



(Company Registration No. 199206445M)

Metech International Limited

(Incorporated in the Republic of Singapore)

Condensed interim financial statements For the six months ended 30 June 2024

*This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

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

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UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024 (“1H2024”)

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

	Note	The Group		Inc/(Dec) %
		6-months ended 30/06/2024 (Unaudited)	6-months ended 30/06/2023 (Unaudited)	
		S\$'000	S\$'000	
Revenue	4	41	3	n.m
Cost of sales		(6)	(2)	n.m
Gross profit		35	1	n.m
Gross profit margin		85.4%	33.3%	
Other income:				
Others	6	14	63	n.m
Interest income		*	24	n.m
Expenses:				
Administrative expenses		(953)	(1,741)	(45.26)
Other expenses	7	-	(80)	n.m
Finance costs		(1)	(13)	n.m
Loss before income tax	8	(905)	(1,746)	(48.17)
Income tax expense	9	-	-	n.m
Loss after income tax		(905)	(1,746)	(48.17)
Other comprehensive gain / (loss), net of income tax:				
Foreign currency translation difference		3	(18)	n.m
Total comprehensive loss for the financial period / year		(902)	(1,764)	(48.87)
Loss attributable to:				
Equity holders of the Company		(878)	(1,665)	(47.27)
Non-controlling interests		(27)	(81)	(66.67)
		<u>(905)</u>	<u>(1,746)</u>	
Total comprehensive loss for the period / year attributable to:				
Equity holders of the Company		(875)	(1,683)	(48.01)
Non-controlling interests		(27)	(81)	(66.67)
		<u>(902)</u>	<u>(1,764)</u>	
Basic and diluted loss per share (cents per share) attributable to the owners of the company				
Loss per share		(0.58)	(1.10)	

n.m = not meaningful

*Less than S\$1,000

The calculation of basic and diluted loss per ordinary share was based on a weighted average of 155,313,897 shares from 1 January 2024 to 30 June 2024 (31 December 2023: 151,555,655).

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		As at	As at	As at	As at
		30/06/2024 (Unaudited)	31/12/2023 (Audited)	30/06/2024 (Unaudited)	31/12/2023 (Audited)
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current Assets					
Property, plant and equipment	12	1,308	1,090	7	8
Investments in subsidiaries	13	-	-	20	20
		<u>1,308</u>	<u>1,090</u>	<u>27</u>	<u>28</u>
Current Assets					
Inventories	14	-	-	-	-
Trade and other receivables	15 & 16	425	212	103	60
Cash and bank balances	17	435	51	42	22
		<u>860</u>	<u>263</u>	<u>145</u>	<u>82</u>
Total Assets		<u>2,168</u>	<u>1,353</u>	<u>172</u>	<u>110</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	19	189,710	189,134	189,710	189,134
Other reserves	20	(296)	(299)	-	-
Accumulated losses		(188,497)	(187,619)	(190,279)	(189,602)
		<u>917</u>	<u>1,216</u>	<u>(569)</u>	<u>(468)</u>
Non-controlling interests	21	(883)	(856)	-	-
Total Equity		<u>34</u>	<u>360</u>	<u>(569)</u>	<u>(468)</u>
LIABILITIES					
Non-current Liabilities					
Lease liabilities	22	168	-	-	-
Provisions	23	-	75	-	-
		<u>168</u>	<u>75</u>	<u>-</u>	<u>-</u>
Current Liabilities					
Trade and other payables	24	1,061	887	691	578
Contract liabilities		-	14	-	-
Lease liabilities	22	85	17	-	-
Borrowings	18	820	-	50	-
		<u>1,966</u>	<u>918</u>	<u>741</u>	<u>578</u>
Total Liabilities		<u>2,134</u>	<u>993</u>	<u>741</u>	<u>578</u>
Total Equity and Liabilities		<u>2,168</u>	<u>1,353</u>	<u>172</u>	<u>110</u>

C. Condensed interim statements of changes in equity

	Share capital	Translation reserves	Accumulated losses	Other reserves	Total equity attributable to owners of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group							
<u>2024</u>							
Balance at 1 January 2024	189,134	20	(187,619)	(319)	1,216	(856)	360
Loss for the financial period	-	-	(878)	-	(878)	(27)	(905)
Other comprehensive income - Foreign currency translation	-	3	-	-	3	-	3
Total comprehensive income / (loss) for the financial period	-	3	(878)	-	(875)	(27)	(902)
Issuance of ordinary shares	612	-	-	-	612	-	612
Less: Share issue expenses	(36)	-	-	-	(36)	-	(36)
Balance at 30 June 2024	189,710	23	(188,497)	(319)	917	(883)	34
<u>2023</u>							
Balance at 1 January 2023	189,134	20	(182,924)	-	6,230	(685)	5,545
Loss for the financial period	-	-	(1,665)	-	(1,665)	(81)	(1,746)
Other comprehensive income - Foreign currency translation	-	(18)	-	-	(18)	-	(18)
Total comprehensive loss for the financial period	-	(18)	(1,665)	-	(1,683)	(81)	(1,764)
Acquisition additional interest from non-controlling interests	-	-	-	(319)	(319)	319	-
Balance at 30 June 2023	189,134	2	(184,589)	(319)	4,228	(447)	3,781

The Company	Share capital	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000
2024			
Balance at 1 January 2024	189,134	(189,602)	(468)
Loss for the financial period	-	(677)	(677)
Total comprehensive loss for the financial period	-	(677)	(677)
Issuance of ordinary shares	612	-	612
Less: Share issuance expenses	(36)	-	(36)
Balance at 30 June 2024	189,710	(190,279)	(569)
2023			
Balance at 1 January 2023	189,134	(183,984)	5,150
Loss for the financial year	-	(4,603)	(4,603)
Total comprehensive loss for the financial year	-	(4,603)	(4,603)
Balance at 30 June 2023	189,134	(188,587)	547

D. Condensed interim consolidated statement of cash flows

	The Group	
	6-months	6-months
	ended	ended
Note	30/06/2024	30/06/2023
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before income tax	(905)	(1,746)
Adjustments for:		
Depreciation of property, plant and equipment	50	276
Gain on disposal of right-of-use assets	(5)	-
Impairment on property, plant and equipment	-	(390)
Provision for inventories loss	-	(483)
Written off on property, plant and equipment	-	1
Written off on inventories	-	483
Waiver of debts	-	(30)
Unrealised foreign exchange loss / (gain)	*	(79)
Interest income	*	(24)
Interest expense	1	13
Operating loss before working capital changes	(859)	(1,979)
Changes in working capital		
Inventories	-	(209)
Trade and other receivables	(213)	(802)
Trade and other payables and contract liabilities	85	517
Cash used in operating activities	(987)	(2,473)
Interest received	*	24
Interest paid	(1)	(13)
Net cash used in operating activities	(988)	(2,462)
Cash flows from investing activities		
Additions of property, plant and equipment	-	(234)
Net cash used in investing activities	-	(234)

		The Group	
		6-months ended 30/06/2024	6-months ended 30/06/2023
Note		S\$'000	S\$'000
Cash flows from financing activities			
	Proceeds from issuance of ordinary shares, net of expenses	576	-
	Proceeds from loan from an employee	820	-
	Repayment of lease liabilities	(27)	(88)
	Net cash generated from / (used in) financing activities	1,369	(88)
	Net increase / (decrease) in cash and cash equivalents	381	(2,784)
	Cash and cash equivalents at beginning of financial period	51	4,163
	Effect of currency translation on cash and cash equivalents	3	(218)
	Cash and cash equivalents at end of the financial period / year	435	1,161
		17	

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Metech International Limited (the “**Company**”) is incorporated and domiciled in Singapore and whose shares are listed and publicly traded on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The registered office and principal place of business at 2 Venture Drive, #08-10 Vision Exchange, Singapore 608526.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The primary activity of the Company is that of investment holding. The principal activities of the subsidiaries are as follows:

- (a) Manufacturing and distribution of lab-grown diamonds;
- (b) General wholesale trading of metals products; and
- (c) Provision of management and advisory of recycling and supply chain services.

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last financial statements for the period ended 31 December 2023.

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

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

2.1 New and amended standards adopted by the Group

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

2.2 Use of judgements and estimates

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

Other than as disclosed in the condensed interim consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following note:

- Note 12 - Impairment for property, plant and equipment

Management reviews the Group’s property, plant and equipment at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the property, plant and equipment is estimated to determine the amount of impairment.

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

As at the reporting date, the net carrying amount of the Group's property, plant and equipment is disclosed in Note 12.

- Note 14 - Valuation of inventories

The Group measures the inventories in accordance with the accounting policy as disclosed in Note 2. The Group's management measured the inventories at the lower of cost and net realisable value. In ascertaining net realisable value, significant judgements and estimates are involved in estimating the expected selling prices less the estimated costs of completion and the estimated costs to be incurred in marketing, selling and distribution.

There was a provision made for inventory loss during the financial year which is on the basis of the purchase price of the inventory. The net carrying amount of the Group's inventories is disclosed in Note 14.

3. Seasonal operations

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

4. Segment and revenue information

The Group has three reportable segments as follows:

- (a) Manufacturing and distribution of lab-grown diamonds;
- (b) Supply-Chain Management and Service segment which provides general wholesale trading of metal products and the management and advisory of recycling and supply chain services; and
- (c) Corporate segment which consists of an investment holding company which does not meet any of its quantitative thresholds for determining a reporting segment.

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

4.1 Reportable segments

	Lab-grown Diamond		Supply-Chain Management		Corporate / other		Per consolidated financial statements	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	30/06/2024	30/06/2023	30/06/2024	30/06/2023	30/06/2024	30/06/2023	30/06/2024	30/06/2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	41	3	-	-	-	-	41	3
Depreciation and amortisation	(17)	(239)	-	(28)	(33)	(9)	(50)	(276)
Gain on disposal of right-of-use assets	-	-	-	-	5	-	5	-
Finance cost	-	(12)	-	(1)	-	-	(1)	(13)
Segment loss	(102)	(369)	-	(139)	(803)	(1,238)	(905)	(1,746)
Segment assets	1,180	3,270	-	1,159	988	719	2,168	5,148
Segment liabilities	(368)	(652)	-	(95)	(1,766)	(620)	(2,134)	(1,367)
Capital expenditure								
- Addition to property, plant and equipment	-	234	-	-	-	-	-	234

4.2 Disaggregation of revenue

	Group	
	6-months ended 30/06/2024 (Unaudited) S\$'000	6-months ended 30/06/2023 (Unaudited) S\$'000
<i>Principal geographical market</i>		
People's Republic of China	41	-
Singapore	-	3
Others	-	-
Total	41	3
<i>Major product or service line and time of recognition</i>		
<u>Performance obligations satisfied at a point in time</u>		
Sale of goods – Nickel, Gold Ingot and Jewellery setting	-	-
Sale of goods – Lab-grown diamonds	41	3
Total	41	3

A breakdown of sales:

	Group		Inc/(Dec) %
	6-months ended 30/06/2024 (Unaudited) S\$'000	6-months ended 30/06/2023 (Unaudited) S\$'000	
Sales reported for the first six-month period	41	3	n.m
Operating loss after tax before deducting non-controlling interests reported for first six-month period	(905)	(1,746)	(48.17)

Contract balances

	Group		Company	
	As at 30/06/2024 (Unaudited) S\$'000	As at 30/06/2023 (Audited) S\$'000	As at 30/06/2024 (Unaudited) S\$'000	As at 30/06/2023 (Audited) S\$'000
Contract liabilities				
Advances from customers	-	14	-	-

Advances from customers relate to deposits received from customers. The advances from customers are interest-free and are not secured by any collateral.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	As at 30/06/2024 (Unaudited) S\$'000	As at 31/12/2023 (Audited) S\$'000	As at 30/06/2024 (Unaudited) S\$'000	As at 31/12/2023 (Audited) S\$'000
Financial assets measured at amortised cost				
Trade and other receivables #	280	195	57	53
Cash and cash equivalents	435	51	42	22
Amount due from subsidiaries	-	-	-	-
	<u>715</u>	<u>246</u>	<u>99</u>	<u>75</u>
Financial liabilities measured at amortised cost				
Trade and other payables *	(1,061)	(887)	(682)	(569)
Loan from an employee	(820)	-	(50)	-
Amount due to subsidiaries	-	-	(9)	(9)
Lease liabilities	(85)	(17)	-	-
	<u>(1,966)</u>	<u>(904)</u>	<u>(741)</u>	<u>(578)</u>

Excludes prepayments and GST receivables

* Excludes contract liabilities and GST payables

6. Other income

	Group	
	6-months ended 30/06/2024 (Unaudited) S\$'000	6-months ended 30/06/2023 (Unaudited) S\$'000
Other income:		
Others		
- Foreign exchange gain / (loss)	*	-
- Waiver of debts	-	30
- Government grant	-	33
- Miscellaneous	14	-
	<u>14</u>	<u>63</u>

*Less than S\$1,000

7. Other expenses

	Group	
	6-months ended 30/06/2024 (Unaudited) S\$'000	6-months ended 30/06/2023 (Unaudited) S\$'000
Other expenses		
- Impairment on property, plant and equipment	-	390
- Professional expenses	-	(456)
- Provision for inventories loss	-	483
- Written off on property, plant and equipment	-	(1)
- Written off on inventories	-	(483)
- Miscellaneous	-	(13)
	-	(80)

8. Loss before income tax

8.1 Significant items

	Group	
	6-months ended 30/06/2024 (Unaudited) S\$'000	6-months ended 30/06/2023 (Unaudited) S\$'000
Depreciation of property, plant and equipment		
- included in administrative expenses	50	276
Impairment on property, plant and equipment	-	(390)
Gain on disposal of right-of-use assets	(5)	-
Provision for inventory loss	-	(483)
Written off on inventory	-	483
Interest expenses on lease liabilities	1	13
Professional expenses		
- included in other expenses	-	456
- included in administrative expenses	357	385

9. Taxation

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

	Group	
	6-months ended 30/06/2024 (Unaudited) S\$'000	6-months ended 30/06/2023 (Unaudited) S\$'000
Current income tax expense	-	-
Current year	-	-
Reversal of prior year provision	-	-
	-	-

10. Dividends

No dividend for the period ended 30 June 2024 (30 June 2023: Nil) is recommended.

11. Net asset value

	Group		Company	
	As at 30/06/2024 (Unaudited)	As at 31/12/2023 (Audited)	As at 30/06/2024 (Unaudited)	As at 31/12/2023 (Audited)
Net asset/(liability) value per ordinary shares (cents per share)	0.020	0.238	(0.336)	(0.309)
No. of ordinary shares	169,555,655	151,555,655	169,555,655	151,555,655

The calculation of net asset value per ordinary share of the Group and the Company is based on 169,555,655 shares as at 30 June 2024 (31 December 2023: 151,555,655).

12. Property, plant and equipment

	Group					Total S\$'000
	Leasehold buildings	Renovation	Plant and equipment	Motor vehicle	Furniture and fittings and office equipment	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<u>Cost</u>						
Balance at 1 July 2022	797	765	4,720	300	24	6,606
Additions	-	37	639	153	10	839
Disposal / Written off	(634)	(802)	-	(453)	(3)	(1,892)
Currency translation differences	*	-	-	-	-	*
Balance at 31 December 2023	163	-	5,359	-	31	5,553
Additions	268	-	-	-	-	268
Disposal / Written off	(163)	-	-	-	-	(163)
Currency translation differences	*	-	-	-	-	*
Balance at 30 June 2024	268	-	5,359	-	31	5,658
<u>Accumulated depreciation and impairment</u>						
Balance at 1 July 2022	129	12	39	22	1	203
Depreciation for the year	273	219	198	26	14	730
Disposal / Written off	(256)	(231)	-	(48)	(1)	(536)
Impairment	-	-	4,066	-	-	4,066
Currency translation differences	*	-	-	*	-	*
Balance at 31 December 2023	146	-	4,303	-	14	4,463
Depreciation for the year	32	-	14	-	4	50
Impairment	-	-	-	-	-	-
Disposal / Written off	(163)	-	-	-	-	(163)
Currency translation differences	-	-	-	-	-	-
Balance at 30 June 2024	15	-	4,317	-	18	4,350
<u>Carrying amount</u>						
Balance at 31 December 2023	17	-	1,056	-	17	1,090
Balance at 30 June 2024	253	-	1,042	-	13	1,308

*Less than S\$1,000

Right-of-use assets acquired under leasing arrangement are presented together with the owned assets of the same class.

13. Investment in Subsidiaries

	Company	
	As at 30/06/2024 (Unaudited)	As at 31/12/2023 (Audited)
	S\$'000	S\$'000
Equity investments, at cost	4,020	22,600
Add: Further investment	-	3,920
Less: Disposal of subsidiary	-	(22,500)
Less: Impairment losses	(4,000)	(4,000)
Balance at 30 June 2024 / 31 December 2023	20	20
Impairment losses on equity investments		
Balance at 1 Jan 2024 / 1 July 2022	(4,000)	(22,600)
Impairment loss recognised in profit or loss	-	(3,900)
Write off impairment losses	-	22,500
Balance at 30 June 2024 / 31 December 2023	(4,000)	(4,000)

(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	
		30/06/2024 %	31/12/2023 %
<i>Held by the Company</i>			
<u>Metech Dynamics Pte Ltd.</u> <i>Singapore</i>	General wholesale trade (including general importers and exporters) and wholesale trade of a variety of goods without a dominant product	100	100
<u>Asian Green Tech Pte. Ltd.</u> <i>Singapore</i>	Engineering design and consultancy services in energy management and clean energy system	100	100
<u>Metech Diamond Pte. Ltd.</u> <i>Singapore</i>	Promoting and selling lab-grown diamonds and gemstones over the internet	100	100
<u>Metech Diamond Solutions Pte. Ltd.</u> <i>Singapore</i>	Provision of one-stop training or solutions in relation to production of lab-grown diamonds.	100	100
<i>Held by Metech Dynamics Pte. Ltd.</i>			
<u>Zhongxin Minghua (Shanghai)</u> <u>International Trade Co., Ltd.</u> <i>People's Republic of China</i>	General wholesale trade	100	100
<i>Held by Asian Green Tech Pte. Ltd.</i>			
<u>Asian Eco Technology Pte. Ltd.</u> <i>Singapore</i>	Manufacturing and distribution of lab-grown diamonds	80	80

14. Inventories

	Group	
	As at	As at
	30/06/2024	31/12/2023
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Raw materials	-	-
Finished goods	-	-
	-	-

	Group	
	As at	As at
	30/06/2024	31/12/2023
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Balance at 1 Jan 2024 / 1 July 2022	257	-
Impairment loss recognised in profit or loss	-	257
Write off impairment losses	-	-
Balance at 30 June 2024 / 31 December 2023	257	257

For the current financial period ended 30 June 2024, finished goods recognised in cost of sales amounted to S\$ nil (31 December 2023: S\$37,000) as the cost has been fully impaired in the 18-month financial period ended 31 December 2023 ("FP2023").

15. Trade receivables

	Group		Company	
	As at	As at	As at	As at
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	-	-	-	-

Trade receivables are non-interest bearing and generally has credit of 30 to 90 (2022: 30 to 90) day terms. Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses.

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.

	Lifetime expected loss rate	Gross carrying amounts	Lifetime expected credit losses	Net carrying amounts
	%	S\$'000	S\$'000	S\$'000
Group				
<u>As at 30/06/2024</u>				
> 120 days	100	14	(14)	-
<u>As at 31/12/2023</u>				
Current	100	14	(14)	-

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

	Group	
	As at 30/06/2024 (Unaudited) S\$'000	As at 31/12/2023 (Audited) S\$'000
Balance at 1 Jan 2024 / 1 July 2022	14	-
Impairment loss recognised in profit or loss	-	14
Write off impairment losses	-	-
Balance at 30 June 2024 / 31 December 2023	14	14

16. Other receivables

	Group		Company	
	As at 30/06/2024 (Unaudited) S\$'000	As at 31/12/2023 (Audited) S\$'000	As at 30/06/2024 (Unaudited) S\$'000	As at 31/12/2023 (Audited) S\$'000
Other receivables – third parties	494	483	-	483
Advances	235	235	-	-
Deposit	223	149	57	7
Amount due from subsidiaries (non-trade)	-	-	8,238	8,283
	952	867	8,259	8,773
<i>Less: Allowance for impairment losses</i>	(672)	(672)	(8,238)	(8,720)
Financial assets	280	195	57	53
Prepayment	92	11	5	4
GST receivables	53	6	41	3
	425	212	103	60

(a) *Other receivables – third parties*

As disclosed in the Company's announcement dated 13 December 2023, the Company has entered into a settlement agreement with Mr. Deng Yiming ("**Mr. Deng**") where Mr. Deng has agreed to, *inter alia*, pay the Company an amount of S\$483,000 with interests accruing at a rate of 5.33% per annum, as awarded by the High Court of the Republic of Singapore. Mr Deng will be paying in 6 instalments, commencing from 15 January 2024. The Company has received RMB250,000 (approximately S\$46,000) from Mr. Deng as at the date of this announcement.

The below are the movements of impairment loss during 1H2024 and FP2023:

	Group	
	As at 30/06/2024 S\$'000	As at 31/12/2023 S\$'000
Balance at 1 Jan 2024 / 1 July 2022	437	1,226
Written off during the financial period / year	-	437
Written off impairment loss	-	(1,226)
Balance at 30 June 2024 / 31 December 2023	437	437

(b) *Advances*

Advance payments of S\$235,000 in 1H2024 and FP2023 consist of payment to vendors for inventories and to a former non-controlling interest for purchase of lab grown diamonds and business travelling expenses which had been fully impaired in FP2023.

The below are the movements of impairment loss during 1H2024 and FP2023:

	Group	
	As at 30/06/2024 S\$'000	As at 31/12/2023 S\$'000
Balance at 1 Jan 2024 / 1 July 2022	235	-
Impairment loss recognised in profit or loss	-	235
Balance at 30 June 2024 / 31 December 2023	235	235

(c) *Deposit*

The deposit included rental deposit and deposits placed with the professional parties.

(d) *Amounts due from subsidiaries (non-trade)*

Except for a non-trade balance of S\$2,720,000 (2023: S\$2,720,000) due from subsidiaries as at 30 June 2024, which is non-trade in nature, unsecured, interest bearing at 6% per annum, the remaining non-trade balance of S\$5,518,000 (2023: S\$5,607,000) due from subsidiaries are unsecured, interest-free and repayable on demand.

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

	Company	
	As at	As at
	30/06/2024	31/12/2023
	(Unaudited)	(Audited)
	S\$'000	S\$'000
Balance at 1 Jan 2024 / 1 July 2022	8,283	4,603
Impairment loss recognised in profit or loss	(45)	3,680
Balance at 30 June 2024 / 31 December 2023	8,238	8,283

17. Cash and cash equivalents

	Group		Company	
	As at	As at	As at	As at
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	435	51	42	22

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

18. Borrowings

The Group had, on 25 March 2024, entered into a S\$1.0 million interest-free loan agreement with Mr. Cao Shixuan, who is currently employed as a manager of the Company. The maturity date of the loan is 12 months from the date of the loan agreement, save for events of default, pursuant to which the monies shall immediately fall due. As at 30 June 2024, the Company had drawn down approximately S\$820,000 from the S\$1.0 million interest-free loan.

Comparatively, the Group had no borrowings as at 31 December 2023.

	Group		Company	
	As at	As at	As at	As at
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Loan from an employee				
Amounts repayable within one year or on demand	820	-	50	-

19. Share capital

	As at 30/06/2024		As at 31/12/2023	
	No. of shares	Amount S\$'000	No. of shares	Amount S\$'000
Issued and fully paid:				
Balance at beginning of interim period	151,555,655	189,134	151,555,655	189,134
Issuance of ordinary shares	18,000,000	612	-	-
Less: Shares issue expenses	-	(36)	-	-
Balance at the end of the period / year	169,555,655	189,710	151,555,655	189,134

The Company had, on 10 May 2024, announced that it had, on 9 May 2024, entered into a subscription agreement with a subscriber for proposed placement of 18,000,000 new ordinary shares (the "**Placement Shares**") in the capital of the Company (the "**Placement**") at an issue price of S\$0.034 per Placement Share. The 18,000,000 Placement Shares were allotted and issued to the subscriber on 24 May 2024. Accordingly, the Placement was completed on 24 May 2024. The amount of proceeds from the allotment and issue of the Placement Shares, net of the Placement expenses of approximately S\$36,200, was S\$575,800 (the "**Net Proceeds**"). Please refer to paragraph 10 of Section 'F. Other information required pursuant to Appendix 7C of the Catalyst Rules' below for the breakdown of the use of the Net Proceeds.

As at reporting date, 8,503,750 warrants from certain warrants issued in 2021 ("**2021 Warrants**") remained outstanding. The 2021 Warrants outstanding that are convertible into 8,503,750 ordinary shares (30 June 2023 8,503,750) represent approximately 5.0% (30 June 2023: 5.6%) of the Company's total issued share capital as at 30 June 2024, excluding treasury shares and subsidiary holdings, at the exercise price of S\$0.210 per share. The 2021 Warrants will be expiring on 18 October 2024.

Save as disclosed above, there were no other changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities or for any other purpose since the end of the previous period reported on, being 31 December 2023.

The Company had no treasury shares and subsidiary holdings as at 30 June 2024 and 30 June 2023, respectively.

There were no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings during the six-month period ended and as at 30 June 2024.

20. Other reserves

Other reserves

	Group	
	As at 30/06/2024 S\$'000	As at 31/12/2023 S\$'000
Balance at beginning of interim period	(319)	-
Acquisition of additional interests from non-controlling interest	-	(319)
Balance at the end of the period / year	(319)	(319)

Translation reserve

	Group	
	As at 30/06/2024 S\$'000	As at 31/12/2023 S\$'000
Balance at beginning of interim period	20	(157)
Exchange differences on currency translation differences	3	177
Balance at the end of the period / year	<u>23</u>	<u>20</u>
Other reserves at the end of the period / year	<u>(296)</u>	<u>(299)</u>

21. Non-controlling interest

The non-controlling interest relates to 20% shares in Asian Eco Technology Pte. Ltd.

22. Lease liabilities

The Group has made period lease payments in relation to leasehold buildings and motor vehicle. 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	
	As at 30/06/2024 (Unaudited) S\$'000	As at 31/12/2023 (Audited) S\$'000
Leasehold buildings	<u>253</u>	<u>17</u>

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

	Group	
	As at 30/06/2024 (Unaudited) S\$'000	As at 31/12/2023 (Audited) S\$'000
Leasehold buildings	32	273
Motor Vehicle	-	26
	<u>32</u>	<u>299</u>

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

	Group	
	6-months	6-months
	period ended	period ended
	30/06/2024	30/06/2023
	S\$'000	S\$'000
Interest expenses on lease liabilities	1	13
Expenses relating to short-term leases	-	-
Total cash outflows for leases (excluding short-term leases)	27	88

The Group recognised lease liabilities as follows:

	Group	
	As at	As at
	30/06/2024	31/12/2023
	S\$'000	S\$'000
Lease liabilities:		
Current	85	17
Non-current	168	-
	253	17

23. Provision

The provision relates to the future cost of dismantling and removing the items and restoring the site of the Group's leased factory premises in Singapore. The provision is assessed by management with reference to quotation obtained from third party contractor. The provision was reclassified from non-current liabilities to current liabilities in 1H2024.

24. Other payables

	Group		Company	
	As at	As at	As at	As at
	30/06/2024	31/12/2023	30/06/2024	31/12/2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	-	-	-	-
Sundry creditors	515	370	307	222
Accruals for:				
- professional fees	307	407	204	273
- staff costs	135	77	138	41
- other costs	29	33	33	33
Provision for reinstatement	75	-	-	-
Amount due to subsidiaries	-	-	9	9
	1,061	887	691	578

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

25. Subsequent events

- (a) The Company had, on 11 July 2024, announced that the Company's legal counsel had, on the same day, attended the hearing of an Originating Application that was seeking the following court orders:
- (i) a declaration that the extraordinary general meeting convened by the Company on 11 May 2024 is invalid and that all proceedings and the resolutions passed at the meeting are void and of no effect; and
 - (ii) a declaration that the Company reinstates Mr. Ng Cheng Huat ("**Mr. Ng**") as a Non-Executive and Non-Independent Director of the Company within five days of the order, or within such time the court deems fit.

The Company's legal counsel had informed the Company that the High Court of the Republic of Singapore has dismissed Mr. Ng's application in relation to the Originating Application and awarded cost of S\$15,000.00 (all in) to be paid by Mr. Ng to the Company. The S\$15,000.00 has been received by the Company from Mr. Ng, through his legal counsel, as at the date of this announcement.

- (b) The Company had, on 31 July 2024, announced a monthly update for the month of July in relation to the following:
- (i) the appointment of executive officers, including, but not limited to, the Chief Executive Officer and Chief Financial Officer (or a person with equivalent authority) of the Company;
 - (ii) the proposed appointment of an independent director of the Company;
 - (iii) the legal representative for the Company's subsidiary in the PRC;
 - (iv) the Company's operations; and
 - (v) the appointment of a new continuing sponsor.

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

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

The condensed interim consolidated statement of profit or loss and other comprehensive income of Metech International Limited (the “**Company**”, and its subsidiaries, collectively, the “**Group**”) as at 30 June 2024 and the related condensed interim consolidated statements of financial position, condensed interim consolidated statement of changes in equity, condensed profit or loss and other comprehensive income consolidated and statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

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

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

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

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

Not applicable, as the basis of the disclaimer of opinion issued by the Company’s auditors, Moore Stephens LLP, was regarding the Company’s use of the going concern assumption.

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

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

Review for the performance of the Group for the half year ended 30 June 2024 (“1H2024”)

(i) Revenue

The Group’s revenue increased by S\$38,000 from S\$3,000 in 1H2023 as compared to S\$41,000 in 1H2024, mainly due to the sales recorded for the lab-grown diamonds.

(ii) Gross profit

The Group’s gross profit increased by S\$34,000 from S\$1,000 in 1H2023 as compared to a gross profit of S\$35,000 in 1H2024, mainly due to the cost of sales being fully impaired in the preceding FP2023.

(iii) Other income

Other income decreased by S\$49,000 from S\$63,000 in 1H2023 to S\$14,000 in 1H2024, mainly due to the absence of government grants.

(iv) Interest income

Interest income decreased by S\$24,000 from S\$24,000 in 1H2023 to less than S\$1,000 in 1H2024, due to less interests received from the cash at bank in 1H2024.

(v) Administrative expenses

Administrative expenses decreased by S\$0.79 million from S\$1.74 million in 1H2023 to S\$0.95 million in 1H2024, mainly due to the lower depreciation charges and lower professional fees incurred.

(vi) Other expenses

Other expenses were S\$80,000 in 1H2023 compared to S\$ nil in 1H2024, mainly due to the absence of professional and legal fees.

- (vii) Finance costs**
Finance cost of S\$1,000 was recorded in 1H2024 as compared to S\$13,000 in 1H2023 due to the interest expenses on lease liabilities.
- (viii) Loss before / after income tax**
The Group's net loss before / after income tax decreased by S\$0.84 million from S\$1.75 million in 1H2023 to S\$0.91 million in 1H2024, mainly due to higher gross profit recorded and lower expenses incurred compared to 1H2023. There were no income tax expenses incurred as the Group recorded a loss.
- (ix) Foreign currency translation difference**
Foreign currency translation difference was a gain of S\$3,000 in 1H2024 as compared to a loss of S\$18,000 in 1H2023. This was mainly due to the fluctuation of foreign currency exchange rates between the US Dollar ("USD") and Singapore Dollar ("SGD"), and between SGD and Chinese Yuan ("RMB") during the financial period.
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on**

Condensed interim statements of financial position

- (i)** Property, plant and equipment increased by S\$0.22 million from S\$1.09 million as at 31 December 2023 to S\$1.31 million in 30 June 2024, mainly due to recognition of new right-of-use assets, which is partially offset by the depreciation charged in 1H2024.
- (ii)** Trade and other receivables increased by S\$0.21 million to S\$0.43 million as at 30 June 2024 as compared to S\$0.21 million as at 31 December 2023. The increase was mainly attributed to deposits for (i) a new office space and (ii) professional fees.
- (iii)** Changes in other reserves, particularly, the decrease translation reserve of S\$3,000 from S\$299,000 as at 31 December 2023 to S\$296,000 as at 30 June 2024 was mainly due to the fluctuation of foreign currency exchange rates between the RMB and SGD during the reporting period.
- (iv)** Cash and bank balances have increased by S\$384,000 from S\$51,000 as at 31 December 2023 to S\$435,000 as at 30 June 2024 and is explained in the statement of cash flows below.
- (v)** Lease liabilities increased by S\$0.24 million from S\$17,000 as at 31 December 2023 to S\$253,000 as at 30 June 2024, mainly due to the entry of a new lease by the Company for its office premises.
- (vi)** Provisions had decreased from S\$75,000 as at 31 December 2023 to S\$ nil as at 30 June 2024. This provision was in relation to the future reinstatement of the Company's factory premises at Kallang, which was leased for the lab-grown diamond business segment, which had been reclassified to trade and other payables, under current liabilities in 1H2024.
- (vii)** Trade and other payables increased by S\$0.17 million from S\$0.89 million as at 31 December 2023 to S\$1.06 million as at 30 June 2024. The increase was due to the reclassification of the Group's provisions for the future reinstatement of the Company's factory premises at Kallang and an increase in accruals for professional fees.
- (viii)** Borrowings increased from S\$ nil as at 31 December 2023 to S\$820,000 as at 30 June 2024, mainly due to the draw down of the S\$1.0 million interest-free loan entered into by the Company with Mr. Cao Shixuan.

Working Capital

The Group had recorded an increase in its negative working capital by S\$0.45 million, from a negative working capital position of S\$0.66 million as at 31 December 2023 to negative working capital position of S\$1.11 million as at 30 June 2024. This was mainly due to an increase in borrowings of S\$0.82 million and increase in trade and other payables of S\$0.17 million, which is partially offset by an increase in cash and bank balances of S\$0.38 million arising from the Placement and trade and other receivables of S\$0.21 million.

Condensed interim consolidated statement of cash flows

Net cash used in operating activities of the Group was S\$0.99 million in 1H2024 as compared to S\$2.47 million in 1H2023. This was mainly due to lower losses incurred by the Group in 1H2024 and there having no inventory purchases.

Net cash used in investing activities of the Group in 1H2024 was S\$ nil as compared to S\$0.23 million in 1H2023, as there were no additions of property, plant and equipment in 1H2024.

Net cash generated from financing activities of the Group in 1H2024 was S\$1.37 million as compared to net cash used in financing activities of the Group of S\$88,000 in 1H2023. This was due to the proceeds from the issuance of new ordinary shares in the Company (net of expenses) of S\$0.58 million, and the drawdown of the loan from an employee of S\$0.82 million, which is partially offset by the repayment of lease liabilities of S\$27,000.

As a result of the above, the Group's cash and cash equivalents as at 30 June 2024 increased by S\$0.38 million and stood at S\$0.44 million as at 1H2024. This is in comparison to a decrease in cash and cash equivalents of S\$2.78 million as at 1H2023.

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

Not applicable as no specific forecast or a prospect statement was previously issued.

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

For the current lab-grown diamond business, the Company is exploring how it can be transformed into new uses in emerging high-tech applications, which may gradually open new market opportunities and drive further growth for the industry.

The Company has also, via its business partner, been coordinating with the Sichuan Research Institute to explore ways to utilise its machineries and reaching out to various diamond factories to assist the Company in enhancing the value-add from the existing machineries to grow the business. The Company remains in active discussions and negotiations with its business partner in this regard.

In addition, in order to create sustainable business streams and enhance shareholders' value, the Company had, on 25 June 2024, through its wholly-owned subsidiary, Asian Green Tech Pte Ltd, entered into a joint venture agreement with Colorful Paradise Agricultural Cooperation Co., Ltd. (多彩樂園農業合作有限公司) to incorporate a joint venture company in Singapore. Details of the joint venture and its business are set out in the Company's announcement dated 25 June 2024.

As the business of the joint venture amounts to a new business undertaking by the Group that is different from its existing business, the Company will be convening an extraordinary general meeting in due course to seek approval from the shareholders of the Company for the proposed diversification of the Group's business to include the joint venture's business (the "**Proposed Diversification**"). For avoidance of doubt, the JV Company will not commence its business until the Proposed Diversification has been approved by the shareholders of the Company.

6. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

No dividend has been declared or recommended for the previous corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

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

8. Interested person transactions (“IPTs”)

There was no interested person transaction amounting to S\$100,000 and above during the financial period under review. The Group has not obtained a general mandate from its shareholders for IPTs.

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

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

10. Use of proceeds

The Company had, on 10 May 2024, announced the Placement of 18,000,000 Placement Shares in the capital of the Company. The Placement was completed on 24 May 2024. The Net Proceeds raised was S\$575,800. Pursuant to Catalist Rule 1204(22), as at 13 August 2024, the Company utilised the Net Proceeds as follows:–

Purpose	Allocation of Net Proceeds	Net Proceeds utilised as at 13 August 2024	Balance of Net Proceeds as at 13 August 2024
General working capital purposes	S\$575,800	S\$384,317	S\$191,483

The utilisation of the Net Proceeds for general working capital purposes are for (A) professional fees of S\$286,644, (B) employee benefit expenses (inclusive of employee salaries) of S\$23,704, (C) office rental and related expenses of S\$14,983 and (D) administrative and miscellaneous expenses of S\$58,986, and are in accordance with the allocation previously announced.

11. Negative Confirmation Pursuant to Rule 705(5) of the Catalist Rules

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six months ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Er Kwong Wah
Independent Director

Lucy Yow Su Chin
Independent Director

14 August 2024