metech

铭泰国际

ANNUAL REPORT 2019

VISION

To conserve and maximise Earth's resources.

MISSION

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

This annual report has been prepared by the Company and 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 annual report.

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

The contact person for the Sponsor is Mr Shervyn Essex, Registered Professional, RHT Capital Pte. Ltd., 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619 Telephone (65) 6381 6757.

TABLE OF **CONTENTS**

MESSAGE FROM **CHAIRMAN**

On 16 April 2019, Metech International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") completed the disposal of its electronic waste management ("**EWM**") business. Over the years, numerous attempts had been made to turn around the EWM business but given the high cost structure especially in Singapore and the United States, and the stringent environmental protection regimes in these countries, the Company had been unable to achieve a stable level of profitability. In fact, the EWM had incurred significant losses in most years. The disposal of EWM will likely have a positive effect on the Company.

EWM had been a part of the Company's recycling business. With the disposal, the Company has reorganised its recycling business to one that provides consulting and management services; away from being a recycler who collects, sorts, processes and extracts metals from wastes. The Company aims to capitalise on its reputation and extensive experience in the recycling industry to provide recycling services beyond the metal industry.

The Company's supply chain management ("SCM") and services business will continue to be a key revenue contributor. With a stronger focus on SCM, which has always been asset-light and service-focussed, the Company aims to achieve profitability in the near term.

On 16 July 2019, the Company changed the name of its wholly-owned subsidiary Metech Reverslog Pte. Ltd. to Nolash Tech Pte. Ltd. ("Nolash"), along with its wholly-owned Shanghai subsidiary, which has been changed to Nolash Tech (Shanghai) Co., Ltd. ("Nolash Shanghai") on 23 September 2019. Nolash will be the Company's principal vehicle to support its services business in the supply chain management. It is with delight that we have on 23 September 2019 reported that Nolash Shanghai had entered into agreements with five companies in China in relation to international supply-chain management. The five service agreements signed, when successfully completed, will likely increase the earnings to the Group by a substantial amount. Each service agreement is expected to yield an annual revenue of RMB10 million (approximately S$2 million). The Company is encouraged by this initial success in China.

FINANCIAL REVIEW

In the year ended 30 June 2019 ("FY2019"), the Company was still reeling from the significant financial losses in the EWM business, which affected the SCM and services business as well, given the consequent reduction in available working capital. The Group made a net loss of S$1.1 million, after taking into consideration the recoverability of certain amounts-owing in the disposed entities.

On 10 January 2019, the Company had succeeded in raising gross proceeds of $2 million from the issuance of interest-bearing non-convertible bonds through crowd-funding platform FundedHere Pte Ltd. The new funds provided the SCM and services business with much-needed working capital.

On 2 September 2019, the Company announced that it had appointed KGI Securities (Singapore) Pte. Ltd. as the placement agent, on a best efforts basis, to procure purchases for an aggregate of up to 22,500,000 Placement Shares, at an issue price of S$0.153 (the "Placement Price") for each Placement Share (the "Proposed Placement"). The Company has also agreed to issue up to 22,500,000 free, detachable, transferable and non-listed warrants (the "Warrants"), on the basis of one (1) Warrant for each Placement Share, with each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("Warrant Share") at an exercise price of S$0.153 (the "Warrant Exercise Price") for each Warrant Share (the "Warrants Issue") (collectively, the "Proposed Placement cum Warrants Issue"). The Placement cum Warrant Issue, if and when fully converted, would raise a total of S$6.885 million in gross proceeds.

The Placement Shares and the Warrant Shares will be allotted and issued pursuant to the authority granted by Shareholders at the Company's annual general meeting held on 31 October 2018 (the "2018 AGM") (the "Share Issue Mandate").

The Company is undertaking the Proposed Placement cum Warrants Issue to strengthen the financial position and cash position of the Group and will allow the Group to be less reliant on external sources of funding, thereby potentially incurring fewer expenses related to external funding, for general corporate activities including, but not limited to, expansion in consulting and management services and/or for strategic alliances.

BUSINESS OUTLOOK

The ongoing trade war between the United States and China will have an adverse impact on the global trading system, threatening to reduce trades between countries. Our SCM and services business will likely be affected as well. An increased volatility in commodity prices is also a major challenge. To weather through the storm, the Company plans to reduce the volume of trades while fine-tuning its pricing mechanism to maintain profitability.

At the same time, the Company is stepping up the pace of developing the services business especially in China through Nolash Shanghai.

NEW BOARD MEMBERS

During the year, the Company has invited Mr Wang Daming, Mr Chay Yiowmin and Mr Liu Changsheng to join the Board. Mr Derek Loh who has served on the Board for more than eight years retired at the Annual General Meeting held on 30 October 2018. Mr Francis Lee who joined the Board on 1 August 2012 stepped down on 6 March 2019. The Board thank Mr Loh and Mr Lee for their valuable services, and welcome Mr Wang, Mr Chay and Mr Liu to the Board. Mr Liu is a non-executive director. He, through his Hong Kong-based investment vehicle Changsheng Investment Co Ltd, owns 11.3% of the Company.

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 FY2019. Going forward, with your support, we will do better as we pursue more opportunities for our businesses.

SIMON ENG
Chairman

BOARD OF **DIRECTORS**

SIMON ENG

CHAIRMAN

MR SIMON ENG is the controlling shareholder of the Company. In his capacity as the Chairman of the Board, Mr Eng is responsible for the overall direction and strategic development of the Group.

Mr Eng has been an entrepreneur since leaving the United Engineers Ltd ("UE") at the end of 2007. Between 2004 and 2007, he was UE's CEO in China. Mr Eng retired from the civil service in mid 2004 as the director of an elite service of the Singapore Government.

On top of his many years of exposure in government and diplomatic circuits, Mr Eng has gained a wealth of knowledge and experience in the corporate and investment world. Through his investment vehicles, he holds substantial stakes in public and private enterprises.

Mr Eng graduated from the University of Hamburg, Germany, as a Naval Architect under a Singapore Public Service Commission scholarship in 1985 and subsequently studied at the Harvard Business School in the United States under a government post-graduate sponsorship.

RICKY SIM

INDEPENDENT DIRECTOR

MR RICKY SIM was appointed as an Independent, Non-executive Director of the Company on 1 July 2015. He chairs the Nominating and Remuneration Committee, and is a member of the Audit 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 both Lafe Corporation Ltd and SK Jewelry Group Ltd. He was also appointed as an Independent Director of Mary Chia Holdings Ltd on 1 February 2019.

MR CHAY YIOWMIN

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 a Director of RHT Chestertons Valuation & Advisory Pte. Ltd. and 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 and Libra Group Limited. Between 2013 and 2015, Mr Chay was the lead independent director of Advance SCT 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 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. Mr Chay is also an active Grassroots Leader, serving as a treasurer with the Kebun Baru and Sengkang South Citizens Consultative Committees, and an auditor with the Thomson Hills Neighbourhood Committee. 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.

BOARD OF DIRECTORS

DR LIU CHANGSHENG

NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

DR LIU CHANGSHENG was appointed as a Non-Independent, Non-executive Director of the Company on 1 September 2019.

Dr Liu is currently a Director at Raffles Financial Pte Ltd, a diversified financial company. He has both academic foundation and hands-on experience in all facets of investment, international trade, banking and finance. Dr Liu sits on the board of KTL Group Limited (Mainboard listed on SGX) as an Executive Director, GS Holdings Limited (Catalist Rule of SGX-ST) as a non-Independent, non-Executive Director as well as a number of companies in various industries in Singapore 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 for their public listing, mergers and acquisitions activities. During 2011 to 2015, he was Deputy Head at China Construction Bank Henan Branch responsible for its entire personal and corporate banking businesses.

Dr Liu's highest accolades includes a Doctoral Degree in Hedge Fund Management from Beijing Normal University, a Master Degree in International Economics and Finance from China Central University, an EMBA specialising in public listing and fundraising from Peking University and he graduated with a Bachelor's Degree in International Trade from Henan University of Science and Technology. 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 WANG DAMING

NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR

MR WANG DAMING was appointed as a Non-Independent, Non-executive Director of the Company on 18 January 2019, and is a member of the Audit Committee, Remuneration Committee and Nominating Committee of the Company.

Mr Wang possesses thirty (30) years of extensive engineering experience in China, mostly in aspects of engineering construction, production and operation management, with expansive management experience. Mr Wang was a General Manager for a China subsidiary held by an investment company in Singapore.

In 1999, Mr Wang received an accolade as a senior engineer qualification. In 2003, he obtained the qualification of engineering project manager. In 2005, he entered the Liaoning Provincial Expert Consultation Library. He was a member of the expert panel in Liaoning Province put together to inspect engineering construction projects. In 2009, he was selected as an expert panel member of the Ministry of Finance of the PRC.

Mr Wang graduated with a Bachelor's degree majoring in Machine Design, Manufacturing and Automation from Nanchang Hangkong University (南昌航空大学). He is a senior member of the Chinese Mechanical Engineering Society.

THE **MANAGEMENT TEAM**

SIMON ENG

CHIEF EXECUTIVE OFFICER

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

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. She is 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 responsible for the finance, accounting, taxation and compliance reporting of the Group and its subsidiaries. Her responsibilities also include treasury duties, 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
Simon Eng
(Executive Director/Chairman)
Chay Yiowmin
(Lead Independent Director)
Ricky Sim
(Independent Director)
Wang Daming
(Non-Independent, Non-Executive Director)
Liu Changsheng
(Non-Independent, Non-Executive Director)

AUDIT COMMITTEE
Chay Yiowmin (Chairman)
Ricky Sim
Wang Daming

NOMINATING COMMITTEE
Ricky Sim (Chairman)
Chay Yiowmin
Wang Daming

REMUNERATION COMMITTEE
Ricky Sim (Chairman)
Chay Yiowmin
Wang Daming

COMPANY SECRETARY
Ng Siew Hoong, Linus

REGISTERED OFFICE
65 Tech Park Crescent
Singapore 637787
Tel: 65 62644338
Fax: 65 68632035
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
Ng Chiou Gee Willy
(Appointed since financial year 2017)

PRINCIPAL BANKERS
Overseas-Chinese Banking Corporation Limited

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 Code of Corporate Governance 2012 (the "Code") which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited and to continually review and improve its practices.

This report describes the corporate governance practices of the Company for the financial year ended 30 June 2019 ("FY2019") and the Board is pleased to confirm that for FY 2019, the Group has adhered to the principles and guidelines as set out in the Code. In so far as any principles and/or guideline has not been complied with, the reason has been provided.

On 6 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance (the "2018 Code") and accompanying Practice Guidance. The 2018 Code supersedes and replaces the Code and will apply to annual reports covering financial years commencing from 1 January 2019. The Group will review and set out the corporate practices in place to comply with the 2018 Code, where appropriate, in the next annual report.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

In the course of FY2019, the Board has worked diligently to fulfil their primary responsibilities which are as follows:

- Provide leadership, set strategic directions and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;

- Ensure that a framework of prudent and effective controls is available to enable risks to be assessed and managed, including the safeguarding of shareholders' interests and the Company's assets;

- Review and guide the performance of the Management;

- Ensure that the Company's values and standards are upheld and that obligations to shareholders and other stakeholders are met;

- Consider sustainability issues as part of its strategy formulation; and

- Identify key stakeholder groups and recognise that their perceptions affect the Company's reputation.

The Board comprises the following members in FY2019:

Mr Simon Eng	–	Chairman and Chief Executive Officer
Mr Chay Yiowmin	–	Lead Independent Director (appointed on 3 April 2019)
Mr Ricky Sim	–	Independent Director
Mr Wang Daming	–	Non-Independent, Non-executive Director (appointed on 18 January 2019)
Mr Francis Lee	–	Independent Director (resigned on 6 March 2019)
Mr Andrew Eng	–	Executive Director and Chief Executive Officer (resigned on 1 January 2019)
Mr Loh Eu Tse Derek	–	Independent Director (resigned on 1 November 2018)

To the best of their abilities, all the Directors have exercised 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.

To assist the Board in discharging its oversight function and to enhance the Company's corporate governance framework, the Board has the support of the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC").

These Committees function within clearly defined terms of references, which are reviewed on a periodic basis by the Board. Any change to the terms of references for any Board Committee requires the specific written approval of the Board. The effectiveness of the Committees is also closely monitored and reviewed by the Board.

The dates of meetings of all the Board and Board Committee Meetings, including the Annual General Meeting ("AGM") are scheduled at least one year in advance in close consultation with the Directors. This is to facilitate their attendance at the meetings. If the Directors are unable to be physically present for the meetings, tele- and video-conferencing facilities are arranged for them so that they can participate in the meetings, which is allowed for under the Company's Constitution. Besides formal meetings, decisions of the Board and Board Committees are also obtained via circular resolutions.

The following table shows the attendance of the Directors at the meetings of the Board and Board Committees in FY2019.

	Board	Audit Committee	Remuneration Committee	Nominating Committee
No of meetings held	4	4	1	1
Directors	**Number of Meetings Attended**			
Mr Simon Eng	4	4[1]	1[1]	1[1]
Mr Chay Yiowmin[2]	1	1	0	0
Mr Ricky Sim	4	4	1	1
Mr Wang Daming[3]	2	2	0	0
Mr Francis Lee[4]	3	3	1	1
Mr Andrew Eng[5]	2	2[1]	1[1]	1[1]
Mr Loh Eu Tse Derek[6]	2	2	1	1

Board meetings are held on a quarterly basis as a minimum to review and approve the release of the quarterly financial results and to discuss reports from the Management on the performance of the Company and its plans. Additional meetings may be held if there are urgent issues to discuss and consider. The Chairman makes it a point to encourage the Directors to voice their views freely during discussions on proposals and plans put forward for the Board's consideration and approval. 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.

The Company has in place internal guidelines which specify the corporate matters that require the approval of the Board. They include the following:

- Approval of financial results and all announcements;
- Approval of the annual report and financial statements;
- Convening of shareholders' meeting;
- Approval of change in corporate strategies including significant acquisitions and disposals and funding of investments;
- Authorisation of new banking facilities and declaration of interim and/or proposal of final dividends;
- Oversee the processes for risk management, financial reporting and compliance and evaluate the adequacy of internal controls, as may be recommended by the AC;

1 Attended by invitation
2 Appointed with effect from 3 April 2019
3 Appointed with effect from 18 January 2019
4 Resigned with effect from 6 March 2019
5 Resigned with effect from 1 January 2019
6 Resigned with effect from 1 November 2018

- 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 NC;
- Review and endorse the framework of remuneration for the Board and Key Management Personnel, as may be recommended by the RC;
- Review and endorse corporate policies in keeping with good corporate governance and business practices; and
- 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.

There were two (2) Directors appointed in FY2019. At the point of appointment, the Executive Directors will brief the newly-appointed Directors on their statutory duties and responsibilities as Directors of the Board. They are also given relevant material pertaining to the Company to peruse so that they understand the Company's history, Company's strategic directions and the industry sector that the Company operates in, including industry knowledge, regulatory requirements, and corporate and governance practices. The Directors are also given ample opportunities to visit the Company's operational facilities and meet up with the Management to gain a better insight and understanding of the Company's operations.

A formal letter of appointment will also be given to every newly-appointed Director upon their appointment explaining, among other matters, their roles, obligations, duties and responsibilities as a member of the Board. The Directors are also encouraged to attend training courses, seminars and forums, especially those organised by the Singapore Institute of Directors, to keep themselves abreast of developments such as changes to relevant accounting standards and practices, and laws and regulations.

Board Composition and Guidance
Principle 2: There should be a strong and independent element on Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises of five Directors as at the date of this report, one Executive Director, two Non-Executive Non-Independent Directors and two Independent Directors. The Company is aware of the Guideline 2.2 of the Code of Corporate Governance 2018 that Independent Directors shall make up a majority of the Board where the Chairman is not independent. The Company will endeavour to comply with the requirement and shall release the required announcement in due course.

During FY2019, the Company had complied with the relevant guideline of the Code as there was a strong and independent element on the Board with Independent Directors making up at least half of the Board, especially where the Chairman and the Chief Executive is the same person, and the Board is comfortably assured that discussions and the decision-making process will be objective.

The independence of each Director is assessed and reviewed annually by the NC. In its deliberation as to the independence of a Director, the NC took into account examples of relationships as set out in the Code.

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 Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code.

None of the Independent Directors have served on the Board beyond nine years from the date of their first appointment and the NC is fully satisfied that all Independent Directors on the Board are wholly independent in character and judgement and are not in any relationships and circumstances as described in the Code that may affect their judgement. The Board is able to exercise independent and objective judgment on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined. The profiles of the Directors are as set out in the Board of Directors Section of this Annual Report.

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's businesses, the Board believes that its current board size and existing composition of the Board Committees, though small but is effective.

In appointing Directors to the Board, the Board takes into consideration the background, skill-sets and past experience of the candidate and whether the candidate is able to contribute to the growth of the Company. The NC is of the view that the current Board has the right mix of talent with proven track records in business, government, finance and the legal field to lead the Company. The Board will continually review its composition and size to ensure optimal balance in the membership of the Board.

The Independent Directors of the Company are aware of their roles on the Board. They know to constructively challenge and help develop strategies for the Company. They also help to review the performance of the Management in meeting, setting targets and objectives and monitoring the reporting of performance. To ensure that the Independent Directors are kept well informed of the Group's business and are well supported by accurate, complete and timely information, they have unrestricted access to Management and have sufficient time and resources to discharge their oversight functions effectively. Whenever necessary, the Independent Directors do come together to discuss issues without the presence of the Management.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Board is of the view that it is in the interests of the Group to adopt a single leadership structure whereby the Chairman and CEO is the same person, so as to ensure that decision-making process of the Group would not be unnecessarily hindered. Mr Simon Eng has been the Chairman of the Board since 10 November 2014. He has served previously on a number of boards, including in the capacity of Chairman. Drawing on his past experience, Mr Simon Eng has been able to create a culture of openness and sharing in the Board. He sets the agenda for meetings and always ensures that the Directors are given enough time to peruse the board papers before meetings. Using a variety of means including personal calls to the Directors, he is in constant touch with them, to keep them timely updated and apprised of key developments in the Company. Mr Simon Eng undertook the role of the Group's CEO on 1 November 2018 when Mr Andrew Eng resigned on the given date. As the Group's CEO, he is responsible for the execution of the strategic directions set by the Board and thus has overall responsibility for the management and performance of the Company. He is supported by Ms Samantha Hua, Group Deputy CEO, who oversee the financials of the Company and other members of the Management, none of whom is related to one another.

All major proposals and decisions made by the CEO are discussed by the Board as a whole. His performance and appointment to the Board is reviewed periodically by the NC and his remuneration package is reviewed periodically by the RC. The Board has also appointed Mr Chay Yiowmin as the Lead Independent Director on 3 April 2019. As the Lead Independent Director, shareholders of the Company can approach him whenever they have concerns which are not appropriate or possible to be brought up through the normal channels of the Chairman, CEO or Deputy CEO. Led by the Lead Independent Director, the Independent Directors may meet amongst themselves to discuss matters such as this, following which the Lead Independent Director will apprise the Board, if necessary.

With the above in place, the Board is of the view that there is a sufficiently strong and independent presence on the Board to ensure discussions and decision-makings are objective and transparent. This is evident from the current number of Independent Directors on the Board which outnumbered the Executive Director by 2 to 1. The appointment of a Lead Independent Director also serves to add weight to the independent voices on the Board.

Board Membership
Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

As at the date of this report, the NC consists of the following members, all of whom are non-executive, and majority are independent:

Mr Ricky Sim – Chairman
Mr Chay Yiowmin – Member
Mr Wang Daming – Member

The key terms of reference of the NC are as follows:

- Establish the criteria and desirable attributes of new appointees to the Board;
- Identify and short-list candidates;
- Put up recommendations to the Board on all Board appointments;
- Put up recommendations on all nominations of Directors annually as guided by the Code;
- Assess the performance of the Board as a whole, as well as the contribution of each Director to the effectiveness of the Board; and
- Conduct annual reviews of the independence of each Director based on the criteria set out in the Code.

The responsibilities of the NC are, among other things, to make recommendation to the Board on all Board appointments, re-appointments and oversee the Board and key management personnel's succession and leadership development plans.

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. 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.

Besides the individual attributes, the following factors will also determine the suitability of a candidate:

- The geographical reach and diversity of the Group's businesses;
- The strategic direction and progress of the Group;
- The current composition of the Board; and
- The need for independence.

Process for re-appointment of Directors

The role of the NC also includes the responsibility of reviewing the re-nomination of Directors who retire by rotation. In assessing whether the Director should be recommended for re-appointment, the NC would assess the performance of the Director in accordance with the performance criteria set by the Board including but not limited to factors such as attendance and time committed to the affairs of the Company; review the annual evaluations done by the Board, Board Committees and individual Directors; and assess the current needs of the Board. All Directors, including the CEO, submits themselves for re-nomination and re-appointment at regular interval of at least once every three years.

Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment 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.

As at the date of this report, the Directors of the Company are as follows:

Board Members

Directors	Position	Date of First Appointment	Date of Last Re-election	Nature of Appointment
Mr Simon Eng	Chairman	10 Nov 2014	28 Oct 2015	Executive
Mr Chay Yiowmin	Director	3 April 2019	N.A.	Independent
Mr Ricky Sim	Director	1 Jul 2015	31 Oct 2018	Independent
Mr Wang Daming	Director	18 Jan 2019	N.A.	Non-Executive, Non-independent
Mr Liu Changsheng	Director	1 Sept 2019	N.A.	Non-Executive, Non-independent

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.

The Directors retiring under Regulation 88 and 89 of the Company's Constitution at the forthcoming AGM of the Company are Mr Simon Eng (pursuant to Regulation 89), Mr Chay Yiowmin (pursuant to Regulation 88), Mr Wang Daming (pursuant to Regulation 88) and Mr Liu Changsheng (pursuant to Regulation 88). The Company has been informed that Mr Wang Daming would not be seeking re-appointment at the forthcoming AGM of the Company. Accordingly, Mr Wang will retire at the conclusion of the AGM.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the retiring Directors as set out in Appendix 7F of the Catalist Rules is disclosed below:

Name of Director	**Simon Eng**	**Chay Yiowmin**	**Liu Changsheng**
Date of Appointment	10 November 2014	3 April 2019	1 September 2019
Date of last re-appointment (if applicable)	28 October 2015	N.A.	N.A.
Age	60	45	43
Country of principal residence	Singapore	Singapore	The People's Republic of China
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board having considered the NC's recommendations, based on his contribution, qualifications and working experience of Mr Simon Eng, is of the view that he has the requisite experience and capabilities as an Executive Director of the Company.	After assessing Mr Chay Yiowmin's contribution and performance, the NC has recommended that he be re-elected as Director of the Company.	After assessing Mr Liu Changsheng's contribution and performance, the NC has recommended that he be re-elected as Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Overall business strategy and development of the Group and Board's duties	N.A.	N.A.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman, CEO and Executive Director	Lead Independent Director, AC Chairman, RC Member and NC Member	Non-Executive, Non-Independent Director

Professional qualifications	Mr Eng graduated from the University of Hamburg, Germany, as a Naval Architect under a Singapore Public Service Commission scholarship in 1985 and subsequently studied at the Harvard Business School in the United States under a government post-graduate sponsorship.	Mr Chay holds a Bachelor of Accountancy and a Master of Business from Nanyang Technological University, and a Master of Business Administration from the University of Birmingham. Mr Chay is also a Fellow Chartered Accountant (FCA Singapore) of the Institute of Singapore Chartered Accountants (ISCA), an Associate Chartered Accountant (ACA) of the Institute of Chartered Accountants in England and Wales (ICAEW), a Chartered Valuer and Appraiser (CVA) of the Institute of Valuers and Appraisers of Singapore (IVAS) and a Certified Finance and Treasury Professional (CFTP) of the Finance and Treasury Association (FTA).	Mr Liu was awarded a Doctoral Degree in Hedge Fund Management by Beijing Normal University in 2001. He obtained his Master Degree in International Economics and Finance from China Central University of Finance and Economics in 1999. Mr Liu was also award an EMBA by Peking University, specialising in public listing and fund raising in 2011. Mr Liu is a graduate of Henan University of Science and Technology, with a Bachelor's Degree in International Trade in 1997. Mr Liu obtained his international qualification certification of FAM Financial Risk Manager of GARP Global Risk Management Association, and he is also qualified for fund management.

Working experience and occupation(s) during the past 10 years	After leaving the civil service in 2004 and up till 2007, Mr Eng was the President of China of mainboard-listed United Engineers Limited (UE), focusing on environment engineering and power generation in China. In 2008, Mr Eng set up a wastes and wastewater treatment company to invest in treatment facilities in China and was acting as an adviser to Tembusu Partners, private fund management company. In 2009, Mr Eng joined mainboard-listed Citicode Limited (pka Advance SCT Limited) as Chairman of the Group and Group CEO. He has since on 27 June 2018 and 24 July 2018 respectively, stepped down from his executive role and is now a Non-independent, non-executive Director and remaining as the controlling shareholder.	January 2009 to May 2012 – Moore Stephens LLP as Assurance Partner November 2012 to March 2019 – BDO LLP as Advisory Partner, Corporate Finance Practice March 2019 to Current – Chay Corporate Advisory Pte. Ltd. As Chief Executive Officer	2009 to 2011 – General Manager, Hualing Investment Holding Group 2011 to 2015 – Deputy Head, China Construction Bank, Henan Branch 2015 to 2017 – Co-founder, eCapital (China) Finance Leasing 2015 to 2018 – Founder, GuoRong China Finance Bank (Beijing) Asset Management 2018 to Present – Executive Director, KTL Global Limited
Shareholding interest in the listed issuer and its subsidiaries	Please refer to Directors' Statement, Directors' interests in shares or debentures on page 50 of the Annual Report	Nil	Please refer to Register of Substantial Shareholders on page 142 of the Annual Report
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	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil

Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer (Yes/No)	Yes	Yes	Yes
Other Principal Commitments* Including Directorships			
Past 5 Years			
Present	Citicode Limited – Non-Independent, Non-Executive Director Asiapac Recycling Pte. Ltd. – Director Belle Forte Limited – Director	UMS Holdings Limited – Lead Independent Director 8I Holdings Limited – Non-Executive Director Voxpace Pte. Ltd. – Director Ksenja Pte. Ltd. – Director TSU Investment Pte. Ltd. – Director Xemaco Group Pte. Ltd. – Director Roxana Shipping Pte. Ltd. – Director 2YSL Pte. Ltd. – Director Chay Corporate Advisory Pte. Ltd. – Chief Executive Officer	Raffles Financial Limited – Director Raffles Financial Private Limited – Director Raffles Xchange Limited – Director Guorong China Finance Bank (Beijing) Asset Management Company Limited – Director Changsheng Investment Development Limited – Director Bluegas Private Limited – Director KTL Global Limited – Executive Director Henan Shengning Industrial Co., Ltd. – Director Henan Express Carving Building Material Co., Ltd. – Director GS Holdings Limited – Non-Executive Director

Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director a listed issuer as prescribed by the Exchange. 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, as this relates to re-appointment of director.	Not applicable, as this relates to re-appointment of director.	Not applicable, as this relates to re-appointment of director.
Response to questions (a) to (k) under Appendix 7F of the Catalist Rules	Negative Confirmation	Negative Confirmation	Negative Confirmation

The NC is charged with determining the independence of the Directors as set out under Guideline 2.3 and 2.4 of the Code. The Board, after taking into consideration the views of the NC, is of the view that Mr Chay Yiowmin and Mr Ricky Sim are independent and that, no individual or small group of individual dominates the Board's decision-making process.

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, taking into consideration the Director's number of listed company board representations and other principal commitment. Though some of the Board members 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 representations that a Director may hold because the Board feels that setting such a limit would not be meaningful.

During the FY2019, there was no alternate director being appointed to the Board.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

The Board has in place an annual assessment exercise for the Directors to assess the effectiveness of the Board as well as their own individual performance on the Board and Board Committees. During the financial year, all Directors are requested to complete a Board Evaluation Questionnaire designed to seek their view on the various aspects of the Board performance so as to assess the overall effectiveness of the Board and a Self Performance Evaluation Form. Both assessments require the Directors to score against a list of outcomes that appear on the assessment forms. To ensure confidentiality, the completed evaluation forms were submitted to the Company Secretary for collation. The consolidated responses of the former assessment are then openly discussed and reviewed at the NC meeting, while the results of the latter are more for individual Directors to reflect on. The final outcome of the former assessment will be an improvement plan, focusing mainly on the weak areas.

The NC has established guidelines and objective criteria to evaluate the Board's performance against qualitative and quantitative targets. The assessment form to rate the effectiveness of the Board covers a total of 44 outcomes. The questions range from very fundamental issues such as whether the Board has a full and common understanding of the roles and responsibilities of a board to very operational issues such as whether the Board has approved a succession plan for the CEO and senior members of the Management. The Directors are required to give their assessment based on a five-grade-scale ranging from "Poor" to "Very Good" to each and every outcome, which are then tallied and averaged out to give the overall view of the Board on each of the specific outcomes.

The Self Performance Evaluation Form is designed for the individual Directors to rate their personal performances on the Board and Committees contains a list of 12 outcomes. The 12 outcomes cover wide-ranging areas such as leadership, contribution and participation in meetings, keeping abreast of industry developments and maintenance of independence.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and an on-going basis so as to enable them to make informed decisions to 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, and the decisions and actions taken by the Management. Generally, the Directors have unrestricted access to the Company's records and the full authority to consult directly with any member of the Management, as and when they deem it necessary.

Board and committee papers are circulated to the Directors ahead of meetings to let them have adequate time to read and reflect on the issues. The CEO personally ensures that these papers contain all the 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.

During the quarterly review of financial results, the Deputy CEO is always present to personally answer any queries that the Board might have. Furthermore, internal procedures are in place to allow each member of the Board reviewing the interim financial statements to immediately raise any material information known to him or her which may render the interim financial results to be false or misleading prior to their release on SGXNet. Whenever such adverse issues are raised, especially those that may affect the financial results in a material way, necessary actions will be taken to allow time for further investigation and review.

The Directors have separate and independent access to the Company Secretary, who is responsible to the Board for ensuring that established procedures, and relevant statutes and regulations are complied with. The Company Secretary is required to be present at all Board meetings, and whose appointment and removal requires 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 will be borne by the Company, concerning any aspect of the Group's operations or undertakings.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration package of individual directors. No director should be involved in deciding his own remuneration.

As at the date of this report, the RC consists of the following members, all of whom are non-executive, and majority are independent:

Mr Ricky Sim – Chairman
Mr Chay Yiowmin – Member
Mr Wang Daming – Member

The RC is responsible for ensuring that a formal and transparent procedure is in place for developing policy and for determining and to recommend to the Board a framework of remuneration for the Directors and key management. It assists the Board to ensure that remuneration policies and practices are sound and cover all aspects of remuneration including but not limited to Director's fees, salaries, allowances, bonuses, options and benefits in kind. In addition, the RC reviews the performance of the Group's key management personnel taking into consideration the CEO's assessment of and recommendation for remuneration and bonus. In devising the packages, the RC is aware that termination clauses, wherever applicable, have to be fair, and not overly generous. To enable the RC to carry out its duties well, it has the option to engage external human resource consultants. During the FY2019, the RC did not require the service of an external remuneration consultant.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

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 Executive Director, Mr Simon Eng, Chairman of the Board and CEO of the Group, does not receive any Director's fee. The remuneration package of Mr Simon Eng and the key management comprise a basic salary component and a variable component in the form of a bonus that is paid only if the Company and the individuals are able to meet set targets. 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.

Non-executive Directors are paid a Director's fee that is based on a fee structure that takes into consideration their level of responsibilities. The fee structure comprises a basic fee component and an allowance component based on their appointment on the Board and Board Committees. Director's fees are subject to approval by shareholders at the AGM. The remuneration structure for Non-Executive Directors' fees, which is being reviewed by the RC periodically, is as follows:

Roles	Members (per annum)	Chairman (per annum)
Basic Fee	S$20,000	–
Chairman's Allowance	–	S$10,000
Audit Committee	S$1,000	S$5,000
Remuneration Committee	S$1,000	S$2,000
Nominating Committee	S$1,000	S$2,000

No member of the RC is involved in deliberating and deciding in respect of any remuneration, compensation or any form of benefits to be granted to him.

The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Directors and key management personnel 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 key management personnel, "claw back" provisions in the service agreements may not be relevant or appropriate. The Executive Directors owe a fiduciary duty to the Company. The Company avails itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

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")

(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.

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"). 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.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The remuneration of the Directors and members of the top management in FY2019 is presented in bands of "below S$150,000 to S$200,000" and "S$250,000 to S$500,000". After much deliberation, the Board is of the opinion that a full disclosure of the specific remuneration is not in the best interest of the Company or its shareholders. Due to the competitive business environment and the confidential nature of remuneration matters, a full disclosure of the specific remuneration may have a negative impact on the Company in attracting and retaining talent at the Board and top management level. The Board is of the view that the current format of disclosure is sufficient indication of the remuneration packages of the Directors and top management.

Breakdown of Directors' Remuneration for FY2019 (in percentage terms)

Name	Remuneration Band	Salary (%)	Bonus[1] (%)	Director's Fees (%)	Other Benefits (%)	Total (%)
Simon Eng	Below S$150,000	100	–	–	–	100
Chay Yiowmin	Below S$150,000	–	–	100	–	100
Ricky Sim	Below S$150,000	–	–	100	–	100
Wang Daming	Below S$150,000	–	–	100	–	100
Andrew Eng[2]	Below S$150,000	100	–	–	–	100
Francis Lee[3]	Below S$150,000	–	–	100	–	100

1 Comprising the 13th Month Annual Wage Supplement.
2 Resigned with effect from 1 January 2019.
3 Resigned with effect from 6 March 2019.

The total remuneration paid out to top management in FY2019 was S$347,555. Other than Mr Simon Eng and Mr Andrew Eng, who are brothers, none of the employees in the Company whose remuneration exceeded S$50,000 in FY2019 was an immediate family member of any of the Directors in FY2019.

Breakdown of Top Management's Remuneration for FY2019 (in percentage terms)

Name	Remuneration Band	Salary (%)	Bonus[1] (%)	Fees (%)	Other Benefits (%)	Total (%)
Mr Simon Eng	Below S$150,000	100	–	–	–	100
Mr Andrew Eng[2]	Below S$150,000	100	–	–	–	100
Ms. Samantha Hua	S$150,000 to S$200,000	81	4.5	–	14.5	100

1 Comprising the 13th Month Annual Wage Supplement.
2 Resigned with effect from 1 January 2019.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board reviews and approves the results as well as any announcement before its release.

The Board is accountable to the shareholders and other stakeholders, while the Management is accountable to the Board. In this regard, it is the Board's responsibility, and also that of the Management, to provide a balanced and easy-to-understand assessment of the Group's performance, position and prospects to shareholders and other stakeholders. This responsibility extends to price-sensitive public reports as well as reports to regulators, if required. Its aim is to inform shareholders of the performance of the Group on a regular and timely manner, which the Board believes would also further enhance the Company's relationships with investors and the media.

The Board adheres to legislative and regulatory requirements, including requirements of the Catalist Rules with regards to such transparency. In line with the Catalist Rules, the Board provides a negative assurance statement to the shareholders in its quarterly financial statement announcements. In addition, the Company had procured Appendix 7H (Form of Undertaking with Regard to Directors or Executive Officers) from all its directors and executive officers pursuant to Rule 720(1) of Catalist Rules.

The Group recognises the importance of providing the Board with accurate and relevant information on a timely basis. The Executive Directors are provided with detailed management accounts of the Company's performance, position and prospects on a monthly basis by the Management. Where there is any material deviation, all members of the Board will be informed immediately. Any Director on the Board can also request to see the management accounts at any time to their convenience.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interest and to the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board acknowledges that it is responsible for the overall internal control framework of the Company, but it also recognizes that no internal control system can preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives. The Board is thus only able to provide reasonable but not absolute assurance against the occurrence of material misstatement or loss, or poor judgment in decision-making.

The Group has 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 FY2019, 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.

The Board and the AC have received written assurance from the CEO and Deputy CEO that:

(a) the financial records of the Group have been properly maintained and the financial statements for FY2019 give a true and fair view of the Group's operations and finances; and

(b) the risk management and internal control systems in place within the Group are adequate and effective in addressing the material risks in the Group in its current business environment including financial, operational, compliance and information technology risks.

The responsibility of overseeing the Company's Internal Audit Unit is undertaken by the Audit Committee. Having considered the Company's business operations as well as its existing risk management and internal control systems, the Board is of the view that a separate risk committee is not required for the time being.

Based on the internal controls established and maintained, internal audits, reviews by the Management, and the statutory audit by the external auditors, the Board, with the concurrence of the AC, is of the opinion that the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls, are adequate and effective.

Audit Committee
Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

As at the date of this report, the AC consists of the following members, all of whom are non-executive, and majority are independent:

Mr Chay Yiowmin – Chairman
Mr Ricky Sim – Member
Mr Wang Daming – Member

The key terms of reference of the AC is as follows:

To review and evaluate the financial and operating results and accounting policies;

- To review audit plans and scope of audit examination of the external audit and their evaluation of the system of internal accounting controls arising from the audit and Reports to the Audit Committee and matters which the external auditors wish to raise;

- To review the annual and quarterly financial statements and announcements to shareholders before submission to the Board for adoption;

- To review the transactions falling within the scope of Chapter 9 of the Listing Manual; and where necessary, reviews and seeks approval for interested person transactions ("IPT");

- To review the non-audit services provided by the external auditors and whether the provision of such services affects their independence; and

- To consider the appointment and re-appointments of external auditors and matters relating to the resignation of dismissal of external auditors.

The Board consider 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.

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. In FY2019 the AC had one meeting with the external auditors without the presence of the Management.

The AC held four meetings in FY2019 where the Executive Directors and the Deputy CEO were present in all the meetings and the external auditors on two occasions. The AC meets on a quarterly basis to review the quarterly and the audited financial statements, SGXNet announcements and all related disclosure to shareholders.

For FY2019, the AC has reviewed the following one key audit matter highlighted by the external auditors:–

Key Audit Matter	How our audit addressed the key audit matter
Disposal of discontinued operations Refer to Note 10 to the consolidated financial statements. On 12 April 2019, the shareholders of the Company approved in an extraordinary general meeting the proposed disposal of the entire electronic waste management business, which represents the E-Waste Management operating segment of the Group. We identified the disposal as a key audit matter because of its financial significance to the consolidated financial statements and the application of SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* as the disposal was constituted as a discontinued operation of the Group. The Group recorded a gain of S$6,031,000 from the disposal of discontinued operations, the details of which are set out in Notes 10(b) and 13(d) to the financial statements.	We read and reviewed the executed disposal agreements to evaluate and determine appropriate accounting of the disposal in accordance with the requirements of SFRS(I) 5. We obtained an understanding of the disposal process as well as the key terms of the executed disposal agreements. We also obtained documentary evidence relating to the transfer of shares to ascertain the completion of the disposals. We performed procedures to ascertain the accuracy and completeness of the results presented as discontinued operations and the assets and liabilities as at the relevant dates of disposal to compute the gain on disposal of discontinued operations. We reviewed the adequacy of the presentation and disclosure of discontinued operations in the consolidated statement of comprehensive income and consolidated statement of cash flows, which are distinguish from other continuing operations of the Group in accordance with SFRS (I) 5, including the related notes to the financial statements.

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 $110,000 for its audit service for FY2019. 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 FY2019.

Having paid regards to the adequacy and experience of the firm, their overall qualification and their independence status, the AC is satisfied that Rule 712 of the Catalist Rules 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 Rule 712 and Rule 715 (read with Rule 716) of the Catalist Rule.

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 Company Secretary who will in turn report to the AC and the AC reports to the Board on such matters at the Board meetings. There were no reported incidents pertaining to whistle-blowing during FY2019 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.

Internal Audit
Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

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 Company's Internal Audit Unit ("IAU") reports primarily to the AC Chairman and also administratively to the CEO. Where necessary, the IAU may engage outsourced resources to carry out its duties. The IAU is responsible for the Company's Enterprise Risk Management and Internal Control System ("EnRiMICS") which was set up to manage the risk exposure of the Company. Besides conducting periodic internal audit checks on entities within the Group, the IAU is responsible to ensure that the current set of enterprise risks and internal control measures are up to date. The IAU has unfettered access to all of the Company's documents, records, properties and personnel, including access to the AC.

The AC and the Board review the adequacy and effectiveness of the internal audit function on an annual basis and are satisfied that the internal audit function is staffed by suitably qualified persons with relevant qualifications and experience.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholders Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: **Companies should actively engage their shareholders and put in place an investor relation policy to promote regular, effective and fair communication with 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.

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 Listing Manual, Companies Act and Singapore Financial Reporting Standards. 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.

Effective from the AGM in 2015, all resolutions are put to a vote by poll and detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced. On 3 January 2016, the legislation was amended, among other things to allow certain members, defined as “Relevant Intermediary” to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of the CPF investors. With this amended legislation, the Company allows relevant intermediaries to appoint more than two proxies to attend the Company’s general meetings.

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 FY2019.

Communication with Shareholders
Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board welcomes questions and views of shareholders on matters pertaining to the Company before and during an AGM. The Directors will always strive to attend the AGM to meet shareholders and address their concerns, in particular, the Chairman of the Board and the Chairman of the AC, NC and RC. External auditors are also always present at the AGM to address queries pertaining to the conduct of audit and the preparation and content of the Auditors’ Report. In fact, all the Directors and external auditors were present at the last AGM.

The Company Secretary, with assistance of his representative, prepares minutes of shareholders’ meetings, which incorporates substantial comments and queries from shareholders, as well as, responses from the Board and the management. These minutes are available to shareholders upon their request.

Each item of special business included in the notice of meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting.

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.

DEALING IN SECURITIES

With respect to Rule 1204(19) of the Listing Manual, 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 FY2019 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 contact 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.

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 FY2019.

SUSTAINABILITY **REPORT**

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") are pleased to share the Company's second sustainability report. As a Group, we reaffirm our commitment to sustainability with the publication of our sustainability report ("Report") guided by the GRI Standards: Core options and SGX-ST listing rule 711 (A) and 711 (B). For this Report, we document our growth while being mindful of the importance of managing the Group's environmental, social, governance ("ESG") factors and economic performance for the financial year 2019.

The Board is committed to uphold the highest standards of ethics and integrity while conducting its business activities. The Board believes that that building a sustainable business is vital to our continuous growth and success. We have established a good corporate governance framework and a risk management process that includes the assessment of ESG issues are essential for the Group. This approach ensure that sustainable practices are incorporated into every link of our supply chain, provides a reasonable and transparent 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. As we recognise the importance of sustainability, 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 management of 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. The Board endorses the material factors presented in this report.

2. REPORTING FRAMEWORK

This report has been prepared in accordance with the 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 Global Reporting Initiative ("GRI") Standards as it is an internationally recognized reporting framework.

3. REPORTING PERIOD AND SCOPE

This Report covers data and information from 1 July 2018 to 30 June 2019 ("FY2019") across the Group. We have not sought external assurance for this sustainability report. We have relied on internal verification to ensure the accuracy of data but will consider doing so as our reporting matures over time.

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.

5. OUR SUSTAINABILITY TEAM AND APPROACH

Metech's Board of Directors
– oversees the sustainability direction, strategies and policies

Sustainability Lead
– Audit Committee Chairman advises and supports the Board on sustainability matters, strategies and policies

Management
– manage and monitor sustainability performances and targets

Employees
– implement sustainability initiatives and provide feedback on improvements

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 the 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 globally across departments, who executes our sustainability strategy, monitors, and reports on our 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 organizational 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 2012 (the "Code"). The corporate governance processes and practices adopted by the Group can be found in the Corporate Governance Report of our Annual Report and/or our website www.Metechinternational.com The Board is committed to observing closely the principles in the Code and to continually review and improve our practices.

6. STAKEHOLDERS ENGAGEMENT

We recognise the importance of close collaboration with our key stakeholders in order to achieve a sustainable business goal. Besides analysing the various stakeholders and understanding their viewpoints, we 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 recognized 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	• Annual • Ad-hoc • Quarterly • Ad-hoc • Ad-hoc	• 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

Stakeholder	Current methods	Frequency	Needs/expectations	Commitments to Sustainability
	• Face-to-face social meetings • Whistleblowing channel • Company website	• Ad-hoc • Perpetual • Perpetual		• Improve Investor Relations website
Clients – 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 STAKEHOLDER ENGAGEMENT (SE) GOALS

In the coming year, Metech aims to utilize more structured and detailed stakeholder engagement methods and implement proper documentation and data monitoring on the results.

The Company 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.

Our value chain:

Stage	**Procurement**	**Processing**	**Selling**
Description	**Purchase of commodities from miners, extractors or commodity traders**	**Searching for buyer, monitoring commodity markets, hedging**	**Sale of commodities to mining companies or commodity traders**
Environmental issues	• Supplier Environmental Assessment (308)	• Energy (302)	• Supplier Environmental Assessment (308)
Social issues	• Customer privacy (418) • Local communities (413) • Supplier Social Assessment (414)	• Employment practices (401) • Diversity and equal opportunity (405) • Non-discrimination (406)	• Customer privacy (418) • Local communities (413) • Supplier Social Assessment (414)
Economic issues	• Procurement practices (204)		• Procurement practices (204)

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

<table>
<tr><td rowspan="3">Influence on stakeholder assessments & decisions Low --> High</td><td></td><td>• Energy (302)
• Local communities (413)</td><td>• Procurement practices (204)
• Supplier Environmental Assessment (308)
• Diversity and equal opportunity (405)</td></tr>
<tr><td>• Customer privacy (418)</td><td>• Employment practices (401)</td><td>• Supplier Social Assessment (414)</td></tr>
<tr><td></td><td>• Non-discrimination (406)</td><td></td></tr>
<tr><td></td><td colspan="3">Significance of economic, environmental and social impact Low ⟶ High</td></tr>
</table>

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
Diversity and equal opportunity	People and Shareholders	Direct
Non-discrimination	Shareholders, People and Clients	Direct & indirect
Supplier Social Assessment	People, Clients and Communities	Direct
Customer privacy	Shareholders, People and Clients	Direct
Local Communities	People, Clients and Communities	Direct & indirect

7.2 ESG Factors – Policies, Practices, Performance and Targets

The materiality review took into account the Global Reporting Initiative ("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:

1. Procurement practices (GRI 204)
2. Supplier Environmental Assessment (GRI 308)
3. Diversity and equal opportunity (GRI 405)

8. ECONOMIC IMPACT

Economic performance is of 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 2019.

Material Environmental Issues, Context and Business case

The following elements are Metech's material economic issues:

Procurement practices – management approach: As Metech continue to expand our SCM operations in China, the Company continues to improve and make conscientious efforts to ensure our procurement strategies continue to support local trading houses, suppliers and services. Upon establishing improved stability, we aim to expand our Singapore relationships using the new expertise we gained from the expansion and contribute to the economy.

Metech's geographical definition of 'local', refers specifically to Singapore. Traders with operations registered in Singapore and/or warehouses situated in Singapore. In FY2019, the SCM and services business have approximately 47% of our trades to local counterparts; a slight decrease from 53% in FY2018 due to the changes in economic climate and a shift in our business focus to consultation and advisory.

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. Currently, most are foreign trading houses and suppliers. 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.	Expand Singapore relationships and suppliers that supports Singapore by way of manpower utilisation, or utilises financial resources and/or materials from within Singapore

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
Procurement practices	47% of our sales/ purchases generated locally	Increase to 70% local purchases	Increase to at least 85% local purchases

9. ENVIRONMENTAL IMPACT

We are committed to protecting the environment by making our operations environmentally friendly and sustainable. We aim to minimize the environmental impact during our course of activities through continuous improvements in our business processes and operations. We believe that the reduction of our carbon footprint would contribute to the Group's increased productivity, lower consumption of natural resources, reduced wastage and pollution. This would lead to an improvement in our 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, we remain vigilant of the overall emissions as the global greenhouse gas emissions are currently at unsustainable levels. We are also wary of the emissions from our non-core activities and third-party partners, and we aim to reduce our emissions in the areas of freight, usage of non-biodegradable products, and reduce energy and water usage.
- **Supplier Environment Assessment** – while our core SCM functions do not result in significant direct environmental impacts, 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 can manage our supply chain risks in terms of sustainability aspects, such as environment, human rights, financials, and etc. The traceability of our supply chain is a collaborative effort between our stakeholders and Metech.

Monitoring environmental impacts is a direct and fundamental part of our everyday business. We continue to improve in these areas, even though it is 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, switching off appliances if not in use, enabling power save modes, etc. and exceeding the regulatory requirements to help conserve the Earth's resources. We hope to do our part to mitigate 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 approach and put in place the following policies:

Issue	Metech's position	Metech's efforts and programmes
Emissions	Reduce GHG emissions in the areas of freight, usage of non-biodegradable products, and reduce overall energy consumption and water usage Identify and respond to climate change risks	**More efficient shipment methods:** • to reduce number of shipments • to use shipments adopting Liquid Nitrogen Gas instead of diesel by way of reducing freight emissions • Implement feedback system • Adopt smart route planning **Catering:** switched caterer based on packaging reusability
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 In FY2019, there were no new suppliers, therefore, no new suppliers were screened using environmental criteria.	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 42% to local 58% (an improvement from FY2018 of overseas 47% to local 53%); Target to increase support local to 70%

Targets

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

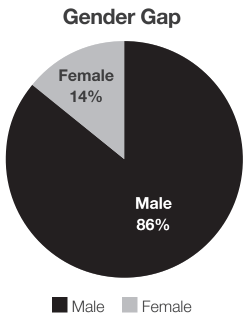
Issue	Metech's current progress	2020 target	Long term target
Energy	Switched to new electricity supplier that not only help to save on electricity but also help to offset carbon emissions through the purchase of United Nation Certified Carbon Credits and making our environment more sustainable by using carbon neutral electricity in Singapore.	Implement data collection and monitoring systems of total fuel consumption from non-renewable or renewable sources.	To reduce energy usage
Supplier Environmental Assessment	Working with suppliers who 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.

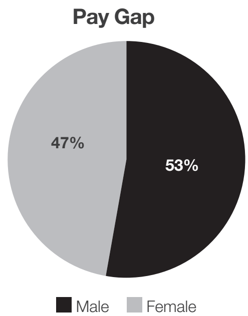
Our own impact is not large as we are doing trading, so we want to select suppliers and customers based on their ESG impact.

10. SOCIAL IMPACT

The Group is also committed to carry out its social responsibility at the workplace for employees, and recognize 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 regards to their career advancement.

Employee information of the Group as at 30 June 2019:





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 in conflict with any of the Company's businesses. The code of work ethics is published in our Company's Employee Handbook.

Material Employment Issues, Context and Business case

The following elements are Metech's material social issues:

- **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.

- **Diversity and equal opportunity** – management approach: Metech believes in fostering fairness, equity, and respect for social and cultural diversity, regardless of gender, age and educational background. For FY2019, employee diversity was not identified as a material social factor as we maintained a lean organizational structure. Despite that, the Company will be looking to develop 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 providing 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
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

Targets

As Metech maintained a lean organizational structure during the reporting period, we aim to continue to engage our employees through feedback channels and activities that forge stronger relationships.

11. GOVERNANCE AND REGULATORY

The Group strives to comply with the best practices of good governance, guided by the Singapore's Code of Corporate Governance 2012 (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 33 of our Annual Report 2019 on the details of the SGX Code of Corporate Governance.

- 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 channelled 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
Organizational profile	102-1	Name of the organization	2, 34	
	102-2	Activities, brands, products, and services	2	
	102-3	Location of headquarters	2	
	102-4	Location of operations	2	
	102-5	Ownership and legal form	2	
	102-6	Markets served	2, 40	Additional information can be found under Economic Impact
	102-7	Scale of the organization	2	
	102-8	Information on employees and other workers	7, 44	Additional information can be found under Corporate Governance Report and Social Impact
	102-9	Supply chain	34	Additional information can be found under Environmental Impact
	102-10	Significant changes to the organization and its supply chain	34	
	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	34	Refer to Board statement
	102-15	Key impacts, risks, and opportunities	34	Refer to Board statement
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	9-33, 35	Refer to Corporate Governance Report
	102-17	Mechanisms for advice and concerns about ethics	9-33, 35	Refer to Corporate Governance Report
Governance	102-18-39	Governance	9-33, 35	Refer to Corporate Governance Report
Stakeholder engagement	102-40	List of stakeholder groups	35-38	
	102-41	Collective bargaining agreements	35-38	
	102-42	Identifying and selecting stakeholders	35-38	
	102-43	Approach to stakeholder engagement	35-38	
	102-44	Key topics and concerns raised	38, 40	
Reporting practice	102-45	Entities included in the consolidated financial statements	110	Refer to Financial Statements
	102-46	Defining report content and topic Boundaries	35, 39	Refer to Matrix
	102-47	List of material topics	39	
	102-48	Restatements of information	–	Not applicable
	102-49	Changes in reporting	–	Not applicable
	102-50	Reporting period	34	
	102-51	Date of most recent report	34	
	102-52	Disclosure Reporting cycle	34	
	102-53	Contact point for questions regarding the report	34	
	102-54	Claims of reporting in accordance with the GRI Standards	34	
	102-55	GRI content index		You are looking at it
	102-56	External assurance	–	Not relevant
Procurement Practices	103-1	Explanation of the material topic and its Boundary	40	
	103-2/204	Management approach	40	
	103-3	Evaluation of the management approach	40	
	204-1	Proportion of spending on local suppliers	40-41	Also see 308-1 on Page 41-43

Disclosure	Number	Title	Page	Remarks
Energy	103-1	Explanation of the material topic and its Boundary	41-43	
	103-2/302	Management approach	41-43	
	103-3	Evaluation of the management approach	41-43	
	302-1	Energy consumption within the organization	–	No elaboration
	302-2	Energy consumption outside of the organization	–	No elaboration
	302-3	Energy intensity	–	No elaboration
	302-4	Reduction of energy consumption	–	No elaboration
	302-5	Reductions in energy requirements of products and services	–	No elaboration
Supplier Environmental Assessment	103-1	Explanation of the material topic and its Boundary	41-43	
	103-2/308	Management approach	41-43	
	103-3	Evaluation of the management approach	41-43	
	308-1	New suppliers screened using environmental criteria	41-43	
	308-2	Negative environmental impacts in the supply chain and actions taken	–	No elaboration
Employment	103-1	Explanation of the material topic and its Boundary	44	
	103-2/401	Management approach	44	
	103-3	Evaluation of the management approach	44	
Labor/Management Relations	402	Minimum notice periods regarding operational changes	–	Not relevant
Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	–	Not relevant
	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	–	
Training and Education	404-1	Average hours of training per year per employee	–	No elaboration
	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	44	
	405-1	Diversity of governance bodies and employees	–	
	405-2	Ratio of basic salary and remuneration of women to men	44	
Non-discrimination	406	Management approach	44	
	406-1	Incidents of discrimination and corrective actions taken	–	
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
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	–	
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	–	
	306-1	Water discharge by quality and destination	–	

DIRECTORS' **STATEMENT**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

The directors of the Company 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 2019 and the statement of financial position of the Company as at 30 June 2019.

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 consolidated financial position of the Group and the financial position of the Company as at 30 June 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated 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 financial statements.

1 Directors

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

Simon Eng	Chairman and Chief Executive Officer
Chay Yiowmin	Lead Independent Director (Appointed on 3 April 2019)
Ricky Sim	Independent Director
Wang Daming	Non-Executive Non-Independent Director (Appointed on 18 January 2019)
Liu Changsheng	Non-Executive Non-Independent Director (Appointed on 1 September 2019)

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, other than the share incentive schemes as disclosed in the Report on Corporate Governance included in the Company's Annual Report.

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:

Name of Directors	Shareholdings registered in the name of directors		Shareholdings in which directors are deemed to have an interest	
	At the beginning of the year, or date of appointment, if later	At the end of the year*	At the beginning of the year, or date of appointment, if later	At the end of the year*
The Company				
Number of ordinary shares				
Simon Eng	680,000,000	14,600,000	355,168,862	9,603,377
Wang Daming	500,000	500,000	–	–

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

There was no change in any of the above-mentioned interests at the end of the financial year and 21 July 2019.

Liu Changsheng who was appointed subsequent to the financial year end on 1 September 2019 did not have any interests in shares or debentures of the Company, and/or of related corporations, either at the beginning of the financial year or at the end of the financial year, or as at 21 July 2019.

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:

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.

5 Audit Committee

The Audit Committee ("AC") comprises the following independent directors at the date of this statement:

Chay Yiowmin (Chairman)
Ricky Sim
Wang Daming

The AC 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 AC, 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 quarterly announcement of financial statements and 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 AC;

(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;

(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 AC to the Board of Directors with such recommendations as the AC 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 AC and the Board of Directors.

5 Audit Committee (Continued)

The AC, having reviewed all non-audit services 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 AC has also conducted a review of interested person transactions.

The AC convened four meetings during the current financial year with full attendance from all members. The AC 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 AC that the Group's internal controls including financial, operational, compliance and information technology controls, were adequate as at 30 June 2019.

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

The AC 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.

6 Independent Auditors

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

On behalf of the Board of Directors,

....
Simon Eng
Director

....
Chay Yiowmin
Director

Singapore
1 October 2019

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 2019, 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 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 2019 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.

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the key audit matter
Disposal of discontinued operations Refer to Note 10 to the consolidated financial statements. On 12 April 2019, the shareholders of the Company approved in an extraordinary general meeting the proposed disposal of the entire electronic waste management business, which represents the E-Waste Management operating segment of the Group. We identified the disposal as a key audit matter because of its financial significance to the consolidated financial statements and the application of SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* as the disposal was constituted as a discontinued operation of the Group. The Group recorded a gain of S$6,031,000 from the disposal of discontinued operations, the details of which are set out in Notes 10(b) and 13(d) to the financial statements.	We read and reviewed the executed disposal agreements to evaluate and determine appropriate accounting of the disposal in accordance with the requirements of SFRS(I) 5. We obtained an understanding of the disposal process as well as the key terms of the executed disposal agreements. We also obtained documentary evidence relating to the transfer of shares to ascertain the completion of the disposals. We performed procedures to ascertain the accuracy and completeness of the results presented as discontinued operations and the assets and liabilities as at the relevant dates of disposal to compute the gain on disposal of discontinued operations. We reviewed the adequacy of the presentation and disclosure of discontinued operations in the consolidated statement of comprehensive income and consolidated statement of cash flows, which are distinguish from other continuing operations of the Group in accordance with SFRS (I) 5, including the related notes to the financial statements.

Report on the Audit of the Financial Statements (Continued)

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on the Audit of the Financial Statements (Continued)

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

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

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

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

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

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

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

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

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

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

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

Report on the Audit of the Financial Statements (Continued)

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 subsidiary corporations 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 Mr Ng Chiou Gee Willy.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
1 October 2019

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Group 2019 S$'000	Group 2018 S$'000
Continuing operations			
Revenue	5	**86,529**	66,951
Cost of sales		**(85,953)**	(67,548)
Gross profit/(loss)		**576**	(597)
Other income	6	**271**	88
Other expenses		**(677)**	(180)
Distribution expenses		**(8)**	(5)
Administrative expenses		**(1,311)**	(2,254)
Reversal of allowance for impairment loss on financial assets		**–**	81
Finance costs	7	**(258)**	(200)
Loss before income tax	8	**(1,407)**	(3,067)
Income tax	9	**–**	–
Loss for the year		**(1,407)**	(3,067)
Discontinued operations			
Profit/(Loss) for the year from discontinued operations	10	**583**	(4,400)
Total loss for the year		**(824)**	(7,467)
Other comprehensive income/(loss), net of income tax:			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation		**227**	(203)
– Exchange translation difference on discontinued operations transferred		**(460)**	–
		(233)	(203)
Total comprehensive loss for the year attributable to equity holders of the Company		**(1,057)**	(7,670)
Loss per share from continuing operations attributable to equity holders of the Company:			
Basic and diluted loss per share (cents per share)	11	**(1.56)**	(3.41)
Earnings/(Loss) per share from discontinued operations attributable to equity holders of the Company:			
Basic and diluted earnings/(loss) per share (cents per share)	11	**0.65**	(4.89)
Loss per share from continuing and discontinued operations attributable to equity holders of the Company:			
Basic and diluted loss per share (cents per share)	11	**(0.92)**	(8.29)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	Group			Company		
		2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
ASSETS							
Non-current Assets							
Plant and equipment	12	**479**	1,917	2,146	**1**	5	9
Investments in subsidiaries	13	**–**	–	–	**–**	–	700
Restricted cash held in trust	14	**–**	335	326	**–**	–	–
Trade and other receivables	15	**237**	201	–	**4,723**	4,066	9,325
		716	2,453	2,472	**4,724**	4,071	10,034
Current Assets							
Inventories	16	**13**	3,185	3,678	**–**	–	–
Trade and other receivables	15	**3,493**	8,276	11,685	**213**	340	585
Contract assets	5	**3,855**	493	4,297	**–**	–	–
Cash and bank balances	17	**3,354**	2,909	3,742	**16**	97	180
		10,715	14,863	23,402	**229**	437	765
Total Assets		**11,431**	17,316	25,874	**4,953**	4,508	10,799
EQUITY AND LIABILITIES							
Equity attributable to owners of the Company							
Share capital	18	**177,480**	177,480	176,346	**177,480**	177,480	176,346
Translation reserve	19	**(166)**	67	270	**–**	–	–
Accumulated losses		**(174,928)**	(174,104)	(166,637)	**(175,245)**	(174,649)	(168,657)
Total Equity		**2,386**	3,443	9,979	**2,235**	2,831	7,689
LIABILITIES							
Non-current Liabilities							
Trade and other payables	20	**–**	34	34	**–**	–	–
Provisions	21	**410**	410	78	**–**	–	–
Finance lease liabilities	22	**37**	50	81	**–**	–	–
Borrowings	23	**1,000**	–	1,000	**1,000**	–	1,000
		1,447	494	1,193	**1,000**	–	1,000
Current Liabilities							
Trade and other payables	20	**3,543**	8,128	11,350	**718**	677	1,110
Contract liabilities	5	**103**	2,529	2,192	**–**	–	–
Provisions	21	**–**	683	82	**–**	–	–
Finance lease liabilities	22	**13**	32	41	**–**	–	–
Borrowings	23	**3,939**	2,000	1,000	**1,000**	1,000	1,000
Income tax payable		**–**	7	37	**–**	–	–
		7,598	13,379	14,702	**1,718**	1,677	2,110
Total Liabilities		**9,045**	13,873	15,895	**2,718**	1,677	3,110
Total Equity and Liabilities		**11,431**	17,316	25,874	**4,953**	4,508	10,799

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Share capital S$'000	Translation reserve S$'000	Accumulated losses S$'000	Total equity S$'000
Group				
2019				
At 1 July 2018, as previously reported	**177,480**	**67**	**(173,640)**	**3,907**
Adjustment on adoption of SFRS(I) 15	**–**	**–**	**(464)**	**(464)**
At 1 July 2018, restated	**177,480**	**67**	**(174,104)**	**3,443**
Loss for the year	**–**	**–**	**(824)**	**(824)**
Other comprehensive income/(loss), net of income tax				
– Exchange differences on translation	**–**	**227**	**–**	**227**
– Translation differences on discontinued operations transferred	**–**	**(460)**	**–**	**(460)**
Total comprehensive loss for the year	**–**	**(233)**	**(824)**	**(1,057)**
At 30 June 2019	**177,480**	**(166)**	**(174,928)**	**2,386**
2018				
At 1 July 2017, as previously reported	176,346	270	(165,958)	10,658
Adjustment on adoption of SFRS(I) 15	–	–	(679)	(679)
At 1 July 2017, restated	176,346	270	(166,637)	9,979
Loss for the year	–	–	(7,467)	(7,467)
Other comprehensive loss, net of income tax				
– Exchange differences on translation	–	(203)	–	(203)
Total comprehensive loss for the year	–	(203)	(7,467)	(7,670)
Issuance of ordinary shares	1,134	–	–	1,134
At 30 June 2018, restated	177,480	67	(174,104)	3,443

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Group 2019 S$'000	Group 2018 S$'000
Cash Flows from Operating Activities			
Loss before income tax from continuing operations		**(1,407)**	(3,067)
Profit/(Loss) before income tax from discontinued operations		**583**	(4,373)
		(824)	(7,440)
Adjustments for:			
(Gain)/Loss on disposal of plant and equipment		**(40)**	17
Plant and equipment written off		**–**	29
Allowance for impairment loss on plant and equipment		**138**	–
Inventories written down		**–**	814
Allowance for impairment loss on other receivables		**1,313**	–
Reversal of allowance loss for impairment on trade and other receivables		**–**	(97)
Payables written back		**(38)**	(33)
Depreciation of plant and equipment		**478**	606
Amortisation of accrual for restoration cost		**83**	49
Provision for environmental penalties		**–**	667
Gain on disposal of subsidiaries	13(d)	**(6,031)**	–
Unrealised loss on futures contracts		**25**	22
Unrealised foreign exchange loss/(gain)		**108**	(148)
Interest income		**(22)**	(4)
Interest expense		**275**	220
Operating cash flows before changes in working capital		**(4,535)**	(5,298)
Working capital changes:			
Contract assets and trade and other receivables		**(1,049)**	(2,783)
Inventories		**2,877**	(344)
Contract liabilities and trade and other payables		**248**	7,224
Cash used in operating activities		**(2,459)**	(1,201)
Interest received		**22**	4
Interest paid		**(275)**	(220)
Income tax paid		**(6)**	(56)
Net cash used in operating activities		**(2,718)**	(1,473)
Cash Flows from Investing Activities			
Purchase of plant and equipment		**(77)**	(438)
Proceeds from disposal of plant and equipment		**–**	6
Net cash inflow from disposal of subsidiaries	13(d)	**350**	–
Net cash generated from/(used in) investing activities		**273**	(432)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Group 2019 S$'000	Group 2018 S$'000
Cash Flows from Financing Activities			
Proceeds from issuance of ordinary shares		**–**	1,134
Proceeds from loans from third party		**1,939**	1,000
Proceeds from issuance of non-convertible bonds		**2,000**	–
Loan from a Director		**–**	1,000
Repayment of non-convertible bonds		**(1,000)**	(1,000)
Repayment of loan from a Director		**–**	(1,000)
Repayment of finance lease liabilities		**(32)**	(40)
Net cash generated from financing activities		**2,907**	1,094
Net increase/(decrease) in cash and cash equivalents		**462**	(811)
Cash and cash equivalents at the beginning of the year		**2,909**	3,742
Effect of exchange rate changes on balances of cash held in foreign currencies		**(17)**	(22)
Cash and cash equivalents at the end of the year	17	**3,354**	2,909

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 65 Tech Park Crescent Singapore 637787. 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")

The Group has adopted SFRS(I)s on 1 July 2018 and has prepared its first set of financial statements under SFRS(I)s for the financial year ended 30 June 2019. As a result, the audited financial statements for the financial year ended 30 June 2018 was the last set of financial statements prepared under the previous Financial Reporting Standards in Singapore ("FRSs").

In adopting SFRS(I)s, the Group is required to apply all the specific transition requirements in SFRS(I) 1 *First-Time Adoption of Singapore Financial Reporting Standards (International)*. Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 1 July 2018. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

Optional exemptions applied on adoption of SFRS(I)s

For first-time adopters, SFRS(I) 1 allows the exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemptions:

(a) SFRS(I) 3 *Business Combinations* has not been applied to business combinations that occurred before the date of transition on 1 July 2017. The same classification as in its previous SFRS financial statements has been adopted.

(b) SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* has not been applied retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to SFRS(I) on 1 July 2017. Such fair value adjustments and goodwill continue to be accounted for using the same basis as under SFRS 21.

(c) The Group has elected to apply the requirements in the SFRS(I) 1-23 *Borrowing Costs* from the date of transition to SFRS(I)s on 1 July 2017. Borrowing costs that were accounted for previously under FRSs prior to date of transition are not restated.

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Continued)

Optional exemptions applied on adoption of SFRS(I)s (Continued)

(d) The Group has elected to apply the transitional provisions under paragraph C5 of SFRS(I) 15 *Revenue from Contracts with Customers* as at 1 July 2018 and have used the following applicable practical expedients, as allowed under SFRS(I) 1 as follows:

(i) The Group has not restated those completed contracts that began and ended in the same annual reporting period in 2018 and contracts completed at 1 July 2017; and

(ii) for completed contracts that have variable consideration, the Group has used the transaction price at the date the contract was completed, rather than estimating the variable consideration amounts in the comparative reporting period.

(a) First-time adoption of SFRS(I) and adoption of new standards

Reconciliation of the Group's equity

Consolidated statement of financial position

	Note	30 June 2018 FRSs S$'000 As previously reported	SFRS(I) 1 S$'000	SFRS(I) 15 S$'000	SFRS(I)s S$'000 Restated
ASSETS					
Non-current Assets					
Plant and equipment		1,917	–	–	1,917
Restricted cash held in trust		335	–	–	335
Trade and other receivables		201	–	–	201
		2,453	–	–	2,453
Current Assets					
Inventories		3,185	–	–	3,185
Trade and other receivables	B(i)(ii)	7,932	–	344	8,276
Contract assets	B(i)	–	–	493	493
Cash and bank balances		2,909	–	–	2,909
		14,026	–	837	14,863
Total Assets		16,479	–	837	17,316

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Continued)

(a) First-time adoption of SFRS(I) and adoption of new standards (Continued)

Reconciliation of the Group's equity (Continued)

Consolidated statement of financial position (Continued)

	Note	30 June 2018 FRSs S$'000 As previously reported	SFRS(I) 1 S$'000	SFRS(I) 15 S$'000	SFRS(I)s S$'000 Restated
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital		177,480	–	–	177,480
Translation reserve		67	–	–	67
Accumulated losses	B(ii)	(173,640)	–	(464)	(174,104)
Total Equity		3,907	–	(464)	3,443
Non-current Liabilities					
Trade and other payables		34	–	–	34
Provisions		410	–	–	410
Finance lease liabilities		50	–	–	50
		494	–	–	494
Current Liabilities					
Trade and other payables	B(i)(ii)	9,356	–	(1,228)	8,128
Contract liabilities	B(i)	–	–	2,529	2,529
Provisions		683	–	–	683
Finance lease liabilities		32	–	–	32
Borrowings		2,000	–	–	2,000
Income tax payable		7	–	–	7
		12,078	–	1,301	13,379
Total Liabilities		12,572	–	1,301	13,873
Total Equity and Liabilities		16,479	–	837	17,316

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Continued)

(a) First-time adoption of SFRS(I) and adoption of new standards (Continued)

Reconciliation of the Group's equity (Continued)

Consolidated statement of financial position

	Note	1 July 2017 FRSs S$'000 As previously reported	SFRS(I) 1 S$'000	SFRS(I) 15 S$'000	SFRS(I)s S$'000 Restated
ASSETS					
Non-current Assets					
Plant and equipment		2,146	–	–	2,146
Restricted cash held in trust		326	–	–	326
		2,472	–	–	2,472
Current Assets					
Inventories		3,678	–	–	3,678
Trade and other receivables	B(i)(ii)	15,140	–	(3,455)	11,685
Contract assets	B(ii)	–	–	4,297	4,297
Cash and bank balances		3,742	–	–	3,742
		22,560	–	842	23,402
Total Assets		25,032	–	842	25,874
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital		176,346	–	–	176,346
Translation reserve		270	–	–	270
Accumulated losses	B(ii)	(165,958)	–	(679)	(166,637)
Total Equity		10,658	–	(679)	9,979
Non-current Liabilities					
Trade and other payables		34	–	–	34
Provisions		78	–	–	78
Finance lease liabilities		81	–	–	81
Borrowings		1,000	–	–	1,000
		1,193	–	–	1,193
Current Liabilities					
Trade and other payables	B(i)(ii)	12,021	–	(671)	11,350
Contract liabilities	B(ii)	–	–	2,192	2,192
Provisions		82	–	–	82
Finance lease liabilities		41	–	–	41
Borrowings		1,000	–	–	1,000
Income tax payable		37	–	–	37
		13,181	–	1,521	14,702
Total Liabilities		14,374	–	1,521	15,895
Total Equity and Liabilities		25,032	–	842	25,874

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Continued)

(a) First-time adoption of SFRS(I) and adoption of new standards (Continued)

Reconciliation of the Group's total comprehensive income

Consolidated statement of other comprehensive income

	Note	Year ended 30 June 2018			
		FRSs	SFRS(I) 1	SFRS(I) 15	SFRS(I)s
		S$'000 As previously reported	S$'000	S$'000	S$'000 Restated
Continuing operations					
Revenue		68,869	–	(1,918)	66,951
Cost of sales		(69,681)	–	2,133	(67,548)
Gross loss		(812)	–	215	(597)
Other income		88	–	–	88
Other expenses		(180)	–	–	(180)
Distribution costs		(5)	–	–	(5)
Administrative expenses		(2,254)	–	–	(2,254)
Reversal of allowance for impairment loss on financial assets		81	–	–	81
Finance costs		(200)	–	–	(200)
Loss before income tax		(3,282)	–	215	(3,067)
Income tax		–	–	–	–
Loss for the year		(3,282)	–	215	(3,067)
Discontinued operations					
Loss for the year from discontinued operations		(4,400)	–	–	(4,400)
Total loss for the year		(7,682)	–	215	(7,467)
Other comprehensive loss, net of income tax					
Items that may be subsequently reclassified to profit or loss:					
– Exchange differences on translation		(203)	–	–	(203)
Total comprehensive loss for the year		(7,885)	–	215	(7,670)

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Continued)

(a) First-time adoption of SFRS(I)s and adoption of new standards (Continued)

Notes to the reconciliation of the Group's equity and total comprehensive income

A. SFRS(I) 1 *First-time Adoption of SFRS(I)*

In adopting SFRS(I) in 2019, the Group has applied the transition requirements in SFRS(I) 1 with 1 July 2017 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) that are effective at the end of the current reporting period on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 did not have any significant impact on the financial statements.

B. SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted SFRS(I) 15 in its financial statements using the retrospective approach. All requirements of SFRS(I) 15 have been applied retrospectively and the comparative information presented for 2018 has been restated.

The impact upon the adoption of SFRS(I) 15, excluding the immaterial corresponding tax effects, is described below.

(i) Reclassification

Certain reclassifications were made with the adoption of SFRS(I) 15 to align the Group's financial statements with the terminology in SFRS(I) 15:

– Unbilled trade receivables of S$493,000 (1 July 2017: S$4,297,000) as at 30 June 2018, are presented as contract assets.

– Advances from customers of S$2,529,000 (1 July 2017: S$2,192,000) as at 30 June 2018, are presented as contract liabilities.

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Continued)

(a) First-time adoption of SFRS(I)s and adoption of new standards (Continued)

Notes to the reconciliation of the Group's equity and total comprehensive income (Continued)

B. SFRS(I) 15 *Revenue from Contracts with Customers (Continued)*

(ii) Sale of goods with variable consideration

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. Under SFRS(I) 15, the Group estimates the final 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. Variable consideration is only recognised as revenue when it is highly unlikely that a reversal for the sale of goods will occur.

The application of SFRS(I) 15 in relation to the recognition of variable consideration was effected retrospectively. Consequently, the Group has increased the contract assets by S$493,000 (1 July 2017: increased by S$4,297,000) and increased the contract liabilities by S$2,529,000 (1 July 2017: increased by S$2,192,000) as at 30 June 2018. As a result of these adjustments, accumulated losses the Group have increased by S$464,000 (1 July 2017: increased by S$679,000), respectively as at 30 June 2018.

C. SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new "expected credit loss" (ECL) model and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 July 2018.

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 July 2018. Accordingly, requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 30 June 2018 (Accounting policies Note 3(h)). Additionally, the Group is exempted from complying with SFRS(I) 7 for the comparative period to the extent that the disclosures required by the SFRS(I) 7 relate to the items within scope of SFRS(I) 9. As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within the scope of the SFRS(I) 9.

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Continued)

(a) First-time adoption of SFRS(I)s and adoption of new standards (Continued)

Notes to the reconciliation of the Group's equity and total comprehensive income (Continued)

C. SFRS(I) 9 *Financial Instruments (Continued)*

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except as described below.

- The following assessments were made on the basis of facts and circumstances that existed as at 1 July 2018.
  - the determination of the business model within which a financial asset is held;
  - the determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;
  - the designation of an equity investment that is not held-for-trading as at Fair Value through other comprehensive income (FVOCI); and
  - the designation and revocation of previous designations of certain financial assets and financial liabilities measured at Fair Value through profit or loss (FVPL).
- If a debt investment has low credit risk as at 1 July 2018, the Group had assumed that the credit risk on the asset has not increased significantly since its initial recognition.

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

The impact upon the adoption of SFRS(I) 9 as well as the new requirements are described below.

(i) Classification of financial assets and financial liabilities

The following are the qualitative information regarding the reclassification between categories of financial instruments at the date of initial application of SFRS(I) 9.

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI (debt instrument), FVOCI (equity instrument); or FVPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous SFRS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Continued)

(a) First-time adoption of SFRS(I)s and adoption of new standards (Continued)

Notes to the reconciliation of the Group's equity and total comprehensive income (Continued)

C. SFRS(I) 9 *Financial Instruments (Continued)*

(i) Classification of financial assets and financial liabilities (Continued)

On the date of initial application of SFRS(I) 9 on 1 July 2018, the following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's and the Company's financial assets and financial liabilities as at 1 July 2018:

	Group				
	Measurement category		Carrying amount		
	FRS 39	SFRS(I) 9	FRS 39 S$'000	SFRS(I) 9 S$'000	Differences S$'000
Financial assets					
Restricted cash held in trust`	Loans and receivables (amortised cost)	Amortised cost	335	335	–
Trade and other receivables*	Loans and receivables (amortised cost)	Amortised cost	4,973	4,973	–
	FVPL	FVPL	268	268	–
Cash and bank balances	Loans and receivables (amortised cost)	Amortised cost	2,909	2,909	–
Financial liabilities					
Trade and other payables**	Financial liabilities (amortised cost)	Amortised cost	8,162	8,162	–
Finance lease liabilities	Financial liabilities (amortised cost)	Amortised cost	82	82	–
Borrowings	Financial liabilities (amortised cost)	Amortised cost	2,000	2,000	–

* Excluded prepayments, advances to suppliers, accrual for restoration cost and GST receivable

** Excluded GST payable

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Continued)

(a) First-time adoption of SFRS(I)s and adoption of new standards (Continued)

Notes to the reconciliation of the Group's equity and total comprehensive income (Continued)

C. SFRS(I) 9 *Financial Instruments (Continued)*

(i) Classification of financial assets and financial liabilities (Continued)

	Company				
	Measurement category		Carrying amount		
	FRS 39	SFRS(I) 9	FRS 39 S$'000	SFRS(I) 9 S$'000	Differences S$'000
Financial assets					
Trade and other receivables*	Loans and receivables (amortised cost)	Amortised cost	4,384	4,384	–
Cash and bank balances	Loans and receivables (amortised cost)	Amortised cost	97	97	–
Financial liabilities					
Trade and other payables	Financial liabilities (amortised cost)	Amortised cost	677	677	–
Borrowings	Financial liabilities (amortised cost)	Amortised cost	1,000	1,000	–

* Excluded prepayments and GST receivable

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Continued)

(a) First-time adoption of SFRS(I)s and adoption of new standards (Continued)

Notes to the reconciliation of the Group's equity and total comprehensive income (Continued)

C. SFRS(I) 9 *Financial Instruments (Continued)*

(ii) Impairment of financial assets

SFRS(I) 9 replaces the "incurred loss" model in FRS 39 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost, but not to equity investment. As a result of the adoption of SFRS(I) 9, the Group presented allowance for impairment loss related to trade and other receivables and contract assets separately in the consolidated statement of comprehensive income.

The Group has applied the simplified impairment approach to recognise only lifetime ECL impairment charges on all trade receivables and contract assets that arise from SFRS(I) 15. Based on the assessment made, there is no allowance for impairment loss recognised in the opening accumulated losses of the Group as at 1 July 2018 on transition to SFRS(I) 9 as the ECL is insignificant. For other receivables, the Group has assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the allowance for impairment loss using 12-month ECL and determined that the ECL is insignificant.

Accordingly, the application of SFRS(I) 9 impairment requirements as at 1 July 2018 did not have any significant impact on the financial statements. Additional information about how the Group and the Company measure the allowance for impairment loss is described in Note 29(c).

D. Impact on the Consolidated Statement of Cash Flows

There was no material impact to the Group's consolidated statement of cash flows arising from the transition from FRS to SFRS(I) and the initial application of SFRS(I) 15 and SFRS(I) 9.

E. Impact on Company's Opening Balances

The Company's opening balances was prepared as at 1 July 2018, which was the Company's date of transition to SFRS(I). There was no material impact to the Company's opening balances arising from the transition from FRS to SFRS(I) and the initial application of SFRS(I) 15 and SFRS(I) 9.

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Continued)

(b) SFRS(I)s issued but not yet effective

As at the date of these financial statements, the following new/revised standards that have been issued and are relevant to the Group and the Company but not yet effective:

Description		Effective for annual financial periods beginning on or after
SFRS(I) 16	*Leases*	1 January 2019
SFRS(I) INT 23	*Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to SFRS(I) 9	*Prepayment Features with Negative Compensation*	1 January 2019
Annual improvements to SFRS(I)s 2015-2017 cycle	*– Amendments to SFRS(I) 3 Business Combinations* *– Amendments to SFRS(I) 11 Joint Arrangements* *– Amendments to SFRS(I) 1-12 Income Taxes* *– Amendments to SFRS(I) 1-23 Borrowing Costs*	1 January 2019
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	*Definition of Material*	1 January 2020

Except for SFRS(I) 16 described below, the Group expects that the adoption of the other new/revised standards above will have no material impact on the financial statements in the period of initial application.

SFRS(I) 16 *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 ("ROU") 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 asset is depreciated and interest expense is recognised on the lease liability. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

The Group plans to adopt SFRS(I) 16 on 1 July 2019 based on a permitted transition approach that does not restate comparative information, but recognises the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings on 1 July 2019. The Group will elect the transition option to record, in respect of leases previously classified as operating leases, the right-of-use asset on 1 July 2019 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 30 June 2019. The Group also plans to adopt an expedient offered by SFRS(I) 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease.

2 Application of Singapore Financial Reporting Standards (International) ("SFRS(I)s") (Continued)

(b) SFRS(I)s issued but not yet effective (Continued)

SFRS(I) 16 *Leases (Continued)*

As disclosed in Note 24, the Group has entered into operating leases for certain warehouse, factory premises and equipment as lessee. The Group does not expect any significant impact on the financial statements based on the existing operating leases, when the standard is applied as at 1 July 2019. However, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

The Group's activities as a lessor are not material and the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required.

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 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") as issued by the Accounting Standards Council Singapore. These are the Group's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied. In the previous financial years, the financial statements were prepared in accordance with Singapore Financial Reporting Standards ("FRSs"). An explanation of how the transition to SFRS(I) and application of SFRS(I) 15 and SFRS(I) 9 have affected the reported financial performance, financial position and cash flows is provided in Note 2(a). These financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I)s statement of financial position as at 1 July 2017 for the purposes of the transition to SFRS(I)s, unless otherwise indicated. The accounting policies have been applied consistently by the Group entities.

(b) Going Concern Assumption

For the financial year ended 30 June 2019, the Group has incurred a net loss and a total comprehensive loss of S$824,000 and S$1,057,000 (2018: a net loss and a total comprehensive loss of S$7,467,000 and S$7,670,000), respectively, and has net cash used in operating activities amounted to S$2,718,000 (2018: S$1,473,000). 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.

3 Significant Accounting Policies (Continued)

(b) Going Concern Assumption (Continued)

Notwithstanding the above, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 30 June 2019 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 2019 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. As further disclosed in Note 31(b), subsequent to the financial year end the Group entered into a Memorandum of Understanding, which serves to outline the framework for cooperation to acquire projects involving waste recycling contracts in China. The Group also entered into agreements with five companies to provide services in relation to international supply-chain management.

(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. As further disclosed in Note 31(c), subsequent to the financial year end the Company is undertaking the Proposed Placement Shares cum Warrants Issue to raise addition funds, so as to strength the financial position and cash position of the Group.

(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 deconsolidated from the date that control ceases.

The Company 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 Company 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.

3 Significant Accounting Policies (Continued)

(c) Group Accounting (Continued)

Subsidiaries *(Continued)*

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 is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. 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 remeasured, 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 income statement.

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 (Continued)

(c) Group Accounting (Continued)

Subsidiaries (Continued)

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.

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.

3 Significant Accounting Policies (Continued)

(d) 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 (functional currency).

For the purpose of the consolidated financial statements, the results and financial position of each entity in the Group are expressed in Singapore Dollar ("S$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements. All values are rounded to the nearest thousand (S$'000) except when otherwise indicated.

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 was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3 Significant Accounting Policies (Continued)

(d) Foreign Currencies (Continued)

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 has a functional currency different from the presentation currency for the consolidated financial statements 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 for each statement presenting profit and loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(e) Plant and Equipment

Measurement

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has already 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 of the item can be measured reliably. All other repairs and maintenance expenses are recognised in profit or loss when incurred.

3 Significant Accounting Policies (Continued)

(e) Plant and Equipment (Continued)

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:

	Years
Leasehold improvements	5 years
Plant and equipment	2 to 10 years
Furniture and fixtures	3 to 5 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Plant under construction represents plant and equipment in the course of construction for production or for its own use purposes. Construction-in-progress consists of construction costs including other attributable direct costs and finance costs incurred during the period of construction.

Plant under construction is classified to the appropriate category of plant and equipment when completed and ready for use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

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

The residual value, useful life and depreciation method are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis. The effects of any revision are recognised in profit or loss when the changes arise.

Disposal

Property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3 Significant Accounting Policies (Continued)

(f) 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.

(g) Financial Assets – accounting policies are applicable from 1 July 2018

(i) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through other comprehensive income (FVOCI) or through profit or loss (FVPL), and

- those to be measured at amortised cost.

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

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

Initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL 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 amount collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

3 Significant Accounting Policies (Continued)

(g) Financial Assets – accounting policies are applicable from 1 July 2018 (Continued)

(i) Classification and measurement (Continued)

Subsequent measurement

Debt instruments

Debt instruments mainly comprise of cash and bank balances, trade and other receivables and contract assets. Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest 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. For debt instrument that is measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss. Impairment losses are deducted from the gross carrying amount of these assets and are presented as separate line item in profit or loss.

Interest income is recognised in profit or loss and is included in the "other income" line item.

FVPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. For debt investment that is measured at FVPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss. Interest income from these financial assets is included in "other income" using the effective interest rate method.

In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

3 Significant Accounting Policies (Continued)

(g) Financial Assets – accounting policies are applicable from 1 July 2018 (Continued)

(ii) Impairment

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

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

- 12-month ECLs – represents the ECLs 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 ECLs – represents the ECLs that will result from all possible default events over the expected life of a financial instrument.

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

Simplified approach – Trade receivables and contract assets

The Group applies the simplified approach to provide ECLs for all trade receivables and contract assets as permitted by SFRS(I) 9. The simplified approach requires expected lifetime losses to be recognised from initial recognition of these financial assets. 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 instruments

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

In assessing whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, 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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

3 Significant Accounting Policies (Continued)

(g) Financial Assets – accounting policies are applicable from 1 July 2018 (Continued)

(ii) Impairment (Continued)

General approach – Other financial instruments (Continued)

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

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that a financial asset to be in default when:

- The borrower is is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 120 days past due.

The maximum period considered when estimating ECLs 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.

Evidence that a financial asset is credit-impaired includes the observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower or a concession(s) that the lender(s) would not other consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

3 Significant Accounting Policies (Continued)

(g) Financial Assets – accounting policies are applicable from 1 July 2018 (Continued)

(ii) Impairment (Continued)

Measurement of ECLs

ECLs 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). ECLs 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, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. 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.

(iii) Recognition and derecognition

Financial assets are recognised when, and only when the Group becomes party to the contractual provisions of the instruments. All regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in equity instrument, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If the Group has elected on initial recognition to measure the equity instrument at FVOCI, the cumulative gain or loss previously accumulated in the fair value adjustment reserve is not reclassified to profit or loss, but is transferred to retained earnings.

3 Significant Accounting Policies (Continued)

(h) Financial Assets – accounting policies applied until 30 June 2018

(i) Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The designation of financial assets at fair value through profit or loss is irrevocable.

Financial assets carried at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling it in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

Derivatives are also recognised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be recognised within twelve months after the reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are presented as non-current assets.

Loans and receivables are presented as “restricted cash held in trust”, “trade and other receivables” and “cash and bank balances” on the statement of financial position.

Financial assets, available-for-sale

Financial assets, available-for-sale, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within twelve months after the reporting date.

3 Significant Accounting Policies (Continued)

(h) Financial Assets – accounting policies applied until 30 June 2018 (Continued)

(ii) 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.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset has expired, or has been transferred and transferred substantially all the risks and rewards of ownership of the financial asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is reclassified to profit or loss.

(iii) Initial and subsequent measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit and loss, which are recognised at fair value.

Transaction cost for financial assets at fair value through profit and loss is recognised immediately as expenses.

Financial assets, both available-for-sale and at fair value through profit or loss, are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in the fair value reserve.

Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

3 Significant Accounting Policies (Continued)

(h) Financial Assets – accounting policies applied until 30 June 2018 (Continued)

(iv) Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognised an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured.

The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Financial assets, available-for-sale

In addition to the objective evidence of impairment described above, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any objective evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

(i) 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.

3 Significant Accounting Policies (Continued)

(j) Financial Liabilities

The Group shall recognises a financial liability on its statements of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value plus, any directly attributable transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Financial liabilities are presented as "trade and other payables", "finance lease liabilities" and "borrowings" on the statement of financial position.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least twelve months after the reporting period.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(k) 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.

3 Significant Accounting Policies (Continued)

(l) 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.

(m) 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.

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.

3 Significant Accounting Policies (Continued)

(n) 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.

(o) Leases

(i) When the Group is the lessee

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 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.

Lessee – 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.

3 Significant Accounting Policies (Continued)

(o) Leases (Continued)

(ii) When the Group is a lessor

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.

(p) 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.

(q) Employee Benefits

Employee benefits are recognised as an expense, unless the costs qualifies 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.

(r) 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 borrowings of funds.

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

3 Significant Accounting Policies (Continued)

(s) 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.

(i) 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, associated costs or the possible return of goods.

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 final 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.

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.

(t) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense 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.

3 Significant Accounting Policies (Continued)

(t) Income Tax (Continued)

Deferred tax

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

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

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

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

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

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 when the liability is settled or the asset realised based on the 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.

3 Significant Accounting Policies (Continued)

(t) Income Tax (Continued)

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.

(u) 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 segments.

(v) 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).

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.

3 Significant Accounting Policies (Continued)

(v) Discontinued Operations (Continued)

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.

(w) 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 (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.

b. An entity is related to the Company and 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 associated 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;

3 Significant Accounting Policies (Continued)

(w) Related Parties (Continued)

b. An entity is related to the Company and to a reporting entity if any of the following conditions applies: (Continued)

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 (i);

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 is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying accounting policies

In addition to the going concern assumption disclosed in Note 3(b), in the process of applying the Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements are discussed below.

(i) Impairment of investments in subsidiaries

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

The carrying amount of the Company's investments in subsidiaries as at 30 June 2019 and the allowance for impairment loss recognised are disclosed in Note 13.

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(b) Key sources of estimation uncertainty

The estimates as at 1 July 2017 and 30 June 2018 are consistent with those made for the same dates in accordance with FRSs. The estimates used by the Group to present these amounts in accordance with SFRS(I)s reflect conditions as at 1 July 2017, the date of transition of SFRS(I)s and as at 30 June 2018.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Allowance for expected credit loss of trade receivables and contract assets

The Group uses a provision matrix to calculate allowance for expected credit loss (ECL) for trade receivables and contract assets. The provision rates are based on internal credit ratings for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. Further, the Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future.

The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Notes 5, 15 and 29(c). The carrying amounts of the Group's trade receivables and contract assets as at 30 June 2019 are disclosed in Notes 5 and 15.

(ii) Sale of goods with variable consideration

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 Group estimates the final 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. Variable consideration is only recognised as revenue when it is unlikely that a reversal for the sale of goods will occur.

The information about the variable consideration recognised as the Group's revenue is disclosed in Note 5.

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 28.

	Group	
	2019 S$'000	2018 S$'000
Principal geographical market		
People's Republic of China	**86,529**	66,951
Major product or service line and time of recognition		
At a point of time		
Sale of goods – copper cathodes and products	**86,529**	66,951

Contract balances

	Group			Company		
	2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Contract assets						
Unbilled receivables (a)	**3,855**	493	4,297	**–**	–	–
Contract liabilities						
Advances from customers (b)	**103**	2,529	2,192	**–**	–	–

(a) 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.

(b) 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 (Continued)

Contract balances (Continued)

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

	2019 S$'000	Group 2018 S$'000	2017 S$'000
Contract assets			
Sales delivered recognised as revenue but not billed	**3,855**	493	1,728
Variable consideration recognised as revenue	**–**	–	2,569
Contract assets reclassified to trade receivables	**(493)**	(4,297)	–
Contract liabilities			
Advance payment received for sales	**(103)**	(2,529)	(2,192)
Advance payment recognised as sales	**1,235**	2,192	–
Advance payment received for sales refunded	**1,294**	–	–

Loss allowance for amounts due from customers has always been measured at an amount equal to lifetime expected credit loss (ECL) as disclosed in the accounting policy Note 3(g)(ii). 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 2019 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.

	2019 S$'000	Group 2018 S$'000	1 July 2017 S$'000
Expected credit loss rate	*	*	*
Contract assets – gross carrying amount (not past due)	**3,855**	493	4,297
Loss allowance – lifetime ECL	**–**	–**	–**
	3,855	493	4,297

* Insignificant ECL rate
** Per FRS 39 and SFRS(I) 9

6 Other Income

	Group	
	2019	**2018**
	S$'000	**S$'000**
Continuing operations		
Rental income		
– operating leases	**398**	58
Interest income	**5**	–
Realised foreign exchange	**(50)**	(3)
Unrealised foreign exchange	**(108)**	(17)
Payables written back	**7**	–
Other miscellaneous income	**19**	50
	271	88

7 Finance Costs

	Group	
	2019	**2018**
	S$'000	**S$'000**
Continuing operations		
Interest expense on non-convertible bonds	**109**	113
Interest expense on loans from third party	**142**	69
Interest expense on loan from a related party	**7**	–
Interest expense on loan from a Director	**–**	18
	258	200

8 Loss before Income Tax

	Group	
	2019	**2018**
	S$'000	**S$'000**
Continuing operations		
In addition to the disclosures made elsewhere, this is arrived at after charging/(crediting):		
Operating lease expense		
– included in administrative expenses	**191**	665
– included in other expenses	**375**	–
Depreciation of plant and equipment		
– included in administrative expenses	**4**	4
– included in other expenses	**76**	–
Amortisation of accrual for restoration cost		
– included in other expenses	**34**	–
Employee benefits (including directors' remuneration)		
– included in administrative expenses (Note 25)	**528**	1,068
Directors' fees – directors of the Company	**93**	93
Realised (gains)/losses on future contracts	**(14)**	94
Unrealised losses on future contracts	**25**	4
Fees on audit services paid/payable to:		
– Auditors of the Company	**110**	51

There were no non-audit fees paid/payable to the auditors of the Company during the financial years ended 30 June 2019 and 2018.

9 Income Tax

	Group	
	2019	**2018**
	S$'000	**S$'000**
Continuing operations		
Current income tax		
– Current year	**–**	–

9 Income Tax (Continued)

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	
	2019 **S$'000**	**2018** **S$'000**
Loss before income tax from continuing operations	**(1,407)**	(3,067)
Tax at the applicable tax rate of 17% (2018: 17%)	**(239)**	(521)
Income not subject to tax	**(17)**	–
Tax effect of non-deductible items	**24**	49
Deferred tax benefits not recognised	**250**	472
Utilisation of tax benefits previously not recognised	**(18)**	–
	–	–

The Group's applicable tax rate used for the reconciliation above is the corporate tax rate of 17% (2018: 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$28,880,000 and S$7,000 (2018: S$27,515,000 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$4,911,000 (2018: S$4,679,000) have not been recognised in accordance with the Group's accounting policy in Note 3(t).

10 Discontinued Operations

(a) Disposal of subsidiaries

During the current financial year, 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 Company's shareholders 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.

10 Discontinued Operations (Continued)

(a) Disposal of subsidiaries (Continued)

- 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 during the current financial year. All of the cash considerations for the disposals have also been fully received by the Group.

(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$'000	**2018 S$'000**
Profit/(Loss) for the year from discontinued operations		
Revenue	**18,842**	28,271
Cost of sales	**(20,689)**	(28,944)
Other income	**426**	916
Expenses	**(4,021)**	(4,616)
Loss before income tax	**(5,442)**	(4,373)
Income tax	**(6)**	(27)
Loss for the year	**(5,448)**	(4,400)
Gain on disposal of discontinued operations (Note 13(d))	**6,031**	–
Profit/(Loss) for the year from discontinued operations attributable to equity holders of the Company	**583**	(4,400)
Cash flows from discontinued operations		
Net cash (outflow)/inflow from operating activities	**(1,660)**	632
Net cash inflow/(outflow) from investing activities	**273**	(432)
Net cash outflows from financing activities	**(32)**	(40)
Net cash (outflow)/inflow from discontinued operations	**(1,419)**	160

11 (Loss)/Earnings per Share

Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The following table reflect the net (loss)/profit and shares data used in the computation of basic (loss)/earnings per share for the financial years ended 30 June:

	Group	
	2019 S$'000	**2018 S$'000 (Restated)**
Loss for the year from continuing operations attributable to equity holders of the Company used in the computation of basic (loss) per share (S$'000)	**(1,407)**	(3,067)
Profit/(Loss) for the year from discontinued operations attributable to equity holders of the Company used in the computation of basic earnings/(loss) per share (S$'000)	**583**	(4,400)
Loss for the year from continuing and discontinued operations attributable to equity holders of the Company used in the computation of basic earnings per share (S$'000)	**(824)**	(7,467)
Weighted average number of ordinary shares for the purpose of computation of basic and diluted (loss)/earnings per share ('000)	**90,040***	90,040*
Loss per share from continuing operations attributable to equity holders of the Company		
Basic and diluted loss per share (cents per share)	**(1.56)**	(3.41)
Earnings/(Loss) per share from discontinued operations attributable to equity holders of the Company		
Basic and diluted earnings/(loss) per share (cents per share)	**0.65**	(4.89)
Loss per share from continuing and discontinued operations attributable to equity holders of the Company		
Basic and diluted loss per share (cents per share)	**(0.92)**	(8.29)

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

12 Plant and Equipment

	Leasehold improvements S$'000	Plant and equipment S$'000	Furniture and fixtures S$'000	Total S$'000
Group				
Cost				
At 1 July 2017	452	6,566	332	7,350
Additions	10	428	–	438
Disposals	–	(39)	–	(39)
Written off	–	(87)	–	(87)
Effect of foreign currency exchange differences	(4)	(22)	(2)	(28)
At 30 June 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)
At 30 June 2019	–	1,706	–	1,706
Accumulated depreciation and impairment				
At 1 July 2017	307	4,598	299	5,204
Depreciation for the year	45	534	27	606
Disposals	–	(16)	–	(16)
Written off	–	(58)	–	(58)
Effect of foreign currency exchange differences	(2)	(15)	(2)	(19)
At 30 June 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)
At 30 June 2019	–	1,227	–	1,227
Net book value				
At 1 July 2017	145	1,968	33	2,146
At 30 June 2018	108	1,803	6	1,917
At 30 June 2019	–	479	–	479

12 Plant and Equipment (Continued)

	Plant and equipment S$'000	Furniture and fixtures S$'000	Total S$'000
Company			
Cost			
At 1 July 2017 and 1 July 2018	1,279	36	1,315
Written off	(1,261)	(36)	(1,297)
At 30 June 2019	18	–	18
Accumulated depreciation			
At 1 July 2017	1,270	36	1,306
Depreciation for the year	4	–	4
At 30 June 2018	1,274	36	1,310
Depreciation for the year	4	–	4
Written off	(1,261)	(36)	(1,297)
At 30 June 2019	17	–	17
Net book value			
At 1 July 2017	9	–	9
At 30 June 2018	5	–	5
At 30 June 2019	1	–	1

(a) Purchase of plant and equipment by finance lease

As at 30 June 2019, the Group has certain plant and equipment acquired by finance lease with a net book value of Nil (2018: S$66,000; 1 July 2017: S$159,000).

As at 30 June 2019, the Group has leased out certain of its plant and equipment to its former subsidiaries, which were part of the discontinued operations, with a net book value of S$474,000 (2018: Nil; 1 July 2017: Nil)

(b) Impairment of plant and equipment

During the current financial year, the Group impaired certain plant and equipment with net book value of S$138,000 (2018: Nil). These plant and equipment were mainly rendered technologically obsolete and were derecognised as part of the disposal of discontinued operations.

13 Investments in Subsidiaries

	Company		
	2019 S$'000	**2018 S$'000**	**1 July 2017 S$'000**
Equity investments, at cost	**22,600**	22,600	22,600
Loans to a subsidiary	**–**	19,967	19,967
	22,600	42,567	42,567
Impairment losses on equity investments	**(22,600)**	(22,600)	(21,900)
Impairment losses on loans to a subsidiary	**–**	(19,967)	(19,967)
	–	–	700
<u>Impairment losses on equity investments</u>			
Balance at 1 July	**22,600**	21,900	21,900
Impairment for the year	**–**	700	–
Balance at 30 June	**22,600**	22,600	21,900
<u>Impairment losses on loans to a subsidiary</u>			
Balance at 1 July and 30 June	**–**	19,967	19,967

(a) Impairment of equity investments

As at 30 June 2018, the Company's investments in subsidiaries were assessed for impairment. Allowances for impairment loss totalling S$700,000 was recognised for investments in subsidiaries, namely Metech Recycling (Singapore) Pte. Ltd., Metech Recycling (USA) Pte. Ltd. and Metech Recycling (Malaysia) Pte. Ltd., consequent to the measurement of the investments at the lower of their carrying amounts and recoverable amounts. The recoverable amounts of the investments were estimated using management's judgement for the fair value of the net realisable assets of the relevant subsidiaries. The fair value of the investments was measured under Level 3 of the Fair Value Hierarchy, as defined in Note 29(e).

(b) Loans to a subsidiary

The loans to a subsidiary were unsecured and non-interest bearing. The settlement of the loans was neither planned nor likely to occur in the foreseeable future. As these amounts were, in substance, a part of the Company's net investment in the subsidiary, they were stated at cost less impairment losses. The loans had been fully impaired in prior years on the basis that management had assessed the recoverability of these loans to be remote. The subsidiary has been disposed of by the Group, as part of the discontinued operations, during the current financial year.

13 Investments in Subsidiaries (Continued)

(c) Composition of the Group

The details of the subsidiaries are as follows:

Name of Company/ country of incorporation	Principal activities	Proportion of ownership interest 2019 %	2018 %	1 July 2017 %
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	100
Metech Recycling (USA) Pte. Ltd.[4] Singapore	Investment holding and those relating to the business of refining and recycling metals, used components of computers and peripherals	**–**	100	100
Metech Recycling (Malaysia) Pte. Ltd.[4] Singapore	Investment holding and those relating to the business of refining and recycling metals, used components of computers and peripherals	**–**	100	100
Metech Reverslog Pte. Ltd. Singapore	General wholesale trade (including general importers and exporters) and repair and maintenance of computer hardware, data processing equipment and computer peripherals	**100**	100	100
Metech Solutions Pte. Ltd.[3] Singapore	General wholesale trading including general importers and exporters and wholesale on a fee or contract basis	**–**	–	100
Held by Metech Recycling (USA) Pte. Ltd.				
Metech Recycling, Inc.[4] United States of America	Comprehensive end-of-life electronic equipment recycling of precious and non-precious metal scrap and other recyclable materials for subsequent reclamation	**–**	100	100
Metech Metals, Inc.[4] United States of America	Purchase of metal commodity for recycling and smelting	**–**	100	100

13 Investments in Subsidiaries (Continued)

(c) Composition of the Group (Continued)

Name of Company/ country of incorporation	Principal activities	Proportion of ownership interest 2019 %	2018 %	1 July 2017 %
Held by Metech Recycling (Malaysia) Pte. Ltd.				
Metech Recycling, (Malaysia) Sdn. Bhd.[(4)] Malaysia	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
Held by Metech Reverslog Pte. Ltd.				
Metech Global (Shanghai) Co., Ltd.[(1)] People's Republic of China	General wholesale trade	**100**	100	100

(1) Audited by Moore Stephens LLP Singapore

(2) Not required to be audited under the laws of the country of incorporation, but reviewed by Moore Stephens LLP for Group consolidation purposes

(3) Struck off during the previous financial year

(4) The subsidiaries were disposed of, as part of the discontinued operations, during the current financial year

(d) Disposal of subsidiaries

During the current financial year, 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 10.

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 (Continued)

(d) Disposal of subsidiaries (Continued)

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 cash consideration of S$45,000 and US$300,000 (equivalent to S$406,000) for the respective disposals as disclosed in Note 10(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 10(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**

(e) Striking off a subsidiary

During the previous financial year, the Company had stuck off its wholly owned subsidiary, Metech Solutions Pte. Ltd. ("Metech Solutions"), which had been dormant. There was no material gain or loss recognised in the Group's consolidated statement of comprehensive income as the carrying amount of the investment in Metech Solutions of S$100,000 had been fully written off in prior years.

14 Restricted Cash Held in Trust

	Group		
	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Non-current			
Cash held in trust for closure costs	**–**	335	326

As a licensed TSD (Treatment, Storage and Disposal of hazardous waste) facility in the State of California/Utah in the United States of America, Metech Recycling Inc ("MRI") was required to maintain a certain amount of funds in trust to cover potential environmental closeout costs of the MRI facilities in California and Utah. MRI has been disposed of by the Group, as part of the discontinued operations, during the current financial year.

15 Trade and Other Receivables

		Group			Company		
		2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Trade receivables	(a)	**77**	4,407	8,784	**–**	–	–
Amounts due from subsidiaries (non-trade)	(b)	**–**	–	–	**8,471**	22,480	23,356
Margin trading account:	(c)						
– Margin deposit		**200**	290	549	**–**	–	–
– Unrealised loss on derivative contracts		**(25)**	(22)	(107)	**–**	–	–
		175	268	442	**–**	–	–
Other receivables	(d)	**2,127**	105	191	**7**	2	81
Deposits*		**294**	478	1,288	**78**	82	570
		2,673	5,258	10,705	**8,556**	22,564	24,007
Less: Allowances for impairment loss (Note 29(c))		**(1,189)**	(17)	(115)	**(3,657)**	(18,180)	(14,112)
Financial assets		**1,484**	5,241	10,590	**4,899**	4,384	9,895
Prepayments		**19**	271	280	**17**	13	15
Advances to suppliers	(e)	**2,089**	2,665	654	**–**	–	–
Accrual for restoration cost		**118**	201	–	**–**	–	–
GST receivable		**20**	99	161	**20**	9	–
		3,730	8,477	11,685	**4,936**	4,406	9,910
Less: Non-current portion							
Amounts due from subsidiaries (non-trade) – net		**–**	–	–	**(4,723)**	(4,066)	(9,325)
Deposits		**(119)**	–	–	**–**	–	–
Accrual for restoration cost		**(118)**	(201)	–	**–**	–	–
		(237)	(201)	–	**(4,723)**	(4,066)	(9,325)
Current portion		**3,493**	8,276	11,685	**213**	340	585

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

15 Trade and Other Receivables (Continued)

a. Trade receivables are non-interest bearing and generally has credit of 30 to 90 (2018: 30 to 90) day terms.

Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit loss (ECL) as disclosed in the accounting policy Note 3(g)(ii). 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 under SFRS(I) 9 as at 30 June 2019 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	Current S$'000	← Trade receivables past due (days) < 30 days S$'000	31 to 120 days S$'000	> 120 days S$'000 →	Total S$'000
Expected credit loss rate	*	*	*	*	*
Trade receivables – gross carrying amount at default	77	–	–	–	77
Loss allowance – lifetime ECL	–	–	–	–	–
	77	–	–	–	77

* Insignificant ECL rates

Previous accounting policy for impairment of trade receivables

As at 30 June 2018, trade receivables disclosed below include amounts which were past due at the end of the reporting period but for which the Group had not recognised an allowance for impairment losses because there had not been a significant change in credit quality and the amounts were still considered recoverable. The Group did not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

15 Trade and Other Receivables (Continued)

Previous accounting policy for impairment of trade receivables (Continued)

	Group	
	2018 S$'000	**1 July 2017 S$'000**
– Current	3,051	4,766
– Past due 1 – 30 days	801	1,564
– Past due 31 – 120 days	555	2,454
	4,407	8,784

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

	2018 S$'000
Group	
Balance at 1 July	34
Reversal of allowance for the year	(16)
Translation adjustment	(1)
Balance at 30 June	17

b. 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 (2018: S$4,066,000; 1 July 2017: S$9,325,000) are not likely to be repaid within the next twelve months, and accordingly, have been classified as non-current.

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

	Company	
	2019 S$'000	**2018 S$'000**
Balance at 1 July per FRS 39 and SFRS(I) 9	**(18,180)**	(14,112)
Allowance for the year	**–**	(4,068)
Reversal of allowance for the year (disposal of discontinued operations)	**14,523**	–
Balance at 30 June	**(3,657)**	(18,180)

15 Trade and Other Receivables (Continued)

c. Precious metals and currencies traded by the Group are subject to fluctuations due to a number of factors that result in price risk. The Group purchases derivative contracts with the purpose of managing market exposure to adverse price movements in the precious metals and/or currencies. The details of the derivative contracts outstanding as at the reporting date are as follows:

	2019		2018		1 July 2017	
	Contract notional amount	Fair value	Contract notional amount	Fair value	Contract notional amount	Fair value
Group						
Derivative contracts at FVPL						
– Paper transactions on futures contracts – precious metals	**3,286,000**	**(25,000)**	866,000	(16,000)	3,492,000	(107,000)
– Paper transactions on futures contracts – currencies	**–**	**–**	813,000	(6,000)	–	–
	3,286,000	**(25,000)**	1,679,000	(22,000)	3,492,000	(107,000)

Information about the fair value hierarchy of the derivative contracts is disclosed in Note 29(e).

d. As at the reporting date, included in other receivables are amounts totalling S$1,665,000 (2018: Nil; 1 July 2017: Nil) due from a former subsidiary that is part of the discontinued operations disposed of during the current financial year.

e. Advances to suppliers mainly relate to deposits paid by the Group held by the suppliers for future purchases. The advances to suppliers are interest-free and not secured by any collateral.

16 Inventories

	Group		
	2019 S$'000	2018 S$'000	1 July 2017 S$'000
At cost			
Raw materials	**–**	1,066	1,071
Finished goods	**13**	99	1,174
	13	1,165	2,245
At net realisable value			
Raw materials	**–**	325	724
Finished goods	**–**	1,695	709
	–	2,020	1,433
Total inventories	**13**	3,185	3,678

16 Inventories (Continued)

For the previous financial year, the Group had written down certain inventories to their net realisable values amounted to S$814,000, with reference to the latest unit selling prices or to the prevailing average market prices for precious metals subsequent to the financial year end. Included in the foregoing amount were certain raw materials amounted to S$502,000 which management had assessed that the costs of these inventories were not recoverable as the estimated costs to be incurred to produce the finished goods was not economically viable.

During the previous financial year, the Group had made a reversal of S$12,000 due to the recovery of prices of those inventories that were previously written down to their net realisable values.

The aforesaid amounts were included under costs of sales in the loss for the year on discontinued operations in the Group's consolidated statement of comprehensive income for the previous financial year.

17 Cash and Bank Balances

	Group			Company		
	2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Cash and bank balances	**3,354**	2,909	3,742	**16**	97	180

Bank balances are interest-bearing but the interest earned during the current and previous financial years is 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.

18 Share Capital

	Group and Company			
	2019		2018	
	No. of ordinary shares '000	Amount S$'000	No. of ordinary shares '000	Amount S$'000
Issued and fully paid:				
Balance at 1 July	**4,501,984**	**177,480**	4,218,558	176,346
Warrants conversion	**–**	**–**	283,426	1,134
Share consolidation	**(4,411,944)**	**–**	–	–
Balance at 30 June	**90,040**	**177,480**	4,501,984	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.

18 Share Capital (Continued)

During the current financial year, 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.

During the previous financial year, a total of 283,425,313 warrants were exercised and converted into 283,425,313 new ordinary shares of the Company. The total proceeds from the warrants exercised were S$1,133,701. The administration fees incurred for the warrants exercised were charged to profit or loss as the amounts were considered insignificant. The remaining 1,122,760,992 of warrants had expired on 5 October 2017.

19 Translation Reserve

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.

20 Trade and Other Payables

		Group			Company		
		2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Trade payables	(a)	**–**	4,227	3,789	**–**	–	–
Accrued purchases	(b)	**1,936**	63	3,485	**–**	–	–
Deposits		**12**	55	67	**–**	–	63
Accrued operating expenses		**135**	2,475	2,105	**37**	361	91
Sundry creditors	(c)	**1,110**	310	1,103	**390**	–	662
Accrual for							
– professional fees		**171**	294	222	**140**	139	168
– other costs	(d)	**91**	30	–	**90**	7	–
– staff costs		**68**	708	613	**61**	170	126
Financial liabilities		**3,523**	8,162	11,384	**718**	677	1,110
GST payable		**20**	–	–	**–**	–	–
Less: Non-current portion							
Deposits		**–**	(34)	(34)	**–**	–	–
Current portion		**3,543**	8,128	11,350	**718**	677	1,110

(a) Trade payables are non-interest bearing and are generally settled on 30 to 90 (2018: 30 to 90) days terms.

(b) Accrued purchases relate 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 the reporting date. Accrued purchases are transferred to trade payables when the final price is determined and the suppliers bill the Group.

20 Trade and Other Payables (Continued)

(c) Included in sundry creditors are amounts of S$268,000 (2018: S$241,000; 1 July 2017: S$269,000) relating to accrued consultancy fees.

(d) Included in the accrual for other costs is an amount of 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.

21 Provisions

		Group			Company		
		2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Provision for environmental penalties	(a)	**–**	683	–	**–**	–	–
Provision for restoration cost	(b)	**410**	410	160	**–**	–	–
		410	1,093	160	**–**	–	–
Less: Non-current portion		**(410)**	(410)	(78)	**–**	–	–
Current portion		**–**	683	82	**–**	–	–

(a) The provision was related to the estimated settlement of the enforcement action brought by relevant government agencies against Metech Recycling Inc ("MRI") for environmental related violations at one of its factory premises in the United States of America. MRI has been disposed by the Group, as part of the discontinued operations, during the current financial year.

(b) The provision relates to the future cost of dismantling and removing the items and restoring the site of the Group's leased premises in Singapore.

The movements for the provisions during the financial year are as follows:

	Provision for environmental penalties S$'000	Provision for restoration cost S$'000	Total S$'000
Group			
At 1 July 2017	–	160	160
Additions	667	250	917
Effect of foreign currency exchange differences	16	–	16
At 30 June 2018	683	410	1,093
Derecognised on disposal of discontinued operations	(683)	–	(683)
At 30 June 2019	–	410	410

22 Finance Lease Liabilities

The Group has certain plant and equipment under hire purchase arrangements for a lease term of three to seven years (2018: three to seven years). The leases bear effective interest rates of 2% to 2.78% (2018: 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$'000	2018 S$'000	1 July 2017 S$'000
Minimum lease payments:			
– within one year	**15**	45	45
– between two and five years	**42**	47	78
– more than five years	**–**	–	13
Total minimum lease payments	**57**	92	136
Less: Future finance charges	**(7)**	(10)	(14)
Present value of minimum lease payments	**50**	82	122

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

	Group		
	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Current portion:			
– within one year	**13**	32	41
Non-current portion:			
– between two and five years	**37**	50	69
– more than five years	**–**	–	12
	37	50	81
Total finance lease liabilities	**50**	82	122

The fair value of the finance lease liabilities is approximately equal to the carrying amount.

23 Borrowings

	Group			Company		
	2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Loans from third party						
– Loan I	**340**	–	–	**–**	–	–
– Loan II	**2,599**	–	–	**–**	–	–
– Loan III	**–**	1,000	–	**–**	–	–
Non-convertible bonds	**2,000**	1,000	2,000	**2,000**	1,000	2,000
	4,939	2,000	2,000	**2,000**	1,000	2,000
Less: Non-current portion						
Non-convertible bonds	**(1,000)**	–	(1,000)	**(1,000)**	–	(1,000)
	3,939	2,000	1,000	**1,000**	1,000	1,000

23 Borrowings (Continued)

Loans from third party

Loan I

During the current financial year, the Group entered into a loan agreement with a third party, for an aggregated sum of up to S$500,000, at an interest rate of 9.0% per annum. The drawdown loan amount is repayable on demand.

Loan II

During the current financial year, the Group entered into a loan agreement with a third party, for an aggregated sum of up to S$6,000,000, at an interest rate of 8.0% per annum. The drawdown loan amount is repayable on demand.

Loan III

During the previous financial year, the Group had entered into a loan agreement with a third party, for a loan amount of S$1,000,000, at an interest rate of 8.0% per annum and repayable by December 2018. The loan has been fully repaid during the current financial year.

Non-convertible Bonds

2018 Bond Issue

During the current financial year, the Company entered into a Term Sheet Agreement (the "Term Sheet Agreement") with a crowdfunding platform to issue non-convertible bonds (the "2018 Bond") for a sum of S$2,000,000. As at 30 June 2019, the carrying amount of the 2018 Bond amounted to S$2,000,000 and the key terms and conditions of the 2018 Bond were as follows:

(i) The tenure for the 2018 Bond is 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 which will be paid out quarterly on the last day of the month.

(iii) The crowdfunding platform charges an administration fee of 1.5% of the 2018 Bond amount.

(iv) The 2018 Bond was secured by the equity interests held in the Company by one of the directors of the Company.

The fair value of the 2018 Bond is approximately equal to the carrying amount.

23 Borrowings (Continued)

Non-convertible Bonds (Continued)

2017 Bond Issue

During the previous financial year, the Company had entered into a Term Sheet Agreement (the "Term Sheet Agreement") with a crowdfunding platform to issue non-convertible bonds (the "2017 Bond") for a sum of S$2,000,000. As at 30 June 2018, the carrying amount of the 2017 Bond amounted to S$1,000,000 and the key terms and conditions of the Bond were as follows:

(i) The tenure for the 2017 Bond was 24 months where 50% of the principal was due within twelve months and had been fully settled in the previous financial year. The remaining of S$1,000,000 which was due in the current financial year has been fully settled in December 2018.

(ii) The Coupon Rate was 8% per annum which was paid out quarterly on the last day of the month.

(iii) The crowdfunding platform had charged an administration fee of 1.5% of the 2017 Bond amount.

(iv) The 2017 Bond was secured by the equity interests held in the Company by one of the directors of the Company.

The fair value of the 2017 Bond was approximately equal to the carrying amount.

24 Commitments

Where the Group is a lessor

The Group subleases certain office, warehouse, factory premises and equipment under operating leases with tenure periods of between 1 and 5 years. Future minimum lease payments receivable under non-cancellable operating leases are as follows:

	Group	
	2019 S$'000	2018 S$'000
Within one year	**1,170**	235
After one year but within five years	**470**	230
	1,640	465

Where the Group is a lessee

The Group leases certain office, warehouse, factory premises and equipment under operating leases with tenure periods of between 1 and 5 years. There are no restrictions placed upon the Group by entering into these leases.

24 Commitments (Continued)

Where the Group is a lessee (Continued)

Future minimum lease payments payable under non-cancellable operating leases are as follows:

	Group	
	2019 S$'000	**2018 S$'000**
Within one year	**1,020**	2,896
After one year but within five years	**410**	3,781
	1,430	6,677

25 Employee Benefits

	Group	
	2019 S$'000	**2018 S$'000**
Continuing operations		
Employee benefits comprised:		
Salaries and bonuses	**469**	960
Central Provident Fund contributions	**46**	92
Other short-term employee benefits	**13**	16
	528	1,068

26 Changes in Liabilities Arising from Financing Activities

The reconciliation of movements of liabilities to cash flows arising from financing activities is as follows:

		Cash Flow		
	1 July S$'000	**Proceeds S$'000**	**Repayments S$'000**	**30 June S$'000**
Group				
2019				
Loans from third party	**1,000**	**1,939**	**–**	**2,939**
Non-convertible bonds	**1,000**	**2,000**	**(1,000)**	**2,000**
Finance leases	**82**	**–**	**(32)**	**50**
2018				
Loans from third party	–	1,000	–	1,000
Non-convertible bonds	2,000	–	(1,000)	1,000
Loan from a Director	–	1,000	(1,000)	–
Finance leases	122	–	(40)	82

27 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	
	2019	**2018**
	S$'000	**S$'000**
Key management personnel compensation comprised:		
Short-term employee benefits	**319**	590
Central Provident Fund contributions	**29**	50
Fees to Directors of the Company	**93**	93
	441	733
Comprised amounts paid/payable to:		
Directors of the Company	**284**	572
Other key management personnel	**157**	161
	441	733

(b) Other Related Party Transactions

	Group	
	2019	**2018**
	S$'000	**S$'000**
A Director of the Company		
Loan provided to the Group	**–**	1,000
Interest expense	**–**	18
A shareholder of the Company		
Advances provided to the Group	**150**	–
Repayment from the Group	**(150)**	–
A related party		
Loan given to the Group	**380**	23
Interest expense	**7**	–
Repayment from the Group	**(410)**	–

27 Related Parties Transactions (Continued)

(b) Other Related Party Transactions (Continued)

During the previous financial year, the Company had entered into a loan agreement with a Director of the Company, for a loan of S$1,000,000, at an interest rate of 6.5% per annum. The loan amount had been fully repaid by the Company in April 2018.

During the current financial year, 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 current financial year, the Group entered into a loan agreement with a related party for an aggregated sum of up to RMB3,000,000 (equivalent to 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.

28 Operating Segments

The Group has 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.

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 E-waste Management segment has been fully disposed by the Group during the current financial year.

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

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

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.

28 Operating Segments (Continued)

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

	Continuing operations				Discontinued operations			
	Supply-Chain Management		Corporate		E-Waste Management		Total	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Segment revenue	**86,529**	66,951	**–**	–	**18,842**	28,271	**105,371**	95,222
Depreciation of plant and equipment	**(76)**	–	**(4)**	(4)	**(398)**	(602)	**(478)**	(606)
Amortisation of accrual for restoration cost	**(34)**	–	**–**	–	**(49)**	(49)	**(83)**	(49)
Gain/(loss) on disposal of plant and equipment	**–**	–	**–**	–	**40**	(17)	**40**	(17)
Plant and equipment written off	**–**	–	**–**	–	**–**	(29)	**–**	(29)
Allowance for impairment loss on plant and equipment	**–**	–	**–**	–	**(138)**	–	**(138)**	–
Inventories written down	**–**	–	**–**	–	**–**	(814)	**–**	(814)
Unrealised losses on future contracts	**(25)**	(4)	**–**	–	**–**	(18)	**(25)**	(22)
Allowance for impairment loss on trade and other receivables	**–**	–	**–**	–	**(1,313)**	–	**(1,313)**	–
Reversal of allowance for impairment loss on trade and other receivables	**–**	–	**–**	81	**–**	16	**–**	97
Payables written back	**–**	14	**7**	19	**31**	–	**38**	33
Provision for environmental penalties	**–**	–	**–**	–	**–**	(667)	**–**	(667)
Finance costs	**(150)**	(69)	**(108)**	(131)	**(17)**	(20)	**(275)**	(220)
Gain on disposal of discontinued operations	**–**	–	**–**	–	**6,031**	–	**6,031**	–
Segment results	**(7)**	(855)	**(1,400)**	(2,212)	**589**	(4,373)	**(818)**	(7,440)
Capital expenditure	**–**	–	**–**	–	**77**	438	**77**	438

28 Operating Segments (Continued)

	Group 2019 S$'000	Group 2018 S$'000	Group 1 July 2017 S$'000
Segment assets			
Continuing operations			
Supply-Chain Management and Services	**11,291**	6,218	11,167
Corporate	**140**	207	773
	11,431	6,425	11,940
Discontinued operations			
E-Waste management under recycling services	**–**	10,891	13,934
Consolidated total segment assets	**11,431**	17,316	25,874
Segment liabilities			
Continuing operations			
Supply-Chain Management and Services	**6,327**	2,470	5,538
Corporate	**2,718**	1,677	3,072
Total segment liabilities	**9,045**	4,147	8,610
Discontinued operation			
E-Waste management under recycling services	**–**	9,726	7,285
Consolidated total segment liabilities	**9,045**	13,873	15,895

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		
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Continuing operations					
Singapore	**–**	–	**716**	1,034	1,053
People's Republic of China	**86,529**	66,951	**–**	–	–
	86,529	66,951	**716**	1,034	1,053
Discontinued operations					
Singapore	**9,100**	10,771	**–**	–	–
United States of America	**9,138**	15,988	**–**	1,419	1,419
Malaysia	**604**	1,512	**–**	–	–
	18,842	28,271	**–**	1,419	1,419
	105,371	95,222	**716**	2,453	2,472

28 Operating Segments (Continued)

Major customers

Included in revenue arising from Supply-Chain Management and Services segment of S$86,529,000 (2018: S$66,951,000), were revenues of approximately S$81,471,000 (2018: S$59,123,000) which arose from sales to 3 (2018: 2) major customers during the relevant financial years.

29 Financial Instruments

Financial Risk Management Objectives and Policies

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

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

(a) Price risk

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

As at 30 June 2019, the Group has outstanding derivative products to hedge the commodity price risk of the outstanding contracts. Accordingly, this acts as a natural hedge against significant price variance. A 10% difference in the commodities' prices for the Group's derivative contracts would not have a significant impact to the Group's results for the financial year.

(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"), Renminbi ("RMB") and Malaysian Ringgit ("MYR").

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.

29 Financial Instruments (Continued)

Financial Risk Management Objectives and Policies (Continued)

(b) Foreign currency risk (Continued)

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

	SGD S$'000	USD S$'000	RMB S$'000	MYR S$'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)
Finance 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

29 Financial Instruments (Continued)

Financial Risk Management Objectives and Policies (Continued)

(b) Foreign currency risk (Continued)

	SGD S$'000	USD S$'000	RMB S$'000	MYR S$'000	Total S$'000
Group					
2018					
Financial assets					
Trade and other receivables	373	5,117	15	12	5,241
Contract assets	–	493	–	–	493
Restricted cash held in trust	–	335	–	–	335
Cash and bank balances	624	1,859	10	416	2,909
	997	7,528	25	428	8,978
Financial liabilities					
Trade and other payables	(1,724)	(5,850)	(72)	(516)	(8,162)
Finance lease liabilities	(82)	–	–	–	(82)
Borrowings	(2,000)	–	–	–	(2,000)
	(3,806)	(5,850)	(72)	(516)	(10,244)
Net financial (liabilities)/ assets	(2,809)	1,678	(47)	(88)	(1,266)
Less: Net financial (liabilities)/ assets denominated in the respective entities' functional currencies	1,796	(608)	47	88	1,323
Currency exposure	(1,013)	1,070	–	–	57

29 Financial Instruments (Continued)

Financial Risk Management Objectives and Policies (Continued)

(b) Foreign currency risk (Continued)

	SGD S$'000	USD S$'000	RMB S$'000	MYR S$'000	Total S$'000
Group					
2017					
Financial assets					
Trade and other receivables	795	7,056	2,729	10	10,590
Contract assets	–	4,297	–	–	4,297
Restricted cash held in trust	–	326	–	–	326
Cash and bank balances	677	2,736	103	226	3,742
	1,472	14,415	2,832	236	18,955
Financial liabilities					
Trade and other payables	(1,909)	(8,798)	(318)	(359)	(11,384)
Finance lease liabilities	(122)	–	–	–	(122)
Borrowings	(2,000)	–	–	–	(2,000)
	(4,031)	(8,798)	(318)	(359)	(13,506)
Net financial (liabilities)/ assets	(2,559)	5,617	2,514	(123)	5,449
Less: Net financial (liabilities)/ assets denominated in the respective entities' functional currencies	2,565	(4,960)	(2,514)	123	(4,786)
Currency exposure	6	657	–	–	663

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.

29 Financial Instruments (Continued)

Financial Risk Management Objectives and Policies (Continued)

(c) Credit risk

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

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

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

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

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

	Group		
	2019 S$'000	**2018 S$'000**	**1 July 2017 S$'000**
Trade receivables and contract assets by country:			
United States of America	**–**	3,706	4,995
Singapore	**3,546**	244	266
China	**386**	931	7,784
Malaysia	**–**	2	2
	3,932	4,883	13,047

29 Financial Instruments (Continued)

Financial Risk Management Objectives and Policies (Continued)

(c) Credit risk (Continued)

Trade receivables and contract assets

As disclosed in Note 3(g)(ii), 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 15.

Cash and bank balances and other financial assets

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 ECLs for cash and bank balances to those used for debt investments. The amount of the allowance on cash and bank balances was considered insignificant.

Other receivables

For the purpose of impairment assessment, other 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 ECL.

In determining the ECL, 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 ECL (other than those disclosed below) and the Group has determined the ECL is insignificant.

29 Financial Instruments (Continued)

Financial Risk Management Objectives and Policies (Continued)

(c) Credit risk (Continued)

Other receivables (Continued)

The following table shows the movements in the allowance account to record impairment loss of other receivables during the financial year:

	Group 12-month ECL S$'000
Balance at 1 July 2017 per SFRS 39	81
Reversal of allowance for the year	(81)
Balance at 1 July 2018 per SFRS 39 and SFRS 9	–
Impairment loss recognised under discontinued operations*	1,189
Balance at 30 June 2019 per SFRS(I) 9	1,189

* The impairment loss recognised relates to the estimated credit loss on certain amount due from a former subsidiary, as there has been a significant increase in credit risk since initial recognition (considered Under-performing under the Group's credit risk grading guidelines described below).

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 (ECL)
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.	Lifetime ECL (not credit-impaired)
iii. Non-performing	There is evidence indicating that the asset is credit-impaired.	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.	Asset is written off

29 Financial Instruments (Continued)

Financial Risk Management Objectives and Policies (Continued)

(c) Credit risk (Continued)

Credit risk exposure and significant credit risk concentration

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

	Internal credit rating	ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
Group					
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**

	Internal credit rating	ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
Group					
2018					
Trade receivables	Note A	Lifetime ECL (Simplified)	4,407	(17)	4,390
Contract assets	Note A	Lifetime ECL (Simplified)	493	–	493
Other receivables	Performing	12-month ECL	851	–	851
1 July 2017					
Trade receivables	Note A	Lifetime ECL (Simplified)	8,784	(34)	8,750
Contract assets	Note A	Lifetime ECL (Simplified)	4,297	–	4,297
Other receivables	Performing	12-month ECL	1,730	–	1,730
Other receivables	Non-Performing	Lifetime ECL (Credit impaired)	191	(81)	110

29 Financial Instruments (Continued)

Financial Risk Management Objectives and Policies (Continued)

(c) Credit risk (Continued)

Credit risk exposure and significant credit risk concentration (Continued)

Note A – The Group have applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The details of the loss allowance for these financial assets are disclosed in Notes 5 and 15.

	Internal credit rating	ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
Company					
2019					
Other receivables	Performing	12-month ECL	**85**	**–**	**85**
Other receivables	Non-Performing	Lifetime ECL (Credit impaired)	**8,471**	**(3,657)**	**4,814**
2018					
Other receivables	Performing	12-month ECL	84	–	84
Other receivables	Non-performing	Lifetime ECL (Credit impaired)	22,480	(18,180)	4,300
1 July 2017					
Other receivables	Performing	12-month ECL	651	–	651
Other receivables	Non-performing	Lifetime ECL (Credit impaired)	23,356	(14,112)	9,244

FRS 39 – financial assets that are neither past due nor impaired

As at 30 June 2018 and 1 July 2017, trade and other receivables that are neither past due nor impaired are with credit-worthy debtors. Cash at banks, short-term deposits and other financial assets are placed or entered into with reputable financial institutions. The information of the past due financial assets are disclosed in Note 15.

29 Financial Instruments (Continued)

Financial Risk Management Objectives and Policies (Continued)

(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).

29 Financial Instruments (Continued)

Financial Risk Management Objectives and Policies (Continued)

(e) Fair value of financial instruments (Continued)

Fair value hierarchy (Continued)

The following table presents the financial assets and financial liabilities measured at fair value on a recurring basis at the reporting date:

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group				
2019				
Financial assets				
Derivative contracts	**(25)**	**–**	**–**	**(25)**
2018				
Financial assets				
Derivative contracts	(22)	–	–	(22)
1 July 2017				
Financial assets				
Derivative contracts	(107)	–	–	(107)

The fair values of derivative contracts traded in active markets are based on quoted market prices at the reporting date. These financial assets are included in Level 1.

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 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.

30 Capital Management

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

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

The net debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities (excluding 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		
	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Net debts	**5,281**	9,864	11,956
Total equity	**2,386**	3,443	9,979
Net debt-to-equity ratio	**2.2**	2.9	1.2

31 Events after the Reporting Period

(a) Change of name of its wholly owned subsidiaries

The Group changed the name of its wholly owned subsidiaries, Metech Reverslog Pte. Ltd. to Nolash Tech Pte. Ltd. and Metech Global (Shanghai) Co., Ltd to Nolash Tech (Shanghai) Co., Ltd, with effect from 16 July 2019 and 23 September 2019, respectively.

(b) Memorandum of Understanding ("MOU") and Technical, Operation and Procurement ("TOP") Service Agreements

On 19 July 2019, the Company's wholly owned subsidiary, Nolash Tech Pte. Ltd. ("Nolash"), signed an MOU with a third party company, setting out the framework for a master service agreement for a period of three years from the date of signing. This MOU serves to outline the framework under which both companies will cooperate to acquire projects involving waste recycling contracts in China. Nolash will be paid a service fee for the advisory and related services rendered for each project.

On 23 September 2019, Nolash's wholly owned subsidiary, Nolash Tech (Shanghai) Co., Ltd. ("Nolash Shanghai"), entered into agreements with five companies to provide services in relation to international supply-chain management for an initial period of one year and renewable up to a maximum of four years. Nolash Shanghai will be providing the services under the agreements for an annual service fee.

31 Events after the Reporting Period (Continued)

(c) Placement Agreement ("PA")

On 28 August 2019, the Company entered into a PA with a Placement Agent for a private placement of shares cum warrants of the Company. Under the terms of the PA, the Company has agreed to offer an aggregate of up to 22,500,000 Placement Shares, at an issue price of S$0.153 for each Placement Share. The Company has also agreed to issue up to 22,500,000 free, detachable, transferable and non-listed warrants (the "Warrants"), on the basis of one (1) Warrant for each Placement Share, with each Warrant carrying the right to subscribe for one (1) ordinary share in the capital of the Company, at an exercise price of S$0.153 for each Warrant Share (collectively, the "Proposed Placement Shares cum Warrants Issue").

The Company is undertaking the Proposed Placement cum Warrants Issue so as to raise addition funds, to strengthen the financial position and cash position of the Group. The Group expects to raise a total of S$6,885 million in gross proceeds if the Proposed Placement cum Warrants Issue is fully converted.

STATISTICS OF **SHAREHOLDINGS**

As at 12 September 2019

No. of Shares issued	:	90,039,655
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 12 September 2019

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 – 99	3,902	33.12	152,433	0.17
100 – 1,000	5,587	47.42	1,862,206	2.07
1,001 – 10,000	1,823	15.47	5,794,547	6.43
10,001 – 1,000,000	459	3.89	29,019,326	32.23
1,000,001 and above	12	0.10	53,211,143	59.10
Total	12,004	100.00	90,039,655	100.00

Twenty Largest Shareholders as at 12 September 2019

No.	Name of Shareholders	No. of Shares	% of Shares
1	WENG HUA YU @SIMON ENG	13,400,000	14.88
2	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	10,258,689	11.39
3	FORT CANNING (ASIA) PTE LTD	6,604,000	7.33
4	LIM LIANG MENG	6,200,000	6.89
5	TAN NG KUANG	3,115,840	3.46
6	BELLE FORTE LTD	2,999,377	3.33
7	DBS NOMINEES (PRIVATE) LIMITED	2,587,776	2.87
8	PLATON RESOURCES PTE. LTD.	2,477,100	2.75
9	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,790,044	1.99
10	OCBC SECURITIES PRIVATE LIMITED	1,587,359	1.76
11	APZENITH CAPITAL PTE LTD	1,178,156	1.31
12	ASCENDENZ CONSULTING PTE LTD	1,012,802	1.12
13	SEAH MOON MING	1,000,000	1.11
14	LEE SAI TEOW ALICE	964,338	1.07
15	RAFFLES NOMINEES (PTE.) LIMITED	835,756	0.93
16	TAN SIJI MACARTHUR	746,000	0.83
17	RHB SECURITIES SINGAPORE PTE. LTD.	694,910	0.77
18	LEE AI NI	666,060	0.74
19	QUAH CHUNG MING	633,360	0.70
20	SUNRISE INVESTORS PTE LTD	605,000	0.67
	Total	59,356,567	65.90

Based on the information available to the Company as at 12 September 2019, approximately 54.18 % 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 12 September 2019

Substantial Shareholders

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	**%**	**No. of Shares**	**%**
Simon Eng	14,600,000[(1)]	16.22	9,603,377[(2)]	10.66
Liu Changsheng	–	–	10,181,744[(3)]	11.39
Changsheng Investment Development Limited	10,181,744[(4)]	11.39	–	–
Lim Liang Meng	6,200,000	6.89	–	–

(1) Simon Eng has 13,400,000 Shares under his personal CDP account and 1,200,000 Shares under his SRS account.

(2) Simon Eng is deemed interested in 6,604,000 Shares held under Fort Canning (Asia) Pte Ltd and 2,999,377 Shares held under Belle Forte Ltd, through his 40% shareholding in Fort Canning (Asia) Pte Ltd and 50% shareholding Belle Forte Ltd, respectively.

(3) Liu Changsheng is deemed interested in 10,181,744 Shares held under Changsheng Investment Development Limited through his 100% shareholding in Changsheng Investment Development Limited.

(4) The 10,181,744 Shares are registered under CGS-CIMB Securities (Singapore) Pte. Ltd.

This page has been intentionally left blank

This page has been intentionally left blank

METECH INTERNATIONAL LIMITED

Company Registration No. : 199206445M
65 Tech Park Crescent
Singapore 637787
Telephone: +65 6264 4338
Fax: +65 6863 2035
Email: info@metechinternational.com
Website: www.metechinternational.com

METECH INTERNATIONAL LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Metech International Limited (the "**Company**") will be held at 65 Tech Park Crescent, Singapore 637787 on 29 October 2019 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2019, together with the Independent Auditors' Report thereon.
(Resolution 1)

2. To re-elect Mr. Chay Yiowmin, who is retiring under Regulation 89 of the Company's Constitution, as Director of the Company.
See Explanatory Notes (a) and (c) **(Resolution 2)**

3. To re-elect Mr. Liu Changsheng, who is retiring under Regulation 89 of the Company's Constitution, as Director of the Company.
See Explanatory Notes (b) and (c) **(Resolution 3**)

4. To re-elect Mr. Weng Hua Yu @ Simon Eng, who is retiring by rotation under Regulation 88 of the Company's Constitution, as Director of the Company. **(Resolution 4)**
See Explanatory Note (c)

5. To note the retirement of Mr. Wang Daming, who is retiring under Regulation 89 of the Company's Constitution.

6. To approve the payment of the sum of S$128,000 as Directors fees for the financial year ending 30 June 2020 (FY2019: S$93,000). **(Resolution 5)**

7. To re-appoint Messrs Moore Stephens LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

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

AS SPECIAL BUSINESS

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

9. **Share Issue Mandate**

THAT authority be given to the Directors of the Company 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 "**Catalist Rules**") and notwithstanding the provisions of the Company's Constitution, to:

(a) (i) issue 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 issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares; and/or

(iii) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or other capitalisation issues at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) 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 issued pursuant to this resolution (including Shares issued in pursuance to any Instruments made or granted to this resolution), does not exceed one hundred per cent (100%) of the total number of issued Shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury Shares (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 fifty per cent (50%) of the total number of issued Shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury Shares (as calculated in accordance with sub-paragraph (ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the percentage of issued Shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury Shares of the Company shall be calculated based on the total number of issued Shares excluding subsidiary holdings (as defined in the Catalist Rules) and treasury Shares of the Company at the time of the passing of this resolution, after adjusting for:

(A) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time of passing of this resolution; and

(B) any subsequent bonus issue or consolidation or subdivision of Shares;

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

(iv) (unless revoked or varied by the Company in general meeting) the 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 (d) **(Resolution 7)**

10. **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 Catalist Rules) 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 (e) **(Resolution 8)**

11. **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:

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

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

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

PROVIDED THAT:

(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 Catalist Rules) 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 (f) **(Resolution 9)**

By Order of the Board

Ng Siew Hoong
Company Secretary

11 October 2019

Explanatory Notes:

(a) Mr. Chay Yiowmin will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. Mr. Chay will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

(b) Mr. Liu Changsheng will, upon re-election as a Director of the Company, be appointed as a member of the Audit Committee, Nominating Committee and Remuneration Committee with effect from the conclusion of the AGM. Mr. Liu will be considered as non-independent for purposes of Rule 704(7) of the Catalist Rules.

(c) Please refer to the sections entitled "Board of Directors" and "Corporate Governance Report" in the annual report for the financial year ended 30 June 2019 for information on the Directors which are put up for re-election as required pursuant to Rule 720(5) of the Catalist Rules.

(d) **Resolution 7** proposed in item 9 above, 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 Catalist Rules) 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.

(e) **Resolution 8** proposed in item 10 above, 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 Catalist Rules) 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.

(f) **Resolution 9** proposed in item 11 above, 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 Catalist Rules) 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. A member of the Company (other than a Relevant Intermediary) entitled to attend and vote at the Annual General Meeting may appoint not more than two (2) proxies to attend and vote on his behalf. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company. Where a member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy, failing which, the nomination shall be deemed to be alternative.

2. A Relevant Intermediary may appoint more than two (2) proxies to attend and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

   A "relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act, Cap. 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

3. The instrument appointing a proxy, duly executed, must be deposited at the registered office of the Company at 65 Tech Park Crescent, Singapore 637787 not less than seventy-two (72) hours before the time for holding the Annual General Meeting.

4. A Depositor shall not be regarded as a member of the Company entitled to attend and vote at the Annual General Meeting unless his name appears on the Depository Register maintained by The Central Depository (Pte) Limited seventy-two (72) hours before the time appointed for the Annual General Meeting.

Personal Data Privacy

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting 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 Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, "**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 or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (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 ("**SGX-ST**"). The Sponsor had not independently verified the contents of this Notice.*

This Notice has not been examined or approved by the SGX-ST and the SGX-ST assumes 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 contract person for the Sponsor is Mr. Shervyn Essex, Registered Professional, RHT Capital Pte. Ltd. at 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619 Telephone (65) 6381 6757

METECH INTERNATIONAL LIMITED

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

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see Notes overleaf before completing this Proxy Form)

I/We, ____________________ (Name) ____________ (NRIC/Passport/Co Reg No.)

of ____ (Address)

being a member/members of **METECH INTERNATIONAL LIMITED** (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her*, the Chairman of the Annual General Meeting ("**AGM**") as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM of the Company, to be held at 65 Tech Park Crescent, Singapore 637787 on 29 October 2019 at 10.00 a.m. and at any adjournment thereof.

The proxy/proxies shall vote on the Resolutions set out in the notice of the AGM in accordance with my/our directions as indicated hereunder. Where no such direction is given, the proxy/proxies may vote or abstain from voting at his/their discretion, on any matter at the AGM or at any adjournment thereof.

No.	Resolutions relating to:	For	Against
Ordinary Business			
1.	Adoption of Directors' Statement and the Audited Financial Statements for the financial year ended 30 June 2019		
2.	Re-election of Mr. Chay Yiowmin as a Director		
3.	Re-election of Mr. Liu Changsheng as a Director		
4.	Re-election of Mr. Weng Hua Yu @ Simon Eng as a Director		
5.	Approval of Directors' fee of up to S$128,000 for the financial year ending 30 June 2020		
6.	Re-appointment of Messrs Moore Stephens LLP as Auditors		
Special Business			
7.	Approval of the Share Issue Mandate		
8.	Authority for Directors to offer and grant awards and to allot and issue new shares under the Metech International Limited Performance Share Plan		
9.	Authority for Directors to offer and grant options and to allot and issue new shares under the Metech International Limited Employee Share Option Scheme		

* *If you wish to exercise all your votes "For" or "Against", please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ________ day of ________________ 2019

Total Number of Shares held in	
CDP Register	
Register of Members	

____

Signature(s) of member(s)
or Common Seal of corporate member

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 (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company (other than a Relevant Intermediary[1], entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary1) appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary[1] may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
6. The instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof) must be deposited at the registered office of the Company at 65 Tech Park Crescent, Singapore 637787 not less than seventy-two (72) hours before the time appointed for the AGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.
8. A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Cap. 50 and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were and individual.
9. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") may attend and cast his vote(s) at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF Investors and SRS Investors shall be precluded from attending the AGM.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies which 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 a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company shall be entitled to reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (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 11 October 2019.

1 A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

metech

铭泰国际

REQUEST FORM

11 October 2019

Dear Shareholder

As part of our ongoing initiatives to protect our environment, we are pleased to enclose printed copies of the Notice and Proxy Form, and a CD-ROM containing the Annual Report for the financial year ended 30 June 2019 (the "**Annual Report FY2019**") of Metech International Limited (the "**Company**") for the upcoming Annual General Meeting of the Company to be held on 29 October 2019.

The Annual Report FY2019 can also be downloaded from the Company's website from the date of this letter and may be accessed at the URL www.metechinternational.com.

If you wish to receive printed copies of the Annual Report FY2019, please complete the Request Form below and return it to the Company by **16 October 2019** via post to 65 Tech Park Crescent, Singapore 637787 or fax at +65 6863 2035. If we do not receive your Request Form, we will assume that you do not wish to receive the printed copy of the Annual Report FY2019.

By completing, signing and return the Request Form, you agree and acknowledge that we and/or our service provider may collect, use and disclose your personal data, as contained in your submitted Request Form or which is otherwise collected from you (or your authorised representative(s)), for the purpose of processing and effecting your request.

Yours faithfully
For and on behalf of
Metech International Limited

Simon Eng
Chief Executive Officer

To: Metech International Limited

☐ Please send me/us a printed copy of the Annual Report FY2019.

Name of Shareholder			
NRIC/Passport/Co. Reg. No.		**CDP Securities Account No.**	
Mailing Address			
Signature			
Date			

Note: This request is valid for the Annual Report FY2019 only.

Fold flap

1st fold here

2nd fold here

Affix
Postage
Stamp

Metech International Limited

65 Tech Park Crescent

Singapore 637787

3rd fold here