees of the Group to inform them of the duration of the period.

12. GRI CONTENT INDEX

DISCLOSURE	NUMBER	TITLE	PAGE	REMARKS
Organisational profile	102-1	Name of the organisation	54	
	102-2	Activities, brands, products, and services	54, 119	
	102-3	Location of headquarters	54, 119	
	102-4	Location of operations	54, 119	
	102-5	Ownership and legal form	54, 119	
	102-6	Markets served	54, 61	
	102-7	Scale of the organisation	54, 119	
	102-8	Information on employees and other workers	9-55, 64	
	102-9	Supply chain	54, 57, 62	
	102-10	Significant changes to the organisation and its supply chain	54, 57, 62	
	102-11	Precautionary Principle or approach	–	Not applicable
	102-12	External initiatives	–	Not applicable
	102-13	Membership of associations	–	Not applicable
Strategy	102-14	Statement from senior decision-maker	54	
	102-15	Key impacts, risks, and opportunities	54	
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	9-54, 61-66	
	102-17	Mechanisms for advice and concerns about ethics	9-54, 61-66	
Governance	102-18-39	Governance	9-55	Refer to Corporate Governance Report
Stakeholder engagement	102-40	List of stakeholder groups	55-57	
	102-41	Collective bargaining agreements	55-57	
	102-42	Identifying and selecting stakeholders	55-57	
	102-43	Approach to stakeholder engagement	55-57	
	102-44	Key topics and concerns raised	57-59	
Reporting practice	102-45	Entities included in the consolidated financial statements	119	
	102-46	Defining report content and topic Boundaries	60	Refer to Materiality Matrix
	102-47	List of material topics	60	
	102-48	Restatements of information	–	No Significant Changes
	102-49	Changes in reporting	–	Not applicable
	102-50	Reporting period	54, 73	
	102-51	Date of most recent report	54	
	102-52	Disclosure Reporting cycle	54	
	102-53	Contact point for questions regarding the report	8, 55	
	102-54	Claims of reporting in accordance with the GRI Standards	55	
	102-55	GRI content index		You are looking at it
	102-56	External assurance	–	Not relevant

SUSTAINABILITY REPORT

DISCLOSURE	NUMBER	TITLE	PAGE	REMARKS
Economic				
Economic Performance	201-1	Direct economic value generated and distributed	82-145	
	201-2	Financial implications and other risks and opportunities due to climate change	61, 82-145	
	201-3	Defined benefit plan obligations and other retirement plans	61	
	201-4	Financial assistance received from government	–	Not applicable
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	–	Not disclosed
	202-2	Proportion of senior management hired from the local community	–	Not disclosed
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	–	Not applicable /Not measured
	203-2	Significant indirect economic impacts	–	Not applicable /Not measured
Procurement Practices	204	Management approach	60-62	
	204-1	Proportion of spending on local suppliers	60, 63-64	
Anti-corruption	205-1	Operations assessed for risks related to corruption	59, 62	
	205-2	Communication and training about anti-corruption policies and procedures	62	
	205-3	Confirmed incidents of corruption and actions taken	–	Management has confirmed no such incidents.
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	–	Management is not aware of any cases that is significant to the Group.
Environment				
Materials	301-1	Materials used by weight or volume	–	Not applicable /Not measured
	301-2	Recycled input materials used	–	Not applicable /Not measured
	301-3	Reclaimed products and their packaging materials	–	Not applicable /Not measured
Energy	302	Management approach	64	
	302-1	Energy consumption within the organisation	–	Not applicable /Not measured
	302-2	Energy consumption outside of the organisation	–	Not applicable /Not measured
	302-3	Energy intensity	–	Not applicable /Not measured
	302-4	Reduction of energy consumption	–	Not applicable /Not measured
	302-5	Reductions in energy requirements of products and services	–	Not applicable /Not measured

DISCLOSURE	NUMBER	TITLE	PAGE	REMARKS
Environment (cont'd)				
Water	303-1	Water withdrawal by source	–	Not applicable /Not measured
	303-2	Water sources significantly affected by withdrawal of water	–	Not applicable /Not measured
	303-3	Water recycled and reused	–	Not applicable /Not measured
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	–	Not applicable /Not measured
Emissions	305-1	Direct (Scope 1) GHG emissions	–	Not applicable /Not measured
	305-2	Energy indirect (Scope 2) GHG emissions	–	Not applicable /Not measured
	305-3	Other indirect (Scope 3) GHG emissions	–	Not applicable /Not measured
	305-4	GHG emissions intensity	–	Not applicable /Not measured
	305-5	Reduction of GHG emissions	–	Not applicable /Not measured
Effluents and Waste	306-1	Water discharged by quality and destination	–	Not applicable /Not measured
	306-2	Waste by type and disposal method	–	Not applicable /Not measured
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations		Management is not aware of any cases that is significant to the Group.
Supplier Environmental Assessment	308	Management approach	63-64	
	308-1	New suppliers screened using environmental criteria	63-64	
	308-2	Negative environmental impacts in the supply chain and actions taken	–	Not applicable /Not measured
Social				
Employment	401	Management approach	64	
Labor/ Management Relations	402	Minimum notice periods regarding operational changes	–	Not applicable /Not measured
Occupational Health and Safety	403-1	Workers representation in formal joint management–worker health and safety committees	–	Not disclosed
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	–	
	403-3	Workers with high incidence or high risk of diseases related to their occupation	–	
	403-4	Health and safety topics covered in formal agreements with trade unions	–	

DISCLOSURE	NUMBER	TITLE	PAGE	REMARKS
Social (cont'd)				
Training and Education	404-1	Average hours of training per year per employee	–	Not disclosed
	404-2	Programs for upgrading employee skills and transition assistance programs	–	
	404-3	Percentage of employees receiving regular performance and career development reviews	–	
Diversity and Equal Opportunity	405	Management approach	65	
	405-1	Diversity of governance bodies and employees	–	
	405-2	Ratio of basic salary and remuneration of women to men	65-66	
Non-discrimination	406	Management approach	65-66	
	406-1	Incidents of discrimination and corrective actions taken	–	None during reporting period
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	–	None during reporting period
Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labor	–	None during reporting period
Forced or Compulsory Labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	–	None during reporting period
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	–	None during reporting period
Human Rights Assessment	412-2	Employee training on human rights policies or procedures	–	None during reporting period
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	–	None during reporting period
	413-2	Operations with significant actual and potential negative impacts on local communities	–	None during reporting period
Supplier Social Assessment	414	Management approach	–	None during reporting period
	414-1	Percentage of new suppliers that were screened using social criteria	–	
	414-2	Negative social impacts in the supply chain and actions taken	–	

DISCLOSURE	NUMBER	TITLE	PAGE	REMARKS
Social (cont'd)				
Public Policy	415-1	Political contributions		No political contributions were made in the period covered
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	64-66	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		None during reporting period
Marketing and Labelling	417-1	Requirements for product and service information and labelling		Our product information and labelling are based on prevailing laws and industry practices. Information on service, refer to https://www.metechinternational.com
	417-2	Incidents of non-compliance concerning product and service information and labelling		None during reporting period
	417-3	Incidents of non-compliance concerning marketing communications		None during reporting period
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		None during reporting period
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area		None during reporting period

DIRECTORS' STATEMENT

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 2020 and the statement of financial position of the Company as at 30 June 2020.

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 2020 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:

Liu ChangSheng	Non-Executive Chairman (appointed on 1 September 2019)
Clement Tay Ming Liang	Executive Director and Chief Executive Officer (appointed on 24 March 2020)
Chay Yiowmin	Lead Independent Director
Chng Hee Kok	Independent Director (appointed on 26 December 2019)
Ricky Sim Eng Huat	Independent Director

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, Chapter 50 (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
<u>The Company</u>				
Number of ordinary shares				
Liu ChangSheng	–	–	–	19,797,439
Simon Eng[1]	14,600,000	–	9,603,377	–
Wang Daming[2]	500,000	–	–	–

(1) Simon Eng resigned as director of the Company on 8 June 2020.
(2) Wang Daming resigned as director of the Company on 29 October 2019.

There was no change in any of the above-mentioned interests as at 21 July 2020.

Except as disclosed in this statement, no director 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.

Unissued Shares under Option

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

DIRECTORS' STATEMENT

5. WARRANTS

DATE OF ISSUE	WARRANTS OUTSTANDING AT 1 JULY 2019	WARRANTS ISSUED	WARRANTS OUTSTANDING AT 30 JUNE 2020	DATE OF EXPIRATION
28 August 2019	–	10,000,000	10,000,000	27 August 2022

Each warrant entitles the warrant holder to subscribe for one new ordinary share in the Company at the exercise price of S$0.153 per share. 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)
Chng Hee Kok (appointed on 26 December 2019)
Ricky Sim Eng Huat

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, 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;

(b) review the half-year/quarterly 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) meet with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Committee;

(e) 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;

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

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

6. AUDIT COMMITTEE (CONT'D)

The duties of the Audit Committee, amongst other things, include: (cont'd)

(h) 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;

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

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

(k) 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 five 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.

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.

DIRECTORS' STATEMENT

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,

....
Clement Tay Ming Liang
Director

....
Chay Yiowmin
Director

Singapore
6 October 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METECH INTERNATIONAL LIMITED

(INCORPORATED IN SINGAPORE)

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 2020, 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, Chapter 50 (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 2020 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 MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of trade and other receivables (including Company's trade and other receivables) We refer to Note 3(i), Note 4(b), Note 14 and Note 27(c) to the consolidated financial statements. The carrying amount of the Group and the Company's trade and other receivables amounted to S$325,000 and S$4,764,000 respectively as at 30 June 2020.	We have reviewed the Group's control over the receivables collection processions, requested and received trade receivables balance confirmation, analysed the aging of trade and other receivables, checked for the receipt of cash after year end, reviewed the adequacy of the Group's and the Company's impairment provisions against trade and other receivables and its disclosures about the degree of estimation involved in arriving at the expected credit loss model.
There are judgements and estimates involved in the application of the expected credit loss model and impairment provision.	We found the estimates used by management in deriving the expected credit loss model and impairment provision adequate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METECH INTERNATIONAL LIMITED

(INCORPORATED IN SINGAPORE)

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METECH INTERNATIONAL LIMITED

(INCORPORATED IN SINGAPORE)

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

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METECH INTERNATIONAL LIMITED

(INCORPORATED IN SINGAPORE)

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
6 October 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	NOTE	GROUP 2020 S$'000	GROUP 2019 S$'000
Continuing operations			
Revenue	5	27,469	86,529
Cost of sales		(26,948)	(85,953)
Gross profit		521	576
Other income:			
Others	6	1,038	266
Interest income	6	18	5
Distribution expenses		–	(8)
Administrative expenses		(1,303)	(1,311)
Loss allowance on trade and other receivables		(37)	–
Other expenses		(1,028)	(677)
Finance costs	7	(183)	(258)
Loss before income tax	8	(974)	(1,407)
Income tax expense	10	(17)	–
Loss for the year		(991)	(1,407)
Discontinued operations			
Profit for the year from discontinued operations	24	–	583
Total loss for the year		(991)	(824)
Other comprehensive income/(loss), net of tax			
Items that may be reclassified subsequently to profit or loss:			
- Exchange differences on currency translation differences		98	227
- Exchange translation difference on discontinued operation		–	(460)
Other comprehensive income/(loss) for the year, net of tax		98	(233)
Total comprehensive loss for the year		(893)	(1,057)
(Loss)/profit for the year attributable to:			
Equity holders of the Company		(1,031)	(824)
Non–controlling interests		40	–
		(991)	(824)
Total comprehensive (loss)/income for the year attributable to:			
Equity holders of the Company		(933)	(1,057)
Non–controlling interests		40	–
		(893)	(1,057)
Basic and diluted (loss)/earnings per share (cents per share) attributed to equity holders of the Company	11		
Loss per share from continuing operations		(1.02)	(1.56)
Earnings per share from discontinued operations		–	0.65
Loss per share from continuing and discontinued operations		(1.02)	(0.92)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2020

		GROUP		COMPANY	
	NOTE	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
ASSETS					
Non–current Assets					
Property, plant and equipment	12	246	479	–	1
Investments in subsidiaries	13	–	–	*	–
Trade and other receivables	14	–	237	–	4,723
		246	716	*	4,724
Current Assets					
Inventories	15	–	13	–	–
Trade and other receivables	14	325	3,493	4,764	213
Contract assets	5	–	3,855	–	–
Cash and bank balances	16	3,116	3,354	104	16
		3,441	10,715	4,868	229
Total Assets		3,687	11,431	4,868	4,953
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	179,010	177,480	179,010	177,480
Translation reserve	17	(68)	(166)	–	–
Accumulated losses	17	(175,959)	(174,928)	(174,878)	(175,245)
		2,983	2,386	4,132	2,235
Non–controlling interest	13	40	–	–	–
Total Equity		3,023	2,386	4,132	2,235
LIABILITIES					
Non–current Liabilities					
Provisions	19	–	410	–	–
Lease liabilities/finance lease liabilities	20	63	37	–	–
Borrowings	21	–	1,000	–	1,000
		63	1,447	–	1,000
Current Liabilities					
Other payables	18	538	3,543	736	718
Contract liabilities	5	–	103	–	–
Lease liabilities/finance lease liabilities	20	46	13	–	–
Borrowings	21	–	3,939	–	1,000
Income tax payable		17	–	–	–
		601	7,598	736	1,718
Total Liabilities		664	9,045	736	2,718
Total Equity and Liabilities		3,687	11,431	4,868	4,953

* Less than S$1,000

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
	SHARE CAPITAL S$'000	TRANSLATION RESERVE S$'000	ACCUMULATED LOSSES S$'000	TOTAL S$'000	NON–CONTROLLING INTEREST S$'000	TOTAL EQUITY S$'000
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, net of tax						
– Exchange differences on currency translation differences	–	98	–	98	–	98
Total comprehensive income/(loss) for the year	–	98	(1,031)	(933)	40	(893)
Issuance of ordinary shares (Note 17)	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.

	SHARE CAPITAL S$'000	TRANSLATION RESERVE S$'000	ACCUMULATED LOSSES S$'000	TOTAL EQUITY S$'000
2019				
Balance at 1 July 2018	177,480	67	(173,640)	3,907
Adoption of SFRS(I) 15	–	–	(464)	(464)
Adjusted balance as 1 July 2018	177,480	67	(174,104)	3,443
Loss for the year	–	–	(824)	(824)
Other comprehensive income/(loss), net of tax				
- Exchange differences on currency translation differences	–	227	–	227
- Translation differences on discontinued operations transferred	–	(460)	–	(460)
Total comprehensive loss for the year	–	(233)	(824)	(1,057)
Balance at 30 June 2019	177,480	(166)	(174,928)	2,386

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	NOTE	GROUP 2020 S$'000	GROUP 2019 S$'000
Cash Flows from Operating Activities			
Loss before income tax from continuing operations		(974)	(1,407)
Profit before income tax from discontinued operations		–	583
		(974)	(824)
Adjustments for:			
Depreciation of property, plant and equipment		181	478
Allowance for impairment loss on property, plant and equipment		164	138
Loss allowance on trade and other receivables		37	1,313
Payables written back		(7)	(38)
Amortisation of accrual for restoration cost		118	83
Unrealised foreign exchange (gain)/loss		(187)	108
Reversal of provision for restoration cost		(210)	–
Gain on disposal of subsidiaries	13(c)	–	(6,031)
Gain on disposal of property, plant and equipment		–	(40)
Unrealised loss on futures contracts		–	25
Interest income		(18)	(22)
Interest expense		183	275
Operating cash flows before changes in working capital		(713)	(4,535)
Changes in working capital:			
Trade and other receivables and contract assets		7,535	(1,049)
Inventories		13	2,877
Trade and other payables and contract liabilities		(3,419)	248
Cash generated from/(used in) operating activities		3,416	(2,459)
Interest received		18	22
Interest paid		(183)	(275)
Income tax paid		–	(6)
Net cash generated from/(used in) operating activities		3,251	(2,718)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		–	(77)
Net cash inflow from disposal of subsidiaries	13(c)	–	350
Net cash generated from investing activities		–	273
Cash Flows from Financing Activities			
Proceeds from issuance of ordinary shares		1,530	–
Repayment of lease liabilities/finance lease liabilities		(53)	(32)
Proceeds from loans from a third party		4,391	9,116
Repayment of loans from a third party		(7,330)	(7,177)
Repayment of non–convertible bonds		(2,000)	(1,000)
Proceeds from issuance of non–convertible bonds		–	2,000
Net cash (used in)/generated from financing activities		(3,462)	2,907
Net (decrease)/increase in cash and cash equivalents		(211)	462
Cash and cash equivalents at the beginning of the year		3,354	2,909
Effect of exchange rate changes on balances of cash held in foreign currencies		(27)	(17)
Cash and cash equivalents at the end of the year	16	3,116	3,354

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 1 Raffles Place Level 19 Tower 2, One Raffles Place Singapore 048616. 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 2019.

Except for the adoption of SFRS(I) 16 Leases, the effect of which is discuss below, the adoption of the other new and revised standards has had no material effect on the financial performance of the Group or financial positions of the Group and the Company.

<u>Adoption of SFRS(I) 16</u> *Leases*

SFRS(I) 16 sets out a revised framework for the recognition, measurement, presentation and disclosure of leases and replaces SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives*; and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

SFRS(I) 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use assets are depreciated and interest expense is recognised on the lease liability. Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities. Right-of-use assets are tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets*. The accounting requirements for lessors have not been changed substantially, and continue to be based on a classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

On 1 July 2019, the Group has applied a modified retrospective approach that does not restate comparative information, but recognises the cumulative effect of initial applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings on 1 July 2019. The Group elected a practical expedient offered by SFRS(I) 16, exempting the Group from having to reassess whether pre-existing contracts contains a lease.

The Group has, on a lease-by-lease basis:

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
- excluded initial direct costs in the measurement of the right-of-use assets at the date of initial application; and
- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

2. APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)S") (CONT'D)

(a) Application of New and Revised Standards and Interpretations (cont'd)

Adoption of SFRS(I) 16 *Leases* (cont'd)

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

There are no significant changes to the accounting by the Group as a lessor.

For leases previously classified as operating leases (lease term more than 12 months), the Group chose to measure its right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liabilities as at 1 July 2019 are determined as the carrying amount of the right-of-use assets and lease liabilities.

The Group acts as an intermediate lessor under arrangement in which it sub-leases out its factory premises to third parties for monthly lease payments. The Group has applied the short-term lease exemption to the head lease; hence the sub-lease is classified as an operating lease. The corresponding rental income and expense were both recognised on a straight-line basis over the term of the respective leases.

The differences between the operating lease commitments disclosed applying SFRS(I) 1-17 in the Group's financial statements as at 30 June 2019 and the lease liabilities recognised in the consolidated statement of financial position as at 1 July 2019 are presented below.

	GROUP
	S$'000
Operating lease commitments disclosed as at 30 June 2019	1,430
Less: Short-term leases	(1,430)
Lease liabilities recognised as at 1 July 2019	–

The adoption of SFRS(I) 16 does not have significant impact on the financial performance and financial position of the Company.

2. APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)S") (CONT'D)

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

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:

DESCRIPTION	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8, *Definition of Material*	1 January 2020
Amendments to SFRS(I) 3, *Definition of a Business*	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7, *Interest Rate Benchmark Reform*	1 January 2020
Amendments to SFRS(I) 16, *Covid-19-Related Rent Concessions*	1 June 2020
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 Combinations – 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

Management is of view that the adoption of the amendments above will have no material impact on the consolidated financial statements in the period of initial application.

<u>Amendments to SFRS(I) 1-1 and SFRS(I) 1-8</u> *Definition of Material*

The amendments refine the definition of "material", provide guidance on its application, and align the definitions used across SFRS standards. Based on the amendments, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

<u>Amendments to SFRS(I) 3</u> *Definition of a Business*

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 of the assets acquired is concentrated in a single asset or group of similar assets.

<u>Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7</u> *Interest Rate Benchmark Reform*

The amendments provide temporary relief to allow hedge accounting to continue for certain hedges during the period of uncertainty before replacement of an existing Interbank Offered Rate benchmark (IBOR) with an alternative nearly Risk Free Rates (RFRs). The amendments are mandatory for all hedging relationships directly affected by the IBOR reform. Companies are required to assume that the interest rate benchmark that is the subject of a hedge of interest rate risk is unaltered by the reforms.

2. APPLICATION OF SINGAPORE FINANCIAL REPORTING STANDARDS (INTERNATIONAL) ("SFRS(I)S") (CONT'D)

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

Amendments to SFRS(I) 16 *Covid-19 Related Rent Concessions*

The amendment provides a practical expedient to simplify the accounting for lease concessions that meet specific criteria. This expedient provides lessees with an option to account for such concessions as if they are not lease modifications, regardless of whether they qualify as such.

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.

Amendments to SFRS(I) 3 *Business Combination – Reference to the Conceptual Framework*

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.

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.

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, Chapter 50 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 2020, the Group has incurred a net loss and a total comprehensive loss of S$991,000 (2019: S$824,000) and S$893,000 (2019: S$1,057,000), respectively. These conditions indicate an uncertainty exists that may cast doubt on the ability of the Group and the Company to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business.

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 2020 is appropriate after taking into consideration the following factors:

i. Management will continue to tighten their cost controls over the Group's operating expenses and seek to improve the cash flows of the Group. Management has also 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 2020 and to meet its obligations as and when they fall due.

ii. Management will continue to evaluate various strategies to improve the Group's operating performance of its current business activities and to seek for new sources of revenue.

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

Subsidiaries

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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Group Accounting (cont'd)

Subsidiaries *(cont'd)*

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous held equity interest in the acquiree over the fair value of the investee's identifiable net assets acquired. Goodwill on acquisitions of subsidiaries is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss. Gains and losses on the disposal of subsidiaries, include the carrying amount of goodwill relating to the entity sold.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary or business comprises the fair values 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 asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary at the acquisition date. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred assets. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Group Accounting (cont'd)

Subsidiaries (cont'd)

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- recognises any resulting difference as a gain or loss in profit or loss.

(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 (CONT'D)

(e) Foreign Currencies (cont'd)

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 (CONT'D)

(e) Foreign Currencies (cont'd)

Translation of Group entities' financial statements (cont'd)

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:

Office and factory premises (including leasehold improvements)	3 to 5 years
Plant and equipment	2 to 10 years
Furniture and fixtures	3 to 5 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 (CONT'D)

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

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) 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment of Non-Financial Assets (cont'd)

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.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

Cost includes the actual cost of materials and incidentals in bringing the inventories into store and for manufactured inventories, the cost of work-in-progress and finished goods comprises raw materials, direct labour and related production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale. Allowance is made for slow-moving and obsolete items.

(i) Financial Assets

Classification and measurement

The Group classifies its financial assets at amortised costs.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial Assets (cont'd)

Classification and measurement (cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial Assets (cont'd)

Impairment (cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial Assets (cont'd)

Impairment (cont'd)

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.

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.

(j) 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.

(k) 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 (CONT'D)

(l) Financial Instruments

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.

(m) 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.

(n) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) 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.

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.

(p) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Leases (Accounting policies applicable from 1 July 2019)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Leases (Accounting policies applicable from 1 July 2019) (cont'd)

When the Group is the lessee (cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Leases (Accounting policies applicable prior to 1 July 2019)

When the Group is the lessee

Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as property, plant and equipment and finance lease liabilities respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

Operating leases

Leases of office premises, factory and equipment where substantially all the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the expiry of the lease period, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination of the operating lease takes place.

Contingent rents are recognised as an expense in profit or loss when incurred.

When the Group is a lessor

Operating leases

Leases of office building units and equipment where the Group retains substantially all 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) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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 (CONT'D)

(v) Revenue (cont'd)

Sale of goods (cont'd)

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Income Tax (cont'd)

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.

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) Discontinued Operations

Disposal groups are classified as held for sales or distribution if their carrying amount will be recovered through a sale transaction or distribution rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of the classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held-for-sale when the criteria set out below are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. Non-current assets (disposal groups) classified as held for sale (held for distribution) are measured at the lower of the assets' previous carrying amount and fair value less cost to sell (fair value less costs to distribute).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Discontinued Operations (cont'd)

The assets are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

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

- represents a separate major line of business or geographical area of operations; or
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

(z) 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 (CONT'D)

(z) Related Parties (cont'd)

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.

(aa) Fair Value Estimation

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

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.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements 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.

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

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 2020 and the allowance for impairment loss recognised are disclosed in Note 13.

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currency of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate that best reflects the economic substance of the underlying events and circumstances relevant to the entities in the Group.

(b) Key Sources of Estimation Uncertainty

Loss allowance for trade and other receivables and contract assets

The Group measures the loss allowance for receivables in accordance with the accounting policy as disclosed in Note 3(i). 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 and contract assets at 30 June 2020 are disclosed in Note 14 and Note 5. The information about the expected credit losses on the Group's trade and other receivables are disclosed in Note 14 and Note 27(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 26.

	GROUP	
	2020	2019
	S$'000	S$'000
Principal geographical market		
People's Republic of China	27,469	86,529
Major product or service line and time of recognition		
Performance obligations satisfied at a point in time		
Sale of goods - copper cathodes and products	27,370	86,529
Performance obligations satisfied over time		
Provision of services	99	–
	27,469	86,529

Contract balances

	GROUP	
	2020	2019
	S$'000	S$'000
Contract assets		
Unbilled receivables	–	3,855
Contract liabilities		
Advances from customers	–	103

Unbilled receivables relate to goods that have been delivered to the customers but the final price for these sales has not been billed by the Group to the customers as at the reporting date. The contract assets are transferred to trade receivables when the final price is determined and the Group bills the customers.

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.

5. REVENUE (CONT'D)

Contract balances (cont'd)

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

	GROUP 2020 S$'000	GROUP 2019 S$'000
Contract assets		
Balance at 1 July	3,855	493
Sales delivered recognised as revenue but not billed	–	3,855
Contract assets reclassified to trade receivables	(3,855)	(493)
Balance at 30 June	–	3,855
Contract liabilities		
Balance at 1 July	(103)	(2,529)
Advance payment received for sales	–	(103)
Advance payment recognised as sales	103	1,235
Advance payment received for sales refunded	–	1,294
Balance at 30 June	–	(103)

Loss allowance for amounts due from customers has always been measured at an amount equal to lifetime expected credit loss as disclosed in the accounting policy Note 3(i). There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group's credit risk exposure in relation to contract assets under SFRS(I) 9 as at 30 June 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.

	GROUP 2020 S$'000	GROUP 2019 S$'000
Expected credit loss rate	–	*
Contract assets – gross carrying amount (not past due)	–	3,855
	–	3,855

* Insignificant expected credit loss rate.

6. OTHER INCOME

	GROUP	
	2020	2019
	S$'000	S$'000
Continuing operations		
Rental of building and plant and equipment income – operating leases	945	398
Realised foreign exchange loss	(258)	(50)
Unrealised foreign exchange gain/(loss)	214	(108)
Reversal of provision for reinstatement cost, net	92	–
Government grants income	34	–
Payables written back	7	7
Other miscellaneous income	4	19
	1,038	266
Interest income	18	5
	1,056	271

7. FINANCE COSTS

	GROUP	
	2020	2019
	S$'000	S$'000
Continuing operations		
Interest expense on:		
- non-convertible bonds	107	109
- loans from third party	70	139
- lease liabilities/finance lease liabilities	6	3
- loan from a related party	–	7
	183	258

8. LOSS BEFORE INCOME TAX

	GROUP	
	2020	2019
	S$'000	S$'000
Continuing operations		
This is arrived at after charging:		
Operating lease expenses		
- included in administrative expenses	41	191
- included in other expenses	675	375
Depreciation of property, plant and equipment		
- included in administrative expenses	36	4
- included in other expenses	145	76
Impairment of property, plant and equipment		
- included in other expenses	164	–
Amortisation of accrual for restoration cost		
- included in other expenses	–	34
Employee benefits (including directors' remuneration)		
- included in administrative expenses (Note 9)	503	528
Directors' fees	92	93
Realised (gains)/losses on future contracts	(117)	(14)
Unrealised (gains)/losses on future contracts	–	25
Fees on audit services paid/payable to:		
- Auditors of the Company	84	110

There were no non-audit fees paid/payable to the auditors of the Company during the financial years ended 30 June 2020 and 2019.

9. EMPLOYEE BENEFITS EXPENSES

	GROUP	
	2020	2019
	S$'000	S$'000
Continuing operations		
Employee benefits comprised:		
- Salaries and bonuses	456	469
- Employer's contribution to Central Provident Fund	46	46
- Other short-term employee benefits	1	13
	503	528

10. INCOME TAX

	GROUP	
	2020	2019
	S$'000	S$'000
Continuing operations		
Current income tax	17	–

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

	GROUP	
	2020	2019
	S$'000	S$'000
Loss before income tax from continuing operations	(974)	(1,407)
Tax at the applicable tax rate of 17% (2019: 17%)	(166)	(239)
Income not subject to tax	(7)	(17)
Tax effect of non-deductible items	67	24
Deferred tax benefits not recognised	123	250
Utilisation of deferred tax benefits previously not recognised	–	(18)
	17	–

The Group's applicable tax rate used for the reconciliation above is the corporate tax rate of 17% (2019: 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.

As at the reporting date, the Group has unutilised tax losses and capital allowances of approximately S$29,604,000 and S$7,000 (2019: S$28,880,000 and S$7,000), 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$5,034,000 (2019: S$4,911,000) have not been recognised in accordance with the Group's accounting policy in Note 3(w).

11. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

	GROUP	
	2020	**2019**
(Loss)/profit for the year attributable to equity holders of the Company used in the computation of basic (loss)/earnings per share (S$'000)		
Loss for the year from continuing operations	(991)	(1,407)
Profit for the year from discontinued operations	–	583
Loss for the year from continuing and discontinued operations	(991)	(824)
Weighted average number of ordinary shares for the purpose of computation of basic (loss)/earnings per share ('000)	97,143	90,040*
Basic and diluted (loss) per share (cents per share) (S$'000)		
Loss per share from continuing operations	(1.02)	(1.56)
Earnings per share from discontinued operations	–	0.65
Loss per share from continuing and discontinued operations	(1.02)	(0.92)

* Included the effect of share consolidation that was completed on 14 November 2018

(b) Diluted (loss)/earnings per share

For the purpose of calculating diluted (loss)/earnings per share, net (loss)/profit 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 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.

There are no potential dilutive shares during the financial year ended 30 June 2020 and 2019.

Diluted (loss)/earnings per share is the same as basic earnings per share for the financial year ended 30 June 2020 and 2019. The warrants issued during the current financial year were anti-dilutive.

12. PROPERTY, PLANT AND EQUIPMENT

	OFFICE AND FACTORY PREMISES S$'000	PLANT AND EQUIPMENT S$'000	FURNITURE AND FIXTURES S$'000	TOTAL S$'000
Group				
Cost				
Balance at 1 July 2018	458	6,846	330	7,634
Additions	–	77	–	77
Disposals	–	(250)	–	(250)
Written off	–	(1,261)	(36)	(1,297)
Derecognised on disposal of discontinued operations	(458)	(3,706)	(294)	(4,458)
Balance at 30 June 2019	–	1,706	–	1,706
Additions	112	–	–	112
Balance at 30 June 2020	112	1,706	–	1,818
Accumulated depreciation and impairment				
Balance at 1 July 2018	350	5,043	324	5,717
Depreciation for the year	32	436	10	478
Disposals	–	(193)	–	(193)
Impairment	–	138	–	138
Written off	–	(1,261)	(36)	(1,297)
Derecognised on disposal of discontinued operations	(382)	(2,936)	(298)	(3,616)
Balance at 30 June 2019	–	1,227	–	1,227
Depreciation for the year	33	148	–	181
Impairment	–	164	–	164
Balance at 30 June 2020	33	1,539	–	1,572
Carrying amount				
Balance at 30 June 2019	–	479	–	479
Balance at 30 June 2020	79	167	–	246

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	PLANT AND EQUIPMENT S$'000	FURNITURE AND FIXTURES S$'000	TOTAL S$'000
Company			
Cost			
Balance at 1 July 2018	1,279	36	1,315
Written off	(1,261)	(36)	(1,297)
Balance at 30 June 2019 and Balance at 30 June 2020	18	–	18
Accumulated depreciation			
Balance at 1 July 2018	1,274	36	1,310
Depreciation for the year	4	–	4
Written off	(1,261)	(36)	(1,297)
Balance at 30 June 2019	17	–	17
Depreciation for the year	1	–	1
Balance at 30 June 2020	18	–	18
Carrying amount			
Balance at 30 June 2019	1	–	1
Balance at 30 June 2020	–	–	–

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 additions to property, plant and equipment included S$112,000 acquired under right-of-use assets under leasing arrangements (Note 20).

During the current financial year, the Group impaired certain property, plant and equipment with a net book value of S$164,000 (2019: S$138,000). These plant and equipment were mainly rendered technologically obsolete and/or were derecognised as part of the disposal of discontinued operations.

13. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2020 S$'000	2019 S$'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 (CONT'D)

(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	
		2020	2019
		%	%
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
Nolash Tech Pte. Ltd. (formerly known as Metech Reverslog Pte. Ltd.) (1) Singapore	Wholesale trade of a variety of goods without a dominant product and provision of Recycling Technology, Operations, Procurement Management Services.	100	100
Asian Agritech Pte. Ltd. (2) Singapore	Carry out circular economy marketing, advisory and management services in relation to recycling and trading in Singapore and PRC	51	–
Held by Nolash Tech Pte. Ltd.			
Nolash Agritech (Shanghai) Co., Ltd. (formerly known as Metech Global (Shanghai) Co., Ltd.) (2) People's Republic of China	General wholesale trade	100	100

(1) Audited by Moore Stephens LLP Singapore.

(2) Audited by Moore Stephens LLP, Singapore for the purposes of consolidation.

(b) Incorporation of a 51.0% owned subsidiary

On 30 June 2020, the Company incorporated a 51.0% owned subsidiary, Asian Agritech Pte. Ltd. in Singapore. Asian Agritech Pte. Ltd. has an issued and paid up capital of S$100 divided into 100 shares.

The summarised financial information of Asian Agritech Pte. Ltd. below represents amounts before elimination.

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Incorporation of a 51.0% owned subsidiary (cont'd)

	GROUP 2020 S$'000
Current assets	99
Current liabilities	(17)
Revenue	99
Expenses (including tax expenses)	(17)
Profit for the year	82
Profit attributable to owners of the Company	42
Profit attributable to the non-controlling interests	40
	82
Total comprehensive income attributable to owners of the Company	42
Total comprehensive income attributable to the non-controlling interests	40
	82
Net cash inflow from operating activities	*
Net cash inflow from financing activities	*
Net cash inflow	–

* Less than S$1,000

(c) Disposal of subsidiaries

During the financial year ended 30 June 2019, the Group completed the disposal of its entire equity interests in Metech Recycling (Malaysia) Pte Ltd and Metech Recycling (USA) Pte Ltd, together with their respective wholly owned subsidiaries, which represents the E-Waste Management operating segment of the Group. The disposals were constituted as a discontinued operation of the Group as disclosed in Note 24 to the consolidated financial statements.

Analysis of asset and liabilities over which control was lost

	GROUP 2019 S$'000
Cash and cash equivalents	101
Restricted cash held in trust	340
Trade and other receivables	1,152
Inventories	295
Property, plant and equipment	842
Trade and other payables	(7,844)
Income tax payable	(6)
Translation differences of foreign operations	(460)
Net liabilities disposed of	(5,580)

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Disposal of subsidiaries (cont'd)

Gain on disposal of subsidiaries

	GROUP
	2019
	S$'000
Total aggregate cash consideration received*	451
Net liabilities disposed of (as above)	5,580
Gain on disposal	6,031

* Comprised the aggregate disposal cash consideration of S$45,000 and US$300,000 (equivalent to S$406,000) received for the respective disposals as disclosed in Note 24(a).

The gain on disposal is included in the profit for the year from discontinued operations in the Group's consolidated statement of comprehensive income (Note 24(b)).

The aggregate cash inflow arising from disposal of subsidiaries

	GROUP
	2019
	S$'000
Total aggregate cash consideration received	451
Less: Cash and cash equivalents disposed of (as above)	(101)
Net cash inflow on disposal	350

14. TRADE AND OTHER RECEIVABLES

		GROUP		COMPANY	
		2020	2019	2020	2019
		S$'000	S$'000	S$'000	S$'000
Trade receivables	(a)	99	77	–	–
Amounts due from subsidiaries (non-trade)	(b)	–	–	7,345	8,471
Margin trading account:	(d)				
- Margin deposit		–	200	–	–
- Unrealised loss on derivative contracts		–	(25)	–	–
		–	175	–	–
Other receivables	(c)	1,400	2,127	–	7
Government grants receivable		22	–	22	–
Deposits *		10	294	–	78
		1,531	2,673	7,367	8,556
Less: Allowances for impairment losses		(1,226)	(1,189)	(2,618)	(3,657)
Financial assets		305	1,484	4,749	4,899
Prepayments		16	19	12	17
Advances to suppliers *		–	2,089	–	–
Accrual for restoration cost		–	118	–	–
GST receivable		4	20	3	20
		325	3,730	4,764	4,936
Less: Non-current portion					
Amounts due from subsidiaries (non-trade) - net		–	–	–	(4,723)
Deposits		–	(119)	–	–
Accrual for restoration cost		–	(118)	–	–
		–	(237)	–	(4,723)
Current portion		325	3,493	4,764	213

* Deposits mainly relate to deposits paid by the Group for the leasing of the office, factory premises and equipment. Advances to suppliers mainly related to deposits paid by the Group held by the suppliers for future purchases. The advances to suppliers were interest-free and not secured by any collateral.

(a) Trade receivables

Trade receivables are non-interest bearing and generally has credit of 30 to 90 (2019: 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(i). 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.

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

	LIFETIME EXPECTED LOSS RATE %	GROSS CARRYING AMOUNTS S$'000	LIFETIME EXPECTED CREDIT LOSSES S$'000	NET CARRYING AMOUNTS S$'000
Group				
2020				
Current	*	99	*	99
2019				
Current	*	77	*	77

* Insignificant expected loss rate.

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

	GROUP	
	2020 S$'000	2019 S$'000
Balance at 1 July	–	17
Reversal of allowance for the year (disposal of discontinued operations)	–	(17)
Balance at 30 June	–	–

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

The non-trade balances due from subsidiaries are unsecured, interest-free and repayable on demand.

As at 30 June 2019, management assessed the repayment terms of the amounts due from subsidiaries and determined that the amounts due from subsidiaries of S$4,723,000 are not likely to be repaid within the next twelve months, and accordingly, have been classified as non-current. During the current financial year, the non-trade balances are repayable on demand and have been classified as current.

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

	COMPANY	
	2020 S$'000	2019 S$'000
Balance at 1 July	(3,657)	(18,180)
Allowance for the year	(593)	–
Reversal for the year	1,632	14,523*
Balance at 30 June	(2,618)	(3,657)

* Related to the disposal of discontinued operations.

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Other receivables

As at 30 June 2020, included in other receivables were amounts totalling S$1,162,000 (2019: S$1,665,000) due from a former subsidiary that is part of the discontinued operations disposed of during the financial year ended 30 June 2019. The gross amounts of S$1,162,000 has been fully impaired in 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	
	2020	2019
	S$'000	S$'000
Balance at 1 July	(1,189)	–
Impairment loss	(37)	(1,189)*
Balance at 30 June	(1,226)	(1,189)*

* The impairment loss recognised as part of the discontinued operations related to the estimated credit loss on amount due from a former subsidiary, due to a significant increase in credit risk since initial recognition (Note27(c)).

(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	
	2019	
	CONTRACT NOTIONAL AMOUNT	FAIR VALUE
	S$'000	S$'000
Derivative contracts at Fair value through profit or loss		
- Paper transactions on futures contracts – precious metals	3,286	(25)

15. INVENTORIES

	GROUP	
	2020	2019
	S$'000	S$'000
Finished goods, at cost	–	13

16. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
Cash and bank balances	3,116	3,354	104	16

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			
	2020	2020	2019	2019
	NO. OF ORDINARY SHARES	AMOUNT	NO. OF ORDINARY SHARES	AMOUNT
	'000	S$'000	'000	S$'000
Issued and fully paid:				
Balance at 1 July	90,040	177,480	4,501,984	177,480
Issuance of ordinary shares	10,000	1,530	–	–
Share consolidation	–	–	(4,411,944)	–
Balance at 30 June	100,040	179,010	90,040	177,480

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.

In October 2019, the Company completed the placement exercise, allotted and issued 10,000,000 placement shares and 10,000,000 warrants. The placement shares are issued at S$0.153 for each share and the aggregate consideration amounted to S$1,530,000. The warrants carry the right to subscribe for one new ordinary share in the capital of the Company at the exercise price of S$0.153. The warrants shall expire in 3 years from the date of allotment.

During the financial year ended 30 June 2019, the Company undertook a share consolidation of every 50 existing issued ordinary shares in the capital of the Company held by shareholders of the Company into 1 ordinary share, which was completed on 14 November 2018. The share consolidation has no impact on the carrying value of the issued and paid up share capital of the Company.

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 year are disclosed in the Group's consolidated statement of changes in equity.

18. OTHER PAYABLES

	GROUP		COMPANY	
	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
Accrued operating expenses	246	135	40	37
Sundry creditors	123	1,110	68	390
Accruals for:				
- professional fees	90	171	71	140
- staff costs	44	68	40	61
- other costs	–	91	3	90
Deferred government grant	19	–	19	–
Deposits	11	12	–	–
GST payable	5	20	–	–
Accrued purchases	–	1,936	–	–
Amount due to subsidiaries	–	–	495	–
Total	538	3,543	736	718

As at 30 June 2020, the Group recognised deferred revenue of S$19,000 (2019: Nil) in relation to the Job Support Scheme for wages paid to local employees under the scheme. The grant recognised would be recognised in statement of comprehensive income on a systematic basis over the period of economic uncertainty from April 2020 onwards.

As at 30 June 2019, included in sundry creditors are amounts of S$268,000 related to accrued consultancy fees. There was an accrual of other costs amounted to S$55,000 for the settlement in relation to the writ of summons served on DBS Trustee Limited for the recovery of rental at its leased property premises, the details of which were announced by the Company on 7 August 2019.

Accrued purchases related to goods that have been delivered to the Group but the final price for these purchases have not been billed by the suppliers as at 30 June 2019. During the current financial year, accrued purchases have been transferred to trade payables when the final price was determined and the suppliers billed the Group.

19. PROVISIONS

	GROUP	
	2020	2019
	S$'000	S$'000
Provision for restoration cost	–	410

The provision related to the cost of dismantling and removing the items and restoring the site of the Group's leased premises in Singapore. The tenancy agreement was terminated during the current financial year and the Company reached an agreement with the landlord on the restoration cost of S$200,000.

19. PROVISIONS (CONT'D)

The movements for the provision for restoration cost during the financial year are as follows:

	GROUP	
	2020	2019
	S$'000	S$'000
Balance at 1 July	410	410
Reversal to profit or loss	(210)	–
Transferred to accrued operating expenses	(200)	–
Balance at 30 June	–	410

20. LEASE LIABILITIES/FINANCE LEASE LIABILITIES

(a) The Group as a lessee

The Group have made period lease payments for buildings for the purpose of office 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	
	30 JUNE 2020	1 JULY 2019
	S$'000	S$'000
Office and factory premises	79	–
Plant and equipment	167	474

Additions of right-of-use assets classified within property, plant and equipment during the financial year are S$112,000.

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

	GROUP
	2020
	S$'000
Office and factory premises	33
Plant and equipment	148

20. LEASE LIABILITIES/FINANCE LEASE LIABILITIES (CONT'D)

(a) The Group as a lessee (cont'd)

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

	GROUP
	2020
	S$'000
Interest expenses on lease liabilities/finance lease liabilities	6
Expenses relating to short-term leases	716
Total cash outflows for leases (excluding short-term leases)	53

The Group recognised lease liabilities as follows:

	GROUP
	2020
	S$'000
Lease liabilities:	
Current	46
Non-current	63
	109

(b) The Group as a lessor

The Group subleases certain office, warehouse and factory premises and equipment under operating leases with tenure periods of between 1 and 5 years. Undiscounted lease payments from the operating leases to be received after the reporting date are set out in Note 23 to the consolidated financial statements.

(c) 30 June 2019 - Finance lease liabilities

As at 30 June 2019, the Group has certain plant and equipment under finance lease arrangements for a lease term of three to seven years. The leases bear effective interest rates of 2% to 2.78% per annum. Future minimum finance lease payments together with the present value of the net minimum lease payments are as follows:

	GROUP
	2019
	S$'000
Minimum lease payments:	
- within one year	15
- between two and five years	42
Total minimum lease payments	57
Less: Future finance charges	(7)
Present value of lease liabilities	50

20. LEASE LIABILITIES/FINANCE LEASE LIABILITIES (CONT'D)

(c) 30 June 2019 - Finance lease liabilities (cont'd)

The present value of minimum lease payments are analysed as follows:

	GROUP
	2019
	S$'000
Current portion: within one year	13
Non-current portion: between two and five years	37
Total finance lease liabilities	50

The fair value of the finance lease liabilities approximated to the carrying amount.

21. BORROWINGS

	GROUP		COMPANY	
	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
Loans from a third party				
- Loan I	–	340	–	–
- Loan II	–	2,599	–	-
Non-convertible bonds	–	2,000	–	2,000
	–	4,939	–	2,000
Less: Non-current portion				
Non-convertible bonds	–	(1,000)	–	(1,000)
Current portion	–	3,939	–	1,000

During the financial year ended 30 June 2019, the Group entered into loan agreements with a third party, for an aggregated sum of up to S$500,000 (Loan I) and S$6,000,000 (Loan II), at an interest rate of 9.0% and 8.0% per annum respectively. The loans were fully repaid during the current year.

During the financial year ended 30 June 2019, the Company entered into a Term Sheet Agreement with a crowdfunding platform to issue non-convertible bonds for a sum of S$2,000,000. As at 30 June 2019, the carrying amount of the non-convertible bonds amounted to S$2,000,000 and the key terms and conditions were as follows:

i. The tenure for the non-convertible bonds was 24 months where 50% of the principal was due within twelve months and the next 50% in the next twelve months.
ii. The coupon rate was 8% per annum, paid out quarterly on the last day of the month.
iii. The crowdfunding platform charged an administration fee of 1.5%.
iv. The non-convertible bonds were secured by the equity interests held in the Company by one of the director (resigned on 8 June 2020) of the Company.

During the current financial year, the Company fully redeemed the outstanding non-convertible bonds.

The fair value of the borrowings approximated to the carrying amount as at 30 June 2019.

22. CASH FLOWS ARISING FROM FINANCING ACTIVITIES

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

	BORROWINGS LOANS	BORROWINGS NON-CONVERTIBLE BONDS	LEASE LIABILITIES/ FINANCE LEASE LIABILITIES	TOTAL
	S$'000	S$'000	S$'000	S$'000
Group				
2020				
At 1 July 2019	2,939	2,000	50	4,989
Proceeds	4,391	–	–	4,391
Repayment	(7,330)	(2,000)	(53)	(9,383)
Non-cash changes				
Adjustment to property, plant and equipment	–	–	112	112
At 30 June 2020	–	–	109	109
2019				
At 1 July 2018	1,000	1,000	82	2,082
Proceeds	9,116	2,000	–	11,116
Repayments	(7,177)	(1,000)	(32)	(8,209)
At 30 June 2019	2,939	2,000	50	4,989

23. COMMITMENTS

(a) When the Group is a lessor

The Group leases certain office, warehouse, factory premises and plant and equipment under operating leases with tenure periods of between 1 and 5 years. At the reporting date, undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	GROUP	
	2020	2019
	S$'000	S$'000
Within one year	109*	1,170
One to two years	–	470
Total undiscounted lease payments	109	1,640

* Plant and equipment lease

23. COMMITMENTS (CONT'D)

(b) Where the Group is a lessee – 30 June 2019

The Group leases certain office, warehouse, factory premises and equipment under operating leases with tenure periods of between 1 and 5 years. There were no restrictions placed upon the Group by entering into these leases. Future minimum lease payments payable under non-cancellable operating leases are as follows:

	GROUP 2019 S$'000
Within one year	1,020
After one year but within five years	410
	1,430*

* Lease terminated in current financial year ended 30 June 2020.

24. DISCONTINUED OPERATIONS

(a) Disposal of subsidiaries

During the financial year ended 30 June 2019, the Group entered into various agreements for the disposal of the entire electronic waste management business, which represents the E-Waste Management operating segment of the Group. The disposals were approved by the shareholders of the Company in an extraordinary general meeting held on 12 April 2019.

- Disposal of subsidiaries - Metech Recycling (Malaysia) Pte Ltd & its subsidiary

  On 16 January 2019, the Company entered into a sale and purchase agreement with Mr Lau Chin Guan for the disposal of the Company's entire equity interest in its wholly owned subsidiary, Metech Recycling (Malaysia) Pte Ltd, together with its wholly owned subsidiary, Metech Recycling (Malaysia) Sdn Bhd, for a total aggregate cash consideration of S$45,000.

- Disposal of subsidiaries - Metech Recycling (USA) Pte Ltd & its subsidiaries

  On 19 February 2019, the Group entered into a revised sale and purchase agreement with First America Management Group Corp, an associate of First America Metal Corp and a Delaware corporation in United States of America, for the disposal of Company's entire equity interest in its wholly owned subsidiary, Metech Recycling (USA) Pte Ltd, together with its wholly owned subsidiaries Metech Recycling Inc. and Metech Metals, Inc., for a total aggregate cash consideration of US$300,000.

  The above disposals were constituted as a discontinued operation of the Group and have been completed in the previous financial year. All of the cash considerations for the disposals have also been fully received by the Group.

24. DISCONTINUED OPERATIONS (CONT'D)

(b) Analysis of profit/(loss) for the year from discontinued operations

The results of the discontinued operations included in the Group's consolidated statement of comprehensive income is set out below. The comparative consolidated statement of comprehensive income has been re-presented to include the discontinued operations for comparative purposes.

	GROUP 2019 S$'000
Profit for the year from discontinued operations	
Revenue	18,842
Cost of sales	(20,689)
Other income	426
Expenses	(4,021)
Loss before income tax	(5,442)
Income tax	(6)
Loss for the year	(5,448)
Gain on disposal of discontinued operations (Note 13(c))	6,031
Profit for the year from discontinued operations attributable to equity holders of the Company	583
Cash flows from discontinued operations	
Net cash outflow from operating activities	(1,660)
Net cash inflow from investing activities	273
Net cash outflows from financing activities	(32)
Net cash outflow from discontinued operations	(1,419)

25. 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	
	2020 S$'000	2019 S$'000
Key management personnel compensation comprised:		
- Short-term employee benefits	310	319
- Central Provident Fund contributions	28	29
- Fees to Directors of the Company	92	93
	430	441

25. RELATED PARTIES TRANSACTIONS (CONT'D)

(a) Key Management Personnel Compensation (cont'd)

	GROUP	
	2020 S$'000	2019 S$'000
Comprised amounts paid/payable to:		
- Directors of the Company	272	284
- Other key management personnel	158	157
	430	441

(b) Other Related Party Transactions

	GROUP	
	2020 S$'000	2019 S$'000
A shareholder of the Company		
Advances provided to the Group	–	150
Repayment from the Group	–	(150)
A related party		
Advances/loan given to the Group	590	380
Interest expense	–	7
Repayment from the Group	(590)	(410)

During the financial year ended 30 June 2019, a shareholder of the Company provided an interest-free advance to the Company and the advance amount has been fully repaid by the Company in December 2018.

During the financial year ended 30 June 2019, the Group entered into a loan agreement with a related party for an aggregated sum of up to RMB3,000,000 (drawdown S$380,000), at an interest rate of 8% per annum. The drawdown loan amount together with interest has been fully repaid by the Group in December 2018. The related party refers to an entity with common directors.

During the financial year ended 30 June 2020, the Group received an interest-free advance of RMB3,000,000 (S$590,000) from a related party. The amounts have been fully repaid by the Group in April 2020. The related party refers to an entity with common directors.

26. OPERATING SEGMENTS

The Group has two reportable segments, Supply-Chain Management and services and Corporate (2019: three reportable segments, E-Waste Management under the recycling services, 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.

Supply-Chain Management and services segment provides general wholesale trading of copper cathode and 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.

E-Waste Management segment provides one-stop recycling and processing services for the electronics industry, end-of-life electronic equipment recycling of precious and non-precious metal scrap and other recyclable materials for subsequent reclamation, and the trading of plastics and non-precious metals. This segment had been fully disposed by the Group during the previous financial year.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment (loss)/profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment (loss)/profit 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 from continuing operations and discontinued operations by reportable segments:

	CONTINUING OPERATIONS		
	SUPPLY-CHAIN MANAGEMENT 2020 S$'000	CORPORATE 2020 S$'000	TOTAL 2020 S$'000
Group			
Segment revenue	27,469	–	27,469
Depreciation of property, plant and equipment	(179)	(2)	(181)
Amortisation of accrual for restoration cost	–	(118)	(118)
Allowance for impairment loss on property, plant and equipment	–	(164)	(164)
Loss allowance on trade and other receivables	–	(37)	(37)
Payables written back	–	7	7
Finance costs	(125)	(58)	(183)
Segment results	178	(1,152)	(974)
Capital expenditure	–	112	112

26. OPERATING SEGMENTS (CONT'D)

	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS	
	SUPPLY-CHAIN MANAGEMENT	CORPORATE	E-WASTE MANAGEMENT	TOTAL
	2019	2019	2019	2019
	S$'000	S$'000	S$'000	S$'000
Group				
Segment revenue	86,529	–	18,842	105,371
Depreciation of plant and equipment	(76)	(4)	(398)	(478)
Amortisation of accrual for restoration cost	(34)	–	(49)	(83)
Gain on disposal of plant and equipment	–	–	40	40
Allowance for impairment loss on property, plant and equipment	–	–	(138)	(138)
Unrealised gains/(losses) on future contracts	(25)	–	-	(25)
Loss allowance on trade and other receivables	–	–	(1,313)	(1,313)
Payables written back	–	7	31	38
Finance costs	(150)	(108)	(17)	(275)
Gain on disposal of discontinued operations	–	–	6,031	6,031
Segment results	(7)	(1,400)	589	(818)
Capital expenditure	–	–	77	77

	GROUP	
	2020	2019
	S$'000	S$'000
Segment assets		
Continuing operations		
Supply-Chain Management and services	3,547	11,291
Corporate	140	140
Consolidated total segment assets	3,687	11,431
Segment liabilities		
Continuing operations		
Supply-Chain Management and services	423	6,327
Corporate	241	2,718
Consolidated total segment liabilities	664	9,045

26. OPERATING SEGMENTS (CONT'D)

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	
	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
Continuing operations				
Singapore	–	–	246	716
People's Republic of China	27,469	86,529	–	–
	27,469	86,529	246	716
Discontinued operations				
Singapore	–	9,100	–	–
United States of America	–	9,138	–	–
Malaysia	–	604	–	–
	–	18,842	–	–
	27,469	105,371	246	716

Major customers

Included in revenue arising from Supply-Chain Management and services segment of S$27,469,000 (2019: S$86,529,000), were revenues of approximately S$20,060,000 (2019: S$81,471,000) which arose from sales to 1 (2019: 3) major customer(s) during the relevant financial years.

27. 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.

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(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.

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

	SGD	USD	RMB	Total
	S$'000	S$'000	S$'000	S$'000
Group				
2020				
Financial assets				
Trade and other receivables	206	–	99	305
Cash and bank balances	3,011	6	99	3,116
	3,217	6	198	3,421
Financial liabilities				
Other payables	(511)	–	(22)	(533)
Lease liabilities	(109)	–	–	(109)
	(620)	–	(22)	(642)
Net financial assets	2,597	6	176	2,779
Less: Net financial assets denominated in the respective entities' functional currencies	(66)	(3)	(176)	(245)
Currency exposure	2,531	3	–	2,534

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(b) Foreign currency risk (cont'd)

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

	SGD S$'000	USD S$'000	RMB S$'000	TOTAL S$'000
Group				
2019				
Financial assets				
Trade and other receivables	1,223	260	1	1,484
Contract assets	–	3,855	–	3,855
Cash and bank balances	626	2,565	163	3,354
	1,849	6,680	164	8,693
Financial liabilities				
Trade and other payables	(1,374)	(2,143)	(6)	(3,523)
Lease liabilities	(50)	–	–	(50)
Borrowings	(2,340)	(2,599)	–	(4,939)
	(3,764)	(4,742)	(6)	(8,512)
Net financial (liabilities)/assets	(1,915)	1,938	158	181
Less: Net financial (liabilities)/assets denominated in the respective entities' functional currencies	2,345	(389)	(158)	1,798
Currency exposure	430	1,549	–	1,979

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.

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(c) Credit risk (cont'd)

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	
	2020	2019
	S$'000	S$'000
Trade receivables and contract assets by country:		
- Singapore	–	3,546
- China	99	386
	99	3,932

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

Trade receivables and contract assets

As disclosed in Note 3(i), 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 and contract assets are disclosed in Notes 5 and 14.

Cash and bank balances

The cash and bank balances are entered into with bank and financial institution counterparties, which are rated A to AA, 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.

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(c) Credit risk (cont'd)

Other receivables

For the purpose of impairment assessment, 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 (other than those disclosed below). 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.

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 (other than those disclosed below) and the Group has determined the expected credit loss is insignificant.

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

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(c) Credit risk (cont'd)

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	ECL	GROSS CARRYING AMOUNT S$'000	LOSS ALLOWANCE S$'000	NET CARRYING AMOUNT S$'000
Group					
2020					
Trade receivables	Note A	Lifetime ECL (Simplified)	99	–	99
Other receivables	Performing	12-month ECL	206	–	206
Other receivables	Non-Performing	Lifetime ECL (Credit impaired)	1,226	(1,226)	–
2019					
Trade receivables	Note A	Lifetime ECL (Simplified)	77	–	77
Contract assets	Note A	Lifetime ECL (Simplified)	3,855	–	3,855
Other receivables	Performing	12-month ECL	469	–	469
Other receivables	Non-Performing	Lifetime ECL (Credit impaired)	2,127	(1,189)	938
Company					
2020					
Other receivables	Performing	12-month ECL	22	–	22
Other receivables	Non-Performing	Lifetime ECL (Credit impaired)	7,345	(2,618)	4,727
2019					
Other receivables	Performing	12-month ECL	85	–	85
Other receivables	Non-Performing	Lifetime ECL (Credit impaired)	8,471	(3,657)	4,814

Note A – The Group have 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 Notes 5 and 14.

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(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 finance 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.

(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).

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(e) Fair value of financial instruments (cont'd)

Fair value hierarchy (cont'd)

The following table shows the significant unobservable input used in Level 3:

DESCRIPTION	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUT
Borrowings	Discounted cash flow	Most advantageous equivalent borrowing rates *

* Any significant isolated increases/(decreases) in the input would result in a significant lower/(higher) fair value measurement.

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

Other financial assets and financial liabilities

The fair values of lease liabilities/finance lease liabilities and borrowings are disclosed in the relevant notes. 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.

28. 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.

28. CAPITAL MANAGEMENT (CONT'D)

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

	GROUP	
	2020	**2019**
	S$'000	**S$'000**
Net debts	(2,469)	5,281
Total equity	3,023	2,386
Net debt-to-equity ratio	N.M.	2.2

* N.M. – Not meaningful

29. EVENTS AFTER THE REPORTING DATE

On 17 August 2020, the Company incorporated a wholly-owned subsidiary, Asian Green Tech Pte. Ltd. in Singapore, with an issued and paid up capital of S$100. The principal activities are that of engineering design and consultancy services in energy management and clean energy systems.

STATISTICS OF SHAREHOLDINGS

AS AT 2 OCTOBER 2020

No. of Shares issued	:	100,039,655
Voting Rights	:	1 Vote per share (ordinary treasury share and subsidiary holdings)
Class of Shares	:	Ordinary shares
Treasury Shares	:	Nil
Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS AS AT 2 OCTOBER 2020

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1 – 99	3,901	33.45	152,324	0.15
100 – 1,000	5,540	47.51	1,837,886	1.84
1,001 – 10,000	1,778	15.25	5,611,572	5.61
10,001 – 1,000,000	431	3.70	23,986,726	23.98
1,000,001 and above	11	0.09	68,451,147	68.42
Total	11,661	100.00	100,039,655	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 2 OCTOBER 2020

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1	WENG HUA YU @SIMON ENG	23,003,377	22.99
2	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	19,870,512	19.86
3	LIM LIANG MENG	5,000,000	5.00
4	PLATON RESOURCES PTE. LTD.	4,213,094	4.21
5	DBS NOMINEES (PRIVATE) LIMITED	4,186,549	4.18
6	TAN NG KUANG	3,115,840	3.11
7	TAN SIJI MACARTHUR	2,546,793	2.55
8	APZENITH CAPITAL PTE LTD	2,446,769	2.45
9	OCBC SECURITIES PRIVATE LIMITED	1,581,817	1.58
10	LIM CHWEE POH	1,296,200	1.30
11	RAFFLES NOMINEES (PTE.) LIMITED	1,190,196	1.19
12	SONG TANG YIH	677,661	0.68
13	LEE AI NI	666,060	0.67
14	CITIBANK NOMINEES SINGAPORE PTE LTD	653,868	0.65
15	SUNRISE INVESTORS PTE LTD	605,000	0.60
16	RHB SECURITIES SINGAPORE PTE. LTD.	600,100	0.60
17	EST OF LIM TCHEN NAN, DEC'D	600,000	0.60
18	CHUA WEE CHONG	555,000	0.55
19	TAN JOON JAR	518,995	0.52
20	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	506,860	0.51
	TOTAL	73,834,691	73.80

Note: The percentage level of shareholding above was rounded up to the nearest 2 decimal places for purpose of calculation.

Based on the information available to the Company as at 2 October 2020, approximately 56.01 % of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Limited is complied with.

STATISTICS OF SHAREHOLDINGS

AS AT 2 OCTOBER 2020

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Changsheng Investment Development Limited[1]	19,797,439	19.79	–	–
Raffles Financial Pte. Ltd.[2]	–	–	19,797,439	19.79
Raffles Financial Group Limited[3]	–	–	19,797,439	19.79
In Nany Sing Charlie[4]	–	–	19,797,439	19.79
Simon Eng[5]	24,203,377	24.2	–	–

1 The 19,797,439 shares are registered under CGS-CIMB Securities (Singapore) Pte. Ltd.

2 Raffles Financial Pte. Ltd. is the sole shareholder of ChangSheng Investment Development Limited. By virtue of Section 4 of the SFA, Raffles Financial Pte. Ltd. is deemed to be interested in 19,797,439 shares held under ChangSheng Investment Development Limited.

3 Raffles Financial Group Limited is the sole shareholder of Raffles Financial Pte. Ltd. By virtue of Section 4 of the SFA, Raffles Financial Group Limited is deemed to be interested in 19,797,439 shares held under ChangSheng Investment Development Limited.

4 In Nany Sing Charlie is a shareholder of Raffles Financial Group Limited, holding 31.9% shareholding in Raffles Financial Group Limited. By virtue of Section 4 of the SFA, In Nany Sing Charlie is deemed to be interested in the 19,797,439 ordinary shares held under ChangSheng Investment Development Limited.

5 Simon Eng has 23,003,377 shares under his personal CDP account and 1,200,000 shares registered under his SRS account.

This page has been intentionally left blank.

ANNUAL REPORT 2020

metech 铭泰国际

METECH INTERNATIONAL LIMITED
Company Registration No. : 199206445M
1 Raffles Place, Level 19, Tower 2
One Raffles Place
Singapore 048616
Telephone : +65 6808 5552
Fax : +65 6808 5800
Email : info@metechinternational.com
Website : www.metechinternational.com

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Metech International Limited (the "**Company**") will be convened and held by electronic means on 30 October 2020 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

Ordinary Resolution 1 To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2020, together with the Independent Auditors' Report thereon.

Ordinary Resolution 2 To re-elect Mr. Chng Hee Kok, who is retiring under Regulation 88 of the Company's Constitution, as Director of the Company.

Mr. Chng Hee Kok will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. Mr. Chng 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 24 - 33 of the Annual Report.

Ordinary Resolution 3 To re-elect Mr. Ricky Sim Eng Huat, who is retiring by rotation under Regulation 89 of the Company's Constitution, as Director of the Company.

Mr. Ricky Sim Eng Huat will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. Mr. Sim will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist. Information relating to Mr. Ricky Sim Eng Huat as required under Rule 720(5) of the Rules of Catalist in relation to his re-election may be found on page 24 - 33 of the Annual Report.

To note the retirement of Mr. Tay Ming Liang Clement, who is retiring under Regulation 88 of the Company's Constitution, as Director of the Company.

Mr. Tay Ming Liang Clement will retire as Executive Director of the Company upon the conclusion of the Annual General Meeting. He will remain as the Chief Executive Officer of the Company.

Ordinary Resolution 4 To approve the payment of the sum of S$174,000 as Directors fees for the financial year ending 30 June 2021, to be paid quarterly in arrears. (FY2020: S$128,000)
[See Explanatory Note (a)]

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

NOTICE OF ANNUAL GENERAL MEETING

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

AS SPECIAL BUSINESS

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

Ordinary Resolution 6

Share Issue Mandate

THAT pursuant to Section 161 of the Companies Act, Chapter 50 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;

(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 Singapore Exchange Securities Trading Limited ("**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, Chapter 50, 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 (b)]

Ordinary Resolution 7

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:

(1) 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; and

(2) the aggregate number of Shares that may be issued or transferred to controlling shareholders and their associate must not exceed twenty-five per cent (25%) of the Shares available under the Plan; and the aggregate number of Shares that may be issued and transferred to each controlling shareholder or his associate must not exceed ten per cent (10%) of the Shares available under the Plan.

[See Explanatory Note (c)]

NOTICE OF ANNUAL GENERAL MEETING

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

Ordinary Resolution 8 **Authority to Offer and Grant Options and Allot and Issue Shares under the Metech International 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:

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

(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:

(1) 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; and

(2) the aggregate number of Shares that may be issued or transferred to controlling shareholders and their associate must not exceed twenty-five per cent (25%) of the Shares available under the Scheme; and the number of Shares that may be issued and transferred to each controlling shareholder or his associate must not exceed ten per cent (10%) of the Shares available under the Scheme.
[See Explanatory Note (d)]

By Order of the Board

Ng Siew Hoong
Company Secretary

14 October 2020

NOTICE OF ANNUAL GENERAL MEETING

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

Explanatory Notes:

(a) **Ordinary Resolution 4** 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. During the financial year 2020, the Company has opened a new direction for the Company's supply-chain management business. The increase in Directors' fees payable for the year ending 30 June 2021 is to closely align the Directors' fees with market practice for similar sized companies and to enable the Company to continue to attract and retain qualified and effective non-executive directors. The Directors' fees were last reviewed in 2019. Information on the revision to the Directors' fees are set out in the Company's Corporate Governance Report at page 38 of the Annual Report 2020.

(b) **Ordinary Resolution 6** 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 7 (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.

(c) **Ordinary Resolution 7** 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. the aggregate number of Shares that may be issued to controlling shareholders and their associate must not exceed twenty five per cent (25%) of the Shares available under the Plan; and the number of Shares may be issued to each controlling shareholder or his associate must not exceed ten per cent (10%) of the Shares available under the Plan.

(d) **Ordinary Resolution 8** 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. The aggregate number of Shares that may be issued to controlling shareholders and their associate must not exceed twenty five per cent (25%) of the Shares available under the Scheme; and the number of Shares that may be issued to each controlling shareholder or his associate must not exceed ten per cent (10%) of the Shares available under the Scheme.

Notes:

1. Pre-Registration

(a) The Annual General Meeting of Company (the "**AGM**") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. This Notice will accordingly be sent to members by electronic means via publication on the Company's website at the URL https://www.metechinternational.com, and will also be made available on SGXNet at the URL https://www.sgx.com/securities/ company-announcements. Printed copies of this Notice will NOT be sent to members.

(b) Shareholders will NOT be able to physically attend the AGM in view of the current COVID-19 restriction orders in Singapore. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying Company's announcement dated 14 October 2020. This announcement may be accessed at the Company's website at the URL https://www.metechinternational.com, and will also be made available on SGXNet at the URL https://www.sgx.com/securities/companyannouncements.

(c) A member will be able to participate at the AGM by watching the AGM proceedings via a "live" audio-visual webcast and audio-only feed via mobile phones, tablets or computers. In order to do so, a member must pre-register by **10.00 a.m. on 27 October 2020**, at URL https://globalmeeting.bigbangdesign.co/metechinternational/ for the Company to authenticate his/her/its status as members. Authenticated members will receive email instructions on how to access the "live" webcast of the proceedings of the AGM by 10.00 a.m. on 29 October 2020. Members who do not receive an email by **12 noon on 29 October 2020,** but have registered by the 27 October 2020 deadline, may contact the Company's Share Registrar at rhtcaoscar@rhtcorporate.com with the following details (i) members' full name; and (ii) identification/company registration number; and (iii) the manner in which the shares are held (e.g. via CDP, CPF, SRS and/or scrip).

NOTICE OF ANNUAL GENERAL MEETING

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

(d) Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("**Investors**") (other than CPFIS/SRS investors) will not be able to pre-register at URL **https://globalmeeting.bigbangdesign.co/metechinternational/** for the "live" webcast of the AGM. An Investor (other than CPFIS/SRS investors) who wish to participate in the "live" webcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd., via email to rhtcaoscar@rhtcorporate.com no later than 10.00 a.m. on 27 October 2020.

2. Submission of Proxy Form

(a) Due to the current COVID-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at AGM if such member wishes to exercise his/her/its voting rights at the AGM. The accompanying proxy form for the AGM may be accessed at the Company's website at the URL https://www.metechinternational.com, and will also be made available on SGXNet at the URL https://www.sgx.com/securities/companyannouncements.

(b) Where a member (whether individual or corporate) appoints the Chairman of the Meeting 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 form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

(c) The proxy form is not valid for use by Investors (including CPFIS/SRS investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wish to vote should instead approach his/her/its relevant intermediary as soon as possible to specify his/her/its voting instructions. A CPFIS/SRS investor who wishes to vote should approach his/her CPF Agent Bank or SRS Operator by 5.00 p.m. on 20 October 2020, being 7 working days before the date of the AGM to submit his/her voting instructions.

(d) The Chairman of the Meeting, as proxy, need not be a member of the Company. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

(i) if submitted by post, be lodged at the registered office of the Company at 1 Raffles Place, Level 19 Tower 2, Singapore 048616; or

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

in each case, by 10.00 a.m. on 27 October 2020, being 72 hours before the time appointed for holding the Annual General Meeting.

(e) A member who wishes to submit the proxy form must complete and sign the proxy form which can be downloaded from the Company's website or the SGXNet, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

(f) The instrument appointing a proxy must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy 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.

(g) In the case of members of the Company whose shares are entered against his/her names in the Depository Register, the Company may reject any proxy form submitted if such members are not shown to have shares entered against his/her names in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act, Chapter 289 of Singapore), as at 72 hours before the time appointed for holding this AGM as certified by The Central Depository (Pte) Limited to the Company.

(h) The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman as proxy).

3. Submission of Questions

(a) Shareholders will not be able to ask questions "live" during the webcast of this AGM. All shareholders may submit questions relating to the business of this AGM by 5.00 p.m. on 20 October 2020:

(i) via the pre-registration website at URL https://globalmeeting.bigbangdesign.co/metechinternational/;
(ii) by email to shareholder@metechinternational.com;or
(iii) by post, be lodged at the registered office of the Company at 1 Raffles Place, Level 19 Tower 2, Singapore 048616.

NOTICE OF ANNUAL GENERAL MEETING

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

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, shareholders are strongly encouraged to submit their questions via the pre-registration website or by email. The Company will endeavour to answer all substantial and relevant questions prior to, or at the AGM.

4. Documents for the AGM

The Company's Annual Report 2020, together with this Notice and the Proxy Form has been published and may be accessed at the Company's website at the Company's website at the URL https://www.metechinternational.com, and on SGXNet at the URL https://www.sgx.com/securities/companyannouncements.

Personal Data Privacy

"Personal data" in this notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes your name and your proxy's and/or representative's name, address and NIRC/Passport number. By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) 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, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) 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), 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) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) 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.

---

*This Notice 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 Notice.*

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

The contact person for the Sponsor is: Name: Mr. Lay Shi Wei, Registered Professional, RHT Capital Pte. Ltd. Address: 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619 Telephone: (65) 6381 6966

This page has been intentionally left blank.

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

PROXY FORM

Annual General Meeting

Please insert your full name, NRIC/passport/company registration number and full address here for verification purpose.

IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (in particular, arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the accompanying announcement and the Notice of AGM dated 14 October 2020. The Notice of AGM, the Annual Report and this Proxy Form may be accessed at the Company's website at URL https://www.metechinternational.com, and will also be made available on SGXNet at https://www.sgx.com/securities/company-announcements.
3. Due to the current COVID-19 restriction orders in Singapore, shareholders will not be able to attend the AGM. Shareholders must appoint the Chairman of the Meeting as his/ her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
4. This proxy form is not valid for use by investors holding shares in the Company ("Shares") through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)) ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/ her relevant intermediary as soon as possible to specify voting instructions. A CPF/SRS investor who wishes to vote should approach his/ her CPF Agent Bank or SRS Operator by **5.00 p.m. on 20 October 2020**, being 7 working days before the date of the AGM to submit his/her voting instructions.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of the AGM dated 14 October 2020.
6. Please read the notes to this Proxy Form.

being ***a member/members** of Metech International Limited (the "Company") hereby appoint the Chairman of the Meeting as *my/our proxy to attend, speak and vote for *me/us on my/our behalf, at the Annual General Meeting ("AGM") of the Company to be convened and held by way of electronic means on Friday, 30 October 2020 at 10.00 a.m. and at any adjournment thereof. ***I/We** direct the Chairman of the Meeting to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder.

Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to vote all your shares "For" or "Against" the relevant resolution, please indicate with an "X" or a "✓" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" or a "✓" in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

NO.	RESOLUTIONS RELATING TO:	FOR	AGAINST	ABSTAIN
ORDINARY BUSINESS				
1.	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2020			
2.	Re-election of Mr. Chng Hee Kok as a Director			
3.	Re-election of Mr. Ricky Sim Eng Huat as a Director			
4.	Approval of Directors' fee of S$174,000, to be paid quarterly in arrears, for the financial year ending 30 June 2021			
5.	Re-appointment of Messrs Moore Stephens LLP as Auditors and to authorise the Directors to fix their remuneration			
SPECIAL BUSINESS				
6.	Approval of the Share Issue Mandate			
7.	Authority for Directors to offer and grant awards and to allot and issue new shares under the Metech International Limited Performance Share Plan			
8.	Authority for Directors to offer and grant options and to allot and issue new shares under the Metech International Limited Employee Share Option Scheme			

Dated this ______________ day of ______________ 2020

TOTAL NUMBER OF SHARES HELD IN:	
Depository Register	
Register of Members	

____

Signature(s) of member(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), 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. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you (in both the Depository Register and the Register of Members).

2. Pursuant to COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (amended on 29 September 2020), members (whether individual or corporate and including a Relevant Intermediary*) that wishes to exercise his/her/its votes must appoint the Chairman of the AGM as a member's proxy to vote at the AGM by submitting a proxy form to appoint the Chairman of the AGM to vote on his/her/its behalf and/or provide for the member to vote at the AGM.

3. Due to the current COVID-19 control measures in Singapore, **shareholders are NOT allowed to the AGM in person**. Shareholders may attend the AGM by observing and listening to the proceedings of the AGM by electronic means. Shareholders will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. This proxy form may be accessed at the Company's website at URL https://www.metechinternational.com and will also be made available on SGXNet at https://www.sgx.com/securities/companyannouncements. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstention from voting, in respect of a Resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as a proxy for that Resolution will be treated as invalid.

4. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective Agent Banks or SRS Operators to submit their votes by 5.00 pm on 20 October 2020.

5. The Chairman of the Meeting, as proxy, need not be a member of the Company. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (i) if submitted by post, be lodged at the registered office of the Company at 1 Raffles Place, Level 19 Tower 2, Singapore 048616; or

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

   in each case, by 10.00 a.m. on 27 October 2020, being 72 hours before the time appointed for holding the Annual General Meeting. No printed copies of the Proxy Form will be despatched to shareholders.

6. A member who wishes to submit the proxy form must complete and sign the proxy form which can be downloaded from the Company's website at URL https://www.metechinternational.com or the SGXNet at https://www.sgx.com/securities/company-announcements, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. **In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.**

7. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor is not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing the Chairman of the Meeting as proxy. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register 72 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms as set out in the Notice of AGM dated 14 October 2020.