



Metech International Limited



Annual Report 2021

metech
铭泰国际



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 Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd. at 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.



TABLE OF CONTENTS

02	Message From Chairman
04	Board Of Directors
08	The Management Team
09	Corporate Governance Report
68	Sustainability Report
93	Director's Statement
98	Independent Auditor's Report
102	Financial Statements
170	Statistics Of Shareholdings
IBC*	Corporate Information

* Inside Back Cover



MESSAGE FROM CHAIRMAN

Dear Shareholders,

This is my inaugural Annual Report message to you as the Independent Non-Executive Chairman of Metech International Limited ("**Metech**" or the "**Company**" and together with its subsidiaries, the "**Group**") with my appointment in November 2020.

On behalf of the Board of Directors, I wish to share more of our corporate highlights over the past year for the financial year ended 30 June 2021 ("**FY2021**") as well as some of our recent developments.

First and foremost, I hope that everyone and your loved ones have been staying safe and well as our communities and communities adapt in a COVID-19 endemic environment.

The outbreak of COVID-19 has been a key inflexion point for Environmental, Social and Governance ("**ESG**") initiatives and over the past 12 months, Metech has been calibrating its business strategy towards new growth catalysts within the environmental and sustainability market segments.

Capitalising on our reputation and experience in the recycling industry, we continue to utilise our extensive industry knowledge and business networks in our supply-chain management business, where we provide general wholesale trading of metal products as well as management and advisory of recycling and supply chain services.

To broaden our business model that are aligned with the macro environmental and sustainability trends in our targeted markets, the Group continues to proactively evaluate new business opportunities.

Dealing with the growing volumes of waste has emerged as one of the biggest challenges faced by governments globally. Recognising that the waste and wastewater treatment industry has strong market prospects due to rising urban populations, the Group is exploring the acquisition of existing waste or wastewater treatment facilities in the People's Republic of China ("**PRC**") and Singapore.

In light of the above, the Group established a joint venture with Jurong Barrels & Drums Industries Pte Ltd ("**Jurong BD**") to explore the provision of environmental services globally, with a focus on water treatment in the PRC. Currently, the joint venture is pursuing various oil-water separation projects in the PRC using a Singapore-based innovation. Jurong BD will provide the technical know-how and facilities while Metech will spearhead business development activities by leveraging on its existing business networks in the PRC.

It is worth noting that Metech used to own and operate a sludge treatment plant in Jiangyin, a county-level city in Jiangsu province.

Operationally, the Group's supply chain management business has resumed since December 2020 and despite only 7 months of operations, the Group registered revenue of approximately S\$15.8 million in FY2021. More details of our financial results in FY2021 can be found in the next few sections of this annual report.

NEW GROWTH DRIVERS WITH OUR MULTI-PRONGED BUSINESS MODEL

On 21 September 2021, the Group entered into a sale and purchase agreement to acquire a 60% equity interest in Blufu Water (Xinmin) Co., Ltd ("BWCL") for an aggregate consideration of approximately S\$0.52 million. BWCL is principally involved in managing wastewater treatment plants owned by the government. The projects undertaken by BWCL are sewage treatment, water pollution control, resource recycling service technology, environmental protection consultancy and technological developments, among others. The acquisition was subsequently completed on 22 September 2021.

The acquisition of BWCL presents a good opportunity for Metech to expand its business into the PRC wastewater treatment market. In addition, the Group would be able to tap on the existing customers of BWCL to potentially expand its customer base, develop a strong foothold in the PRC market and enhance our market presence in the environmental and sustainability business.

To further strengthen resiliency in our business model, we announced a joint venture to manufacture and distribute lab-grown diamonds on 24 September 2021. Notably, a lab-grown diamond is cultivated inside a lab using cutting edge technology to shorten the process, with the end product that replicates the chemical, physical and optical features of a naturally mined diamond. While diamonds are widely known to be used in jewellery, diamonds are also commonly used for industrial applications as they are extremely effective at polishing, cutting, and drilling.

Given the growing environmental, sustainability and ethical concerns of mined diamonds, we

believe that there are strong market prospects in lab-grown diamonds as they are created without the need for mining. Hence, lab-grown diamonds are comparatively more sustainable production of diamonds and present opportunities to integrate renewable energy in such manufacturing activities.

With a multi-pronged business model in the environmental and sustainability space, we aim to build on our capabilities, extend the value propositions of our business units and harness opportunities to expand and strengthen our position in our businesses.

ACKNOWLEDGEMENTS

I would firstly like to thank my fellow Board members for your active participation and collective wisdom in helping guide Metech through the unprecedented challenges caused by the COVID-19 pandemic.

On behalf of the Board of Directors, I would also like to take this opportunity to thank all the stakeholders, including our shareholders and management, employees and business partners for your steadfast trust and confidence in us.

We will continue to put in our best efforts to act on the opportunities before us, to invest in future growth, and to create long-term value for our stakeholders.

By making a difference to our environment and communities over time, we aim to shape an even greater future for Metech.

Thank You!

Independent Non-Executive Chairman
Chay Yiewmin

BOARD OF DIRECTORS

MR CHAY YIOWMIN INDEPENDENT NON-EXECUTIVE CHAIRMAN

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

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

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

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

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

○
**MS SAMANTHA
HUA LEI
EXECUTIVE
DIRECTOR AND
DEPUTY CHIEF
EXECUTIVE
OFFICER**

MS SAMANTHA HUA LEI was appointed an Executive Director of the Company on 1 November 2020. As the Company's Executive Director and Deputy Chief Executive Officer, she is responsible for overseeing and managing the Group's operations and corporate functions, as well as work together with the Board in formulating the Company's business strategies and identifying growth opportunities.

Ms Hua joined the Company on 1 March 2016 as a senior member of the finance and accounting department. Subsequently, she was appointed as the Group Financial Controller on 1 June 2016 and she was promoted to Deputy Chief Executive Officer on 18 March 2019.

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

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

BOARD OF DIRECTORS

○ MR RICKY SIM ENG HUAT INDEPENDENT DIRECTOR

Mr Ricky Sim Eng Huat was appointed as an Independent Director of the Company on 1 July 2015 and was last re-elected on 30 October 2020. He is Chairman of the Nominating Committee and a member of the Audit and Remuneration Committee.

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

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

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

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

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

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

○
**MR CHNG
 HEE KOK**
**INDEPENDENT
 DIRECTOR**

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

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

Mr Chng currently serves as Independent Director in Full Apex (Holdings) Limited, Luxking Group Holdings Limited, United Food Holdings Limited, The Place Holdings Ltd., Blackgold Natural Resources Limited, as Chairman and Independent Director in Ellipsiz Ltd. (retiring in October 2021), as an Independent Director in KTL Global Limited and interim Chief Executive Officer of Chemical Industries (Far East) Limited (appointed in October 2021).

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

○
**MR TAN SIJI
 MACARTHUR**
**NON-
 INDEPENDENT
 NON-
 EXECUTIVE
 DIRECTOR**

MR TAN SIJI MACARTHUR was appointed as an Non-Independent Non-Executive Director of the Company on 5 November 2020. He is also a member of the Remuneration and Nominating Committee.

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

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

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

THE MANAGEMENT TEAM

MS SAMANTHA HUA LEI
DEPUTY CHIEF EXECUTIVE OFFICER

MS SAMANTHA HUA LEI is responsible for overall operations, corporate affairs and business developments of the Company and its subsidiaries.

MR LING EE DEE
GROUP FINANCIAL CONTROLLER

MR LING EE DEE was appointed as the Company's Group Financial Controller on 5 November 2020. He oversees the Group's key financial functions and he is also responsible for the overall financial reporting for the Group.

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

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

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

CORPORATE GOVERNANCE REPORT

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

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

This report describes the Group’s corporate governance structures and practices that were in place throughout the financial year ended 30 June 2021 (“**FY2021**”), with specific reference made to the principles and provisions of the Code.

The Board is pleased to confirm that for FY2021, the Group has adhered to the principles and/or guidelines set out in the Code. In so far as any principles and/or guideline has not been complied with, the reason and relevant explanation have been provided.

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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| <p>1.1 Directors are fiduciaries who act objectively in the best interests of the company and hold Management accountable for performance. The Board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.</p> | <p>The Board is collectively responsible for the stewardship of the Group and is primarily responsible for the preservation and enhancement of long-term value and returns for the shareholders. During FY2021, the Board has worked diligently to fulfill their primary responsibilities as follows:</p> <ul style="list-style-type: none"> (a) provide leadership, set strategic directions and ensure that the necessary financial and human resources are in place for the Company to meet its objectives; (b) ensure that a framework of prudent and effective controls is established to enable risks to be assessed and managed, including the safeguarding of shareholders’ interests and the Company’s assets; |
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CORPORATE GOVERNANCE REPORT

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

- (c) review and guide the performance of the Management;
- (d) ensure that the Company's values and standards are upheld and that obligations to shareholders and other stakeholders are met;
- (e) consider sustainability issues as part of its strategic formulation; and
- (f) identify key stakeholder groups and recognise that their perceptions affect the Company's reputation.

The Directors have the appropriate core competencies and diversity of experience to enable them to contribute effectively. They can objectively raise issues and seek clarification from the Board and the Management as and when necessary on matters pertaining to their area of responsibilities.

Each Director is required to promptly disclose any conflict or potential conflict of interest in relation to a transaction or proposed transaction. On an annual basis, each Director is also required to submit details of his associates for purposes of monitoring interested person transactions. In addition, the Constitution of the Company restricts a Director to vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any interest, directly or indirectly. A Director shall also not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

CORPORATE GOVERNANCE REPORT

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

1.2 Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

To the best of their abilities, all Directors exercise due diligence and independent judgment in dealing with the business affairs of the Group and are obliged to act in good faith and to take objective decisions in the interest of the Group.

The Board is kept up to date on pertinent business developments in the business, including the key changes in the relevant regulatory requirements and financial reporting standards, risk management, corporate governance and industry.

The Directors are periodically furnished with information concerning the Group so that they can be kept up to date on the performance of the Group, and the decisions and actions taken by the Management. On an ongoing basis, the Company updates the Directors regarding developments in new laws and regulations or changes in regulatory requirements and financial reporting standards or corporate governance practices or news articles which are relevant to or may affect the businesses of the Group. In addition, the Company encourages the Directors to be members of the Singapore Institute of Directors ("**SID**"), and for them to receive updates and training from SID, as well as to attend relevant courses and seminars, so that they can stay abreast and be apprised of developments in the financial, legal and regulatory requirements and the business environment, at the Company's expense.

For newly appointed directors, the Company will conduct an orientation programme to provide them with extensive background information about the Group's structure and core values, its strategic direction and corporate governance practices as well as industry-specific knowledge. The orientation programme gives the Directors an understanding of the Group's businesses to enable them to assimilate into their new role.

For new Directors with no prior experience of an issuer listed on SGX-ST, the Company ensures that they undergo training in the roles and responsibilities of a Director of a listed company within one (1) year from the date of his or her appointment to the Board as prescribed by SGX-ST.

CORPORATE GOVERNANCE REPORT

12

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

During FY2021, Mr Tan Siji Macarthur and Ms Samantha Hua Lei have completed the prescribed mandatory training on the roles and responsibilities of a director of a listed issuer, as specified under Schedule 1 to Practice Note 4D of the Catalist Rules, within one (1) year from the date of their respective appointment as Non-Independent Non-Executive Director and Executive Director and Deputy Chief Executive Officer of the Company respectively.

The details of update sessions, seminars, conferences and training programmes attended by the Directors collectively in FY2021 include:

- the external auditors, Moore Stephens LLP, briefed the AC and the Board on the developments in financial reporting and governance standards; and
- the Deputy Chief Executive Officer updated the Board at each meeting on the business and strategic developments pertaining to the Group's business.

1.3 The Board decides on matters that require its approval and clearly communicates this to Management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Company has in place internal guidelines which specify the corporate matters that require the approval of the Board and these internal guidelines have been clearly communicated to the Management in writing. They include the following:

- (a) approval of financial results and all announcements;
- (b) approval of the annual report and financial statements;
- (c) convening of shareholders' meeting;
- (d) approval of change of corporate strategies including significant acquisitions and disposals and funding of investments;
- (e) authorisation of new banking facilities and declaration of interim and/or proposal of final dividends;
- (f) overseeing the process for risk management, financial reporting and compliance, and evaluating the adequacy of internal controls, as may be recommended by the Audit Committee ("**AC**");

CORPORATE GOVERNANCE REPORT

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

- (g) reviewing the performance of the Management, approving the nominees to the Board and the appointment of key management personnel, as may be recommended by the Nominating Committee ("**NC**");
- (h) reviewing and endorsing the framework of remuneration for the Board and key management personnel, as may be recommended by the Remuneration Committee ("**RC**");
- (i) reviewing and endorsing corporate policies in keeping with good corporate governance and business practices; and
- (j) considering sustainability issues, e.g. environmental, social and governance factors, as part of the strategic formulation.

The Company has also devised and adopted a set of internal controls and guidelines that set out the financial authorisation regime and approval limits for borrowings, including off-balance sheet commitments, investments, acquisitions, disposals, capital and operating expenditures, requisitions, and expenses. Under the financial authorisation regime and approval limits, approval sub-limits are provided at management level to facilitate operational efficiency.

CORPORATE GOVERNANCE REPORT

14

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

- 1.4 Board committees, including Executive Committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

To assist the Board in discharging its oversight functions and to enhance the Company's corporate governance framework, various Board Committees, namely the AC, the RC and the NC have been constituted with clearly defined written terms of reference. These terms of reference are reviewed on a regular basis, along with the committee structures and membership, to ensure their continue relevance, taking into consideration the changes in the governance and legal environment. Any change to the terms of reference of any Board Committee requires the written approval of the Board.

All Board Committees are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. The Directors are invited to attend meetings of the Board Committees. The Board acknowledges that while the Board Committees have the authority to examine issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board.

The terms of reference and the activities of the respective Board Committees are set out in the various Principles in this Corporate Governance Report.

CORPORATE GOVERNANCE REPORT

Composition of Board and Board Committees

As at the date of this report, the Board comprises five (5) Directors, three (3) of whom are Independent Directors, which complies with the Code's provision on the proportion of Independent Directors on the Board and make up at least one-third of the Board. There is a strong and independent element on the Board and no individual or small group of individuals dominate the Board's decision-making process. The composition of the Board and Board Committees are as follows:

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

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

CORPORATE GOVERNANCE REPORT

16

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

- 1.5 Directors attend and actively participate in Board and Board Committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The Board meets regularly and is provided with relevant updates and information. The dates of meetings of all the Board and Board Committee meetings as well as the Annual General Meeting ("**AGM**") are scheduled well in advance each year, in consultation with the Board. When a physical meeting is not possible, timely communication with members of the Board can be achieved through teleconferencing and videoconferencing facilities, which is allowed under the Company's Constitution. Besides formal meetings, the Board and Board Committees also make decisions through circulating resolutions.

The Board held three (3) scheduled meetings in FY2021. Besides the scheduled Board meetings, the Board meets on an ad-hoc basis as warranted by circumstances. To ensure adequate independent views, it is a practice for all Board meetings to require at least one Independent Director to be present as part of the quorum.

All Directors are required to declare their directorships. When a Director has multiple directorships, the NC will consider whether the Director is able to adequately carry out his duties as a Director of the Company, after taking into consideration the number of directorships and other principle commitments. Although some of the Directors have multiple directorships, the NC is satisfied that the Directors are still able to devote sufficient time and attention to the matters of the Company in discharging their obligations and duties towards the Company. The Board has not set the maximum number of directorships a Director may hold because each Director would be able to manage and assess his own capacity and ability to take on obligations or commitments when serving on the Board. In addition, the Board is of the view that setting a maximum number of directorships would not be meaningful as the contributions of the Directors would depend on many factors and their respective varied capabilities.

CORPORATE GOVERNANCE REPORT

Board and Board Committee Meetings and Attendance

The attendance of the Directors at the scheduled Board and Board Committee meetings during FY2021 is set out below:

NAME OF DIRECTOR	BOARD	AUDIT COMMITTEE	REMUNERATION COMMITTEE	NOMINATING COMMITTEE	GENERAL MEETINGS
No. of meetings held	3	2	1	1	1
No. of meetings attended:					
Chay Yiowmin (Independent Non-Executive Chairman)	3	2	1	1	1
Samantha Hua Lei ⁽¹⁾ (Executive Director & Deputy Chief Executive Officer)	1	1 (by invitation)	0	0	0
Ricky Sim Eng Huat (Independent Director)	3	2	1	1	1
Chng Hee Kok (Independent Director)	3	2	1	1	1
Tan Siji Macarthur ⁽²⁾ (Non-Independent Non-Executive Director)	1	1 (by invitation)	0	0	0
Liu ChangSheng (Non-Independent Non-Executive Director) ⁽³⁾	2	1 (by invitation)	1 (by invitation)	1 (by invitation)	0
Clement Tay Ming Liang (Executive Director & Chief Executive Officer) ⁽⁴⁾	2	1 (by invitation)	1 (by invitation)	1 (by invitation)	0

Notes:

- (1) Ms Samantha Hua Lei was appointed as Executive Director and Deputy Chief Executive Officer of the Company with effect from 1 November 2020.
- (2) Mr Tan Siji Macarthur was appointed as Non-Independent Non-Executive Director of the Company with effect from 5 November 2020.
- (3) Mr Liu ChangSheng resigned as Non-Independent Non-Executive Director of the Company with effect from 23 October 2020.
- (4) Mr Clement Tay Ming Liang resigned as Executive Director and Chief Executive Officer of the Company with effect from 16 October 2020.

CORPORATE GOVERNANCE REPORT

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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| <p>1.6 Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.</p> | <p>The Directors are periodically furnished with information concerning the Group so that they can be kept up to date on the performance of the Group, as well as the decisions and actions taken by the Management. The Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's businesses and operations.</p> <p>Board and Board Committees papers are circulated to the Directors ahead of meetings to allow Directors sufficient time to review and consider the matters to be discussed so that discussions can be more meaningful and productive. Where necessary, other members of the Management or external consultants engaged for a specific project will be available during the meetings to address queries and provide additional information.</p> |
| <p>1.7 Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole.</p> | <p>The Directors have separate and independent access to the Management and Company Secretary at all times through email, telephone or face-to-face meetings. Under the direction of the Chairman, the Company Secretary ensures timely and good information flows within the Board and its Board Committees and between the Management and Independent Directors. The appointment and the removal of the Company Secretary are subject to the approval of the Board.</p> <p>The Directors, whether individually or collectively, in furtherance of their duties, can seek legal and other independent professional advice concerning any aspect of the Group's operations or undertakings, at the Company's expense.</p> |

CORPORATE GOVERNANCE REPORT

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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| <p>2.1 An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.</p> | <p>Each Independent Director is required to complete a Confirmation of Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code. The Independent Directors must also confirm whether they have any relationships as stated in the Code that would otherwise deem any of them not to be independent.</p> <p>The Board and NC will review the independence of Directors based on the guidelines defined in the Code and the Catalist Rules, and any other salient factors. In its review, the NC will consider the nature of relationships and circumstances that could influence the judgments and decisions of the Directors prior to obtaining approval from the Board.</p> <p>Based on the respective confirmations and results of the NC's review, the NC is satisfied that the Independent Directors comply with Provision 2.1 of the Code and do not fall under any of the circumstances set out in Catalist Rule 406(3)(d).</p> <p>None of the Independent Directors have served the Company for a period exceeding nine (9) years.</p> |
| <p>2.2 Independent directors make up a majority of the Board where the Chairman is not independent.</p> | <p>As at the date of this report, Mr Chay Yiowmin is the Independent Non-Executive Chairman of the Company. The Board comprises five (5) Directors, of whom three (3) are Independent Directors. Accordingly, Independent Directors make up a majority of the Board.</p> |
| <p>2.3 Non-executive directors make up a majority of the Board.</p> | <p>As at the date of this report, the Board comprises one (1) Executive Director, one (1) Non-Independent Non-Executive Director and three (3) Independent Directors. Accordingly, Non-Executive Directors make up a majority of the Board.</p> |

CORPORATE GOVERNANCE REPORT

20

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

- 2.4 The Board and Board Committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.
- The profile of the Directors and key information are set out on pages 4 to 7 of this Annual Report.
- The NC is responsible for examining the size and composition of the Board and Board Committees. The Board's policy in identifying Director nominees is primarily to have an appropriate mix of members with complementary skills and core competencies and experience for the Group, regardless of gender.
- The NC annually reviews the existing attributes and competencies of the Board in order to determine the desired expertise or experience required to strengthen or supplement the Board whilst taking into account the scope and nature of the Group's businesses. This assists the NC in identifying and nominating suitable candidates for appointment to the Board.
- The NC is satisfied that the current Board has the right mix of talent with proven track records and requisite experience in their respective areas of expertise to steer the Company in achieving its strategic goals. The Company does not have a fixed board diversity policy. Each Director has been appointed based on his calibre and experience and is expected to bring his knowledge and experience in his field of expertise to contribute to the development of the Group's strategy and the performance of its businesses. The Board will continue to review its composition and size to ensure optimal balance in the membership of the Board.
- 2.5 Non-executive directors and/or independent directors, led by the independent Chairman or other independent director as appropriate, meet regularly without the presence of Management. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.
- The views and opinions of the Non-Executive Directors provide alternative perspectives to the Group's businesses and they bring independent judgment on business activities and transactions involving conflicts of interest and other complexities.
- Where necessary, the Company co-ordinates informal meetings for Independent Directors without the presence of the Management to review matters such as Board effectiveness and Management's performance.
- The Independent Directors had met and discussed with the external auditors once in the absence of key management personnel in FY2021.

CORPORATE GOVERNANCE REPORT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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| <p>3.1 The Chairman and the Chief Executive Officer ("CEO") are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.</p> | <p>The Chairman of the Board and the Deputy Chief Executive Officer are separate individuals who are not related to each other.</p> <p>There is also a balance of power and authority in view that the Board Committees are chaired by Independent Directors of the Company.</p> |
| <p>3.2 The Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO.</p> | <p>Chairman of the Board</p> <p>Mr Chay Yiowmin, the Independent Non-Executive Chairman of the Company, is responsible for the effective conduct of Board meetings. The Chairman's responsibilities in respect of Board proceedings include:</p> <ul style="list-style-type: none"> (a) leading the Board to ensure its effectiveness on all aspects of its role; (b) setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues; (c) promoting a culture of openness and debate at the Board; (d) ensuring that the Directors receive complete, adequate and timely information; (e) ensuring effective communication with Shareholders; (f) encouraging constructive relations within the Board and between the Board and Management; (g) facilitating the effective contribution of Non-Executive Directors in particular; and (h) promoting high standards of corporate governance. |

CORPORATE GOVERNANCE REPORT

22

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

Deputy Chief Executive Officer

Ms Samantha Hua Lei, the Executive Director and Deputy Chief Executive Officer of the Company, together with the Management, is responsible for:

- (a) developing, with the Board, a consensus for the Company's vision and mission;
- (b) developing and implementing the strategic plan set by the Board;
- (c) providing strong leadership and effective day-to-day management of the Company to deliver the plan;
- (d) driving a culture of compliance and ethical behaviour;
- (e) ensuring that the Board is informed about key company activities and issues.

3.3 The Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

Mr Chay Yiowmin was appointed as Lead Independent Director of the Company with effect from 3 April 2019. On 1 November 2020, Mr Chay Yiowmin was redesignated to Independent Non-Executive Chairman of the Company.

Mr Chay Yiowmin, as the Independent Non-Executive Chairman of the Company, plays an important role in facilitating the contribution of Non-Executive Directors and encourages constructive relations within the Board and between the Board and the Management, as well as to ensure effective communication between the Company and its shareholders. He is the point of contact for shareholders in situations where there are concerns or issues and contact through the normal channels with the Management has failed to resolve the concerns or issues, or where such communication is inappropriate.

There were no queries or requests received on any matters which requires the Independent Non-Executive Chairman's attention in FY2021.

CORPORATE GOVERNANCE REPORT

BOARD MEMBERSHIP

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

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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

CORPORATE GOVERNANCE REPORT

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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| <p>4.2 The NC comprises at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.</p> | <p>(e) to review the composition of the Board annually to ensure that the Board and the Board Committees comprise of Directors who as a group provide an appropriate balance and diversity of skills, expertise, gender and knowledge to the Company and provide core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience, and customer-based experience and knowledge to the Company;</p> <p>(f) where a Director has multiple directorships, to decide whether the Director is able to and has been adequately carrying out his duties as a Director of the Company, taking into consideration, <i>inter alia</i>, the number of directorships and other principal commitments of the Director; and</p> <p>(g) to make recommendation on the appointment of Directors (including alternate Directors). In respect of re-nominations of Directors who are retiring by rotation for re-election by shareholders, to have regard to the Director's contribution and performance (e.g. his attendance, preparedness, participation, and candour).</p> <p>The NC comprises of three (3) Directors, of which two (2) are Independent Directors. The NC therefore consists of a majority of Independent Directors.</p> <p>As at the date of this report, the members of the NC are as follows:</p> |
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Ricky Sim Eng Huat (Chairman)
Chng Hee Kok
Tan Siji Macarthur

CORPORATE GOVERNANCE REPORT

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

4.3 The company discloses the process for the selection, appointment and reappointment of directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

Process for selection and appointment of New Directors

The NC is responsible for identifying candidates and reviewing all nominations for the appointment of Directors. The criteria for the appointment of Directors is driven by the need to position and shape the Board in line with the needs of the Group and its vision, mission, and business goals. In recommending new Directors, if any, the NC relies mainly on the contacts and network of the entire Board. However, the NC may engage the services of external recruitment companies, if necessary.

The Board, with the help of the NC, looks into the background, skill sets, career experience and professional qualifications of a candidate to determine whether he or she is able to contribute to the growth of the Group. The Board places particular attention on his or her past achievements to determine whether he or she can enhance the quality and robustness of the decision-making process of the Board.

The NC then meets with the shortlisted potential candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before recommending the most suitable candidate to the Board for approval and appointment as a Director of the Company.

Process for Re-appointment of Directors

All Directors, including the Executive Director and Deputy Chief Executive Officer, submit themselves for renomination and re-election at regular intervals. Under the Constitution, each Director shall retire from office at least once every three (3) years and a retiring Director shall be eligible for re-election. Pursuant to Regulation 89 of the Company's Constitution, one-third of the Board is to retire from office by rotation and be subject to re-appointment at the Company's AGM. In addition, Regulation 88 of the Company's Constitution stipulates that a Director newly appointed by the Board shall only hold office until the next AGM following his appointment. Thereafter, he is subject to be re-appointed at least once every three (3) years at the Company's AGM.

CORPORATE GOVERNANCE REPORT

26

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

In assessing whether the Director should be recommended for re-election, the NC would assess the performance of the Director in accordance with the performance criteria set by the Board; review the annual evaluations done by the Board, Board Committees and individual Directors; and assess the current needs of the Board. Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-election of the Director to the Board for its consideration and approval.

Each member of the NC abstains from making any recommendations and/or participating in any deliberation of the NC and from voting on any resolution in respect of the assessment of his re-nomination as a Director of the Company.

The Board recognises the contribution of its Independent Directors who over time have developed deep insight into the Group's businesses and operations and who are therefore able to provide invaluable contributions to the Group. As such, the Board has not set a fixed term of office for each of its Independent Directors so as to be able to retain the services of the Directors as necessary.

The Directors retiring under Regulation 88 of the Company's Constitution at the forthcoming AGM of the Company are Mr Tan Siji Macarthur and Ms Samatha Hua Lei, and the Director retiring under Regulation 89 of the Company's Constitution at the forthcoming AGM of the Company is Mr Chay Yiowmin. Mr Tan Siji Macarthur, Ms Samantha Hua Lei and Mr Chay Yiowmin have indicated their willingness to seek for re-election at the forthcoming AGM of the Company.

Please refer to pages 28 to 41 in this Annual Report on information relating to the retiring Directors as set out in Appendix 7F of the Catalist Rules, pursuant to Rule 720(5) of the Catalist Rules.

CORPORATE GOVERNANCE REPORT

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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| <p>4.4 The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the Board. If the Board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.</p> | <p>The NC is responsible for determining the independence of the Directors as set out under Provision 2.1 above.</p> <p>The Board, after taking into consideration the views of the NC, is of the view that Mr Chay Yiowmin, Mr Ricky Sim Eng Huat and Mr Chng Hee Kok are independent and that, no individual or small group of individual dominates the Board's decision-making process and do not have any relationships as stated in the Code that would otherwise deem any of them not to be independent.</p> <p>During FY2021, there was no alternate Director on the Board.</p> |
| <p>4.5 The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties.</p> | <p>The NC ensures that new Directors are aware of their duties and obligations.</p> <p>For re-nomination and re-appointment of Directors, the NC takes into consideration the competing time commitments faced by Directors and their ability to devote appropriate time and attention to the Company, which are also evident in their level of attendance and participation at Board and Board Committee meetings.</p> <p>The NC and the Board are satisfied that all the Directors were able to and have been adequately carrying out their duties as Directors of the Company in FY2021.</p> |

CORPORATE GOVERNANCE REPORT

28

The following additional information on 28 to 41, all of whom are seeking re-election as Directors, is to be read in conjunction with their respective biographies under the section entitled "Board of Directors".

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
Date of Appointment	5 November 2020	1 November 2020	3 April 2019
Date of last re-appointment (if applicable)	Not Applicable	Not Applicable	29 October 2019
Age	34	38	47
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Mr Tan Siji Macarthur ("Mr Tan"), is of the view that Mr Tan has the requisite experience and capability to assume the responsibility as Non-Independent Non-Executive Director of the Company.</p> <p>Accordingly, the Board of Directors approved the appointment of Mr Tan as Non-Independent Non-Executive Director of the Company.</p>	<p>The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Ms Samantha Hua Lei ("Ms Samantha"), is of the view that Ms Samantha has the requisite experience and capability to assume the responsibility as Executive Director and Deputy Chief Executive Officer of the Company.</p> <p>Accordingly, the Board of Directors approved the appointment of Ms Samantha as Executive Director and Deputy Chief Executive Officer of the Company.</p>	<p>The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Mr Chay Yiowmin ("Mr Chay"), is of the view that Mr Chay has the requisite experience and capability to assume the responsibility as Independent Non-Executive Chairman of the Company.</p> <p>Accordingly, the Board of Directors approved the appointment of Mr Chay as Independent Non-Executive Chairman of the Company.</p>

CORPORATE GOVERNANCE REPORT

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive, Deputy Chief Executive Officer	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent Non-Executive Director and a member of the Remuneration Committee and the Nominating Committee.	Executive Director and Deputy Chief Executive Officer	Independent Non-Executive Chairman and Chairman of the Audit Committee
Professional qualifications	Mr. Tan holds a Bachelor of Science from the University of London.	Ms Samantha holds a Bachelor of Accounting Degree and is also a member of the Institute of Singapore Chartered Accountants (ISCA) and the Association of Chartered Certified Accountants (ACCA).	Mr. Chay holds a Bachelor of Accountancy (Hons) and a Master of Business from Nanyang Technological University, and a Master of Business Administration from the University of Birmingham. Mr. Chay is also a Fellow Chartered Accountant (FCA Singapore) of the Institute of Singapore Chartered Accountants (ISCA), an Associate Chartered Accountant (ACA) of the Institute of Chartered Accountants in England and Wales (ICAEW), a Chartered Valuer and Appraiser (CVA) of the Institute of Valuers and Appraisers of Singapore (IVAS) and a Certified Finance and Treasury Professional (CFTP) of the Finance and Treasury Association (FTA).

CORPORATE GOVERNANCE REPORT

30

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
Working experience and occupation(s) during the past 10 years	<p><u>August 2020 to Present</u> Burpple Pte. Ltd. - Executive Director</p> <p><u>January 2018 to Present</u> Blue Ocean Capital Partners Pte. Ltd. - Associate Director</p> <p><u>April 2014 to December 2017</u> Kordamentha Pte. Ltd. - Senior Executive Analyst</p> <p><u>February 2012 to March 2014</u> Moore Stephens LLP - Senior Audit Associate</p>	<p><u>April 2013 to February 2016</u> Advance SCT Ltd (now known as Livingstone Health Holdings Ltd.) - Joined as Finance Manager and appointed to Group Financial Controller in the same year</p> <p><u>August 2012 to April 2013</u> Metech International Ltd - Group Assistant Finance Manager</p> <p><u>December 2010 to August 2012</u> Moore Stephens LLP - Senior Audit Associate</p> <p><u>January 2008 to July 2010</u> Crowe Horwath First Trust LLP - Senior Audit Associate</p>	<p><u>March 2019 to Current</u> Chay Corporate Advisory Pte Ltd - Chief Executive Officer</p> <p><u>November 2012 to March 2019</u> BDO LLP Corporate Finance Practice - Advisory Partner,</p> <p><u>January 2009 to May 2012</u> Moore Stephens LLP - Assurance Partner</p>
Shareholding interest in the listed issuer and its subsidiaries	<p>2,546,793 ordinary shares in the issuer (direct)</p> <p>2,370,769 ordinary shares in the issuer (deemed)</p>	213,000 ordinary shares in the issuer (direct).	No

CORPORATE GOVERNANCE REPORT

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
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	Mr. Tan is the son-in-law of Mr. Simon Eng, a substantial shareholder of the Company who holds 14,813,677 ordinary shares, representing 14.81% of the issued and paid-up share capital of the Company.	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

CORPORATE GOVERNANCE REPORT

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
Other Principal Commitments Including Directorships	<p>Past (for the last 5 years) Director of:</p> <ol style="list-style-type: none"> Fort Canning (Asia) Pte Ltd 	<p>Past (for the last 5 years) Director of:</p> <ol style="list-style-type: none"> Apzenith Capital Pte. Ltd. Everglory Radiator (Shenyang) Co., Ltd (de-registered) Blufort Enviro (Shenyang) Co., Ltd. Greenspace Water (Shenyang) Co., Ltd. Fort Xinglong (Shenyang) Co., Ltd. Greenspace Water (Xinmin) Co., Ltd. Burrple 2021 Pte Ltd (fka Goldman HYTE Pte Ltd) 	<p>Past (for the last 5 years) Director of:</p> <ol style="list-style-type: none"> R.S. Platou Finans Singapore Pte Ltd (Struck Off) Alchemist Enterprise (S) Pte Ltd (Struck Off) Seafox Asia Pacific Management Pte Ltd Seafox Asia Pacific Pte Ltd Global Air Compass Singapore Pte Ltd (Struck Off) He Rui Feng Trading (Singapore) Pte Ltd (Struck Off) Harbour Pte Ltd (Struck Off) BDO Corporate Finance Pte Ltd (Struck Off) Dahua Technology Singapore Pte Ltd Jampur Far East Pte Ltd TSU Investment Pte Ltd Libra Group Limited Nelson G Advisory Pte Ltd (Struck Off) CCA Fund Services Pte Ltd (formerly known as KKT Spinal Chiropractic Centre Pte. Ltd.) Voxpace Pte Ltd American Ethane Capital Pte Ltd

CORPORATE GOVERNANCE REPORT

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
	<p>Present Director of:</p> <ol style="list-style-type: none"> Thekey BDMI International Foundation Ltd Shiningdragon Pte Ltd Pinassen Systems Pte Ltd Apzenith Capital Pte Ltd Burpple Pte Ltd Burpple 2021 Pte Ltd (formerly known as Goldman HYTE Pte Ltd) Tembusu thekey Pte Ltd <p>Principal Commitments: No</p>	<p>Present Director of:</p> <ol style="list-style-type: none"> Nolash Tech Pte Ltd Asian Green Tech Pte Ltd Nolash Tech (Shanghai) Co., Ltd Asian Eco Technology Pte Ltd <p>Principal Commitments: No</p>	<p>Present Director of:</p> <ol style="list-style-type: none"> UMS Holdings Ltd 8I Holdings Ltd Ntegrator International Ltd Ksenja Pte Ltd Xemaco Group Pte Ltd Roxana Shipping Pte Ltd 2YSL Pte Ltd Wanglongxingye Holdings Pte Ltd Vanfo Hino Holdings Pte Ltd Vanfoankang Investment Pte Ltd (in the process of being struck off) Vanbo Investments Pte Ltd Vanbo Management Pte Ltd Moon Pay Pte Ltd United Power Corporation (Singapore) Pte Ltd <p>Principal Commitments: 1. Chay Corporate Advisory Pte Ltd</p>

CORPORATE GOVERNANCE REPORT

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

CORPORATE GOVERNANCE REPORT

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
c. Whether there is any unsatisfied judgment against him?	No	No	No

CORPORATE GOVERNANCE REPORT

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

CORPORATE GOVERNANCE REPORT

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

CORPORATE GOVERNANCE REPORT

38

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

CORPORATE GOVERNANCE REPORT

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-			
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No

CORPORATE GOVERNANCE REPORT

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
<p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p>	No	No	No
<p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No	No

CORPORATE GOVERNANCE REPORT

DETAILS	NAME OF DIRECTOR		
	TAN SIJI MACARTHUR	SAMANTHA HUA LEI	CHAY YIOWMIN
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	Yes. The Board, which Mr Chay Yiomin is currently the Independent Non-Executive Chairman of, received a letter from Singapore Exchange Regulation ("SGX RegCo") dated 5 June 2020 and was given an opportunity to make representations in respect of a Notice of Compliance dated 27 December 2019 issued by SGX RegCo on the disclosure of a former Director. A private warning was subsequently issued to the Board by SGX RegCo.
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This is a re-election of a Director	Not applicable. This is a re-election of a Director	Not applicable. This is a re-election of a Director
If yes, please provide details of prior experience.	Not applicable. This is a re-election of a Director	Not applicable. This is a re-election of a Director	Not applicable. This is a re-election of a Director
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable. This is a re-election of a Director	Not applicable. This is a re-election of a Director	Not applicable. This is a re-election of a Director

CORPORATE GOVERNANCE REPORT

BOARD PERFORMANCE

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

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

5.1 The NC recommends for the Board's approval the objective performance criteria and process for the evaluation of the effectiveness of the Board as a whole, and of each board committee separately, as well as the contribution by the Chairman and each individual director to the Board.

The Board, based on the recommendation of the NC, recognises the need for regular reviews and evaluations of the effectiveness of the Board as a whole, each Board Committee and the effectiveness of individual Directors.

Based on the recommendations of the NC, the Board has in place an annual assessment exercise for the Directors to assess the effectiveness of the Board as a whole, each Board Committee, and the contribution by individual Directors to the effectiveness of the Board.

The performance criteria for the Board and Board Committees evaluation are in respect of board structure, strategy and performance, board risk management and internal control, board information, board procedures, Deputy Chief Executive Officer and top management, standards of conduct, compensation and communication with shareholders. The primary objective of the board evaluation exercise is to create a platform for the Board to provide constructive feedback on board procedures and processes, and changes which should be made to enhance the effectiveness of the Board.

CORPORATE GOVERNANCE REPORT

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

Individual Director's performance is evaluated annually and informally on a continual basis by the NC and the Chairman of the Board. Some factors taken into consideration by the NC and the Chairman of the Board include contribution to the development of strategy, availability at board meetings (as well as informal contribution via email and telephone), interactive skills, degree of preparedness, industry, business knowledge and experience each Director possess which are crucial to the Group's business. The individual Director evaluation exercise assists the NC in determining whether to re-nominate Directors who are due for retirement at the forthcoming annual general meeting, and in determining whether Directors with multiple directorships are able to and have adequately discharged their duties as Directors of the Company.

- 5.2 The company discloses in its annual report how the assessments of the Board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.
- During FY2021, the evaluation of the Board and Board Committees was conducted via questionnaires, which was completed by each member of the Board and each member of the respective Board Committees. Each Director also completed an individual Director assessment checklist to assess each Director's performance and contribution to the Board's effectiveness.

To ensure confidentiality, the completed evaluation forms were submitted to the Company Secretary for collation. The consolidated responses were presented to the NC for review before submitting to the Board for discussion and to determine areas for improvement to enhance the Board's effectiveness. Following the review in FY2021, the Board is of the view that the Board and its Board Committees operate effectively, and each Director is contributing to the overall effectiveness of the Board.

No external facilitator was used in the evaluation process.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

PROCEDURE FOR DEVELOPING REMUNERATION POLICIES

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

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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| <p>6.1 The Board establishes a Remuneration Committee ("RC") to review and make recommendations to the Board on:</p> <p>(a) a framework of remuneration for the Board and key management personnel; and</p> <p>(b) the specific remuneration packages for each director as well as for the key management personnel.</p> | <p>The role of the RC is to review and make recommendations to the Board on the remuneration package of each Executive Director and key management personnel ("KMPs"). The RC also recommends the level of Directors' fees which are subject to the approval of shareholders. No Director is involved in the deliberation of his or her own remuneration. Where necessary, independent professional advice on the framework for remuneration packages may be sought by the RC.</p> |
| <p>6.2 The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC Chairman, are independent.</p> | <p>The RC comprises of three (3) Directors, of which two (2) are Independent Directors and (1) a Non-Executive Director. The RC therefore consists of all Non-Executive Directors and a majority, including the Chairman of the RC, Independent Directors.</p> |

As at the date of this report, the members of the RC are as follows:

Chng Hee Kok (Chairman)
Ricky Sim Eng Huat
Tan Siji Macarthur

CORPORATE GOVERNANCE REPORT

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

- 6.3 The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

In recommending the remuneration packages of the Executive Director and KMPs, the RC is largely guided by the financial performance of the Group. It believes that the remuneration level should be competitive and sufficient to attract, retain and motivate the Executive Director and KMPs.

In devising the packages, the RC is aware that termination clauses, wherever applicable, have to be fair and not overly generous. The Directors are not involved in deciding their own remuneration. Each member of the RC abstains from voting on any resolutions in respect of his remuneration package. The recommendations of the RC are submitted to the Board for endorsement.

The Company's remuneration policy may be amended to take into account the overall performance of the Company, the meeting of key targets, shareholders' value enhancement and individual performance, to ensure they are fair.

- 6.4 The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

The RC has explicit authority within its terms of reference to seek appropriate expert advice in the field of executive compensation outside the Company on remuneration matters where necessary.

During the FY2021, the RC did not engage the service of an external remuneration consultant.

CORPORATE GOVERNANCE REPORT

LEVEL AND MIX OF REMUNERATION

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

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

- 7.1 A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

The Executive Director does not receive Directors' fees but is remunerated as a member of the Management. The remuneration packages of the Executive Director and the KMPs comprises a fixed component (basic salary) and a variable component (cash-based annual bonus) that is linked to the performance of the Group as a whole as well as the individual's performance. This is designed to align remuneration with the interests of shareholders and to link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

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

When reviewing the structure and level of Directors' fees for the Non-Executive Directors, the RC takes into consideration the Directors' respective roles and responsibilities on the Board and Board Committees and the frequency of Board and Board Committee meetings. Each of the Non-Executive Directors receives a base Director's fee. Directors who serve on the various Board Committees as Chairman also receive additional fees.

CORPORATE GOVERNANCE REPORT

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

7.2 The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The structure of the fees payable to the Non-Executive Directors of the Company for FY2021 is as follows:

APPOINTMENT	PER ANNUM
Board of Directors - Board Chairman - Board Member	S\$10,000 S\$36,000
Audit Committee - AC Chairman - AC Member	S\$5,000 Inclusive in Base fee
Remuneration Committee - RC Chairman - RC Member	S\$5,000 Inclusive in Base fee
Nominating Committee - NC Chairman - NC Member	S\$5,000 Inclusive in Base fee

The remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Non-Executive Directors. The RC will ensure that the Independent Directors are not over-compensated to the extent that their independence may be compromised. These fees are subject to Shareholders' approval at each annual general meeting of the Company.

CORPORATE GOVERNANCE REPORT

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

7.3 Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

The remuneration policy of the Company is to offer compensation packages that are at least pegged to market rates and reward good performances. The adopted principle is that the remuneration packages must be attractive in order to attract, retain and motivate Directors, executives and managers. The size of the remuneration packages takes into account the performance of the Company and the individuals. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

The Company adopted the following share incentive schemes on 24 October 2013 to provide eligible participants (including Executive Directors and Non-Executive Directors) with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty:

- (a) an employee share options scheme known as the "Metech International Limited Employee Share Option Scheme ("**ESOS**")"; and
- (b) a share scheme known as the "Metech International Limited Performance Share Plan" ("**PSP**"),

(collectively, the "**MIL Share Incentive Schemes**").

The MIL Share Incentive Schemes are administered by the RC. As at to-date, no options or awards have been granted under the ESOS or PSP respectively.

CORPORATE GOVERNANCE REPORT

DISCLOSURE ON REMUNERATION

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

Provision 8.1(a) – The breakdown of the total remuneration of the Directors of the Company for FY2021 is set out below:

NAME OF DIRECTOR	BASE/FIXED SALARY (%)	DIRECTOR FEE (%)	TOTAL
Below S\$250,000			
Chay Yiowmin	–	100	100
Samantha Hua Lei ⁽¹⁾	100	–	100
Ricky Sim Eng Huat	–	100	100
Chng Hee Kok	–	100	100
Tan Siji Macarthur ⁽²⁾	–	100	100
Liu ChangSheng ⁽³⁾	–	100	100
Clement Tay Ming Liang ⁽⁴⁾	100	–	100

Notes:

- (1) Ms Samantha Hua Lei was appointed as Executive Director and Deputy Chief Executive Officer of the Company with effect from 1 November 2020.
- (2) Mr Tan Siji Macarthur was appointed as Non-Independent Non-Executive Director of the Company with effect from 5 November 2020.
- (3) Mr Liu ChangSheng resigned as Non-Independent Non-Executive Director of the Company with effect from 23 October 2020.
- (4) Mr Clement Tay Ming Liang resigned as Executive Director and Chief Executive Officer of the Company with effect from 16 October 2020.

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

CORPORATE GOVERNANCE REPORT

50

Provision 8.1(b) – The breakdown of the total remuneration of the top five (5) KMPs of the Group (who are not Directors) for FY2021 is set out below:

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

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

- 8.2 The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.
- There are no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the Deputy Chief Executive Officer or substantial shareholder of the Company.
- 8.3 The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.
- MIL Share Incentive Schemes**
- Under the rules of the ESOS and PSP, Directors and fulltime 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.

CORPORATE GOVERNANCE REPORT

ESOS

The aggregate number of shares which may be available pursuant to Options granted under the ESOS on any date, when added to the number of new shares issued and/or issuable and/or existing shares transferred and/or transferable in respect of all Options granted under the ESOS, the PSP and any other share scheme which the Company may implement from time to time, shall not exceed 15% of the total issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings).

The options that are granted under the ESOS may have exercise prices that are at the RC's discretion, set at a price equal to the average of the last dealt prices for the shares on the Official List of Catalist or any other publication by the SGX-ST, for the last five (5) Market Days immediately preceding the relevant date of grant of the relevant option (the "**Market Price**") ("**Market Price Option**"); or at a discount to the Market Price (subject to a maximum discount of 20%) ("**Discount Price Option**"); or at a price which is set as a premium to the Market Price ("**Premium Price Option**").

Market Price Options and Premium Price Option may be exercised after the first anniversary of the date of grant of that option while Discount Price Options may only be exercised after the second anniversary from the date of grant of the option. Market Price Options and Premium Price Options will expire upon the tenth anniversary of the date of grant of that option and Discount Price Options will expire upon the fifth anniversary of the date of grant.

The ESOS shall continue in operation for a maximum duration of 10 years and may be continued for a further period thereafter with the approval of the shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

CORPORATE GOVERNANCE REPORT

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

PSP

The aggregate number of shares which may be available pursuant to awards granted under the PSP on any date, when added to the number of new shares issued and/or issuable and/or existing shares transferred and/or transferable in respect of all awards granted under the PSP, the ESOS and any other share scheme which the Company may implement from time to time, shall not exceed 15% of the total issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings).

The RC has the discretion to grant awards at any time in the year, depending on and to commensurate with the performance of the participant to the Group, which shall take into account criteria such as the rank and responsibilities, performance, years of service and potential for future development of the participant.

The PSP shall continue in force at the discretion of the RC, subject to a maximum period of 10 years commencing on the date on which the PSP is adopted by the Company in general meeting, provided always that the PSP may continue beyond the above stipulated period with the approval of shareholders by ordinary resolution in a general meeting and of any relevant authorities which may then be required. Notwithstanding the expiry or termination of the PSP, any awards made to the participants prior to such expiry or termination will continue to remain valid.

CORPORATE GOVERNANCE REPORT

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL AUDIT

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

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

9.1 The Board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The Board sets up a Board Risk Committee to specifically address this, if appropriate.

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework, but recognises that an adequate and effective internal control system will not preclude all errors and irregularities as the internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against the occurrence of material errors or misjudgement in decision making.

Where necessary, the Group will engage an external party to commission an internal audit report to document the Company's risk profile. The internal audit report will summarise the material risks faced by the Group and the countermeasures in place to manage or mitigate against those risks.

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 FY2021, the AC, on behalf of the Board, reviewed the external audit reports relating to the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls. It also reviewed the effectiveness of the actions taken by the Management on the recommendations made by the external auditors in this respect.

CORPORATE GOVERNANCE REPORT

PROVISIONS OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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| <p>9.2 The Board requires and discloses in the company's annual report that it has received assurance from:</p> <p>(a) the CEO and the Chief Financial Officer ("CFO") that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and</p> <p>(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.</p> | <p>For the financial year under review the Board received:</p> <p>(a) written assurance from the Deputy Chief Executive Officer and the Group Financial Controller that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and</p> <p>(b) the Group's risk management and internal controls systems in place were adequate and effective to address the financial, operational, compliance and information technology risks in the context of the current scope of the Group's business operations.</p> <p>Based on the Group's framework of management controls in place, the internal control policies and procedures established and maintained by the Group, as well as the reviews performed by the external auditors, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate and effective as at 30 June 2021 to address the risks that the Group considers relevant and material to its operations.</p> |
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CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

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

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

<p>10.1 The duties of the AC include:</p> <p>(a) reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;</p> <p>(b) reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;</p> <p>(c) reviewing the assurance from the CEO and the CFO on the financial records and financial statements;</p> <p>(d) making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;</p>	<p>The key terms of reference of the AC sets out its duties and responsibilities. The responsibilities of the AC are, <i>inter alia</i>, as follows:</p> <p>(a) to review the relevance and consistency of the accounting standards, the significant financial reporting issues, recommendations and judgements made by the external auditors so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;</p> <p>(b) to review and report to the Board at least annually, on the adequacy and effectiveness of the Group's internal controls, including financial, operation, compliance and information technology risks;</p> <p>(c) to review the effectiveness and adequacy of the Group's internal audit function;</p> <p>(d) to review the scope and results of the external audit, and the independence and objectivity of the external auditors;</p> <p>(e) to make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;</p> <p>(f) to review the system of internal controls and management of financial risks with the internal auditors and the external auditors;</p> <p>(g) to review the co-operation given by the Management to the external auditors;</p>
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CORPORATE GOVERNANCE REPORT

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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

The AC held two (2) meetings in FY2021 where the external auditors were present in all the meetings.

For FY2021, the AC has reviewed the following key audit matter highlighted by the external auditors:

Valuation of trade and other receivables (including Company's trade and other receivables). For full details of the key audit matter, please refer to page 99 of the Annual Report.

The AC has undertaken a review of the services, adequacy of audit plan and scope, independence and objectivity of the external auditors. Moore Stephens LLP, the external auditors of the Company, has confirmed that they are a public accounting firm registered with the Accounting and Corporate Regulatory Authority and has provided a confirmation of their independence to the AC.

CORPORATE GOVERNANCE REPORT

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

The AC noted that the external auditor will be paid S\$76,000 (FY2020: S\$84,000) for its audit service for FY2021. 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 FY2021. Having considered the adequacy and experience of the firm, their overall qualification and their independence status, the AC is satisfied that Catalist Rule 712 has been complied with and has recommended to the Board, the nomination of the external auditors for re-appointment at the forthcoming AGM. None of the AC members is a partner or director of Moore Stephens LLP.

The auditors of the Company's subsidiaries are disclosed in Note 13 of the Financial Statements in this Annual Report. In appointing auditors for the Company's subsidiaries and significant associated companies, the Group has complied with Catalist Rules 712 and 715 (read with Catalist Rule 716).

The AC monitors the whistle-blowing framework that has been put in place in the Company, which provides guidelines and procedures for employees of the Group or any other persons to raise concerns regarding matters of suspected fraud, corruption, dishonest practices or other similar breaches regarding accounting, financial and audit matters, as well as alleged irregularities and violation of a general, operational and financial nature against the Company or against any applicable law, and other matters, and ensures that arrangements are in place for independent investigation of such matters and appropriate follow-up actions. All employees have been informed to direct such concerns to the AC and the AC reports to the Board on such matters at Board meetings. There were no reported incidents pertaining to whistleblowing during FY2021 and up to the date of this Annual Report.

The AC is kept abreast by the Management and the external auditors of changes to the financial reporting standards, Catalist Rules and other codes and regulation which could have an impact on the Group's businesses and financial statements.

CORPORATE GOVERNANCE REPORT

58

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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| <p>10.2 The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. At least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.</p> | <p>The AC comprises of all Independent Directors and as at the date of this report, the members of the AC are as follows:</p> <p>Chay Yiowmin (Chairman)
Ricky Sim Eng Huat
Chng Hee Kok</p> <p>The Board considers Mr Chay Yiowmin, who has extensive and practical financial management knowledge and experience, is well qualified to chair the AC.</p> <p>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.</p> |
| <p>10.3 The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.</p> | <p>None of the members of the AC nor the AC Chairman are former partners or directors of the Group's existing auditing firm nor does any of them has any financial interests in the said auditing firm.</p> |

CORPORATE GOVERNANCE REPORT

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

- 10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.
- The Company's internal audit function is outsourced to Baker Tilly TFW LLP that reports directly to the AC Chairman and administratively to the management team. The internal auditors have full access to the Company's documents, records, properties and personnel, including the AC.
- The AC reviews the internal audit activities including overseeing and monitoring the implementation of the improvements required on any internal control weaknesses that have surfaced. The AC ensures that the internal audit function is adequately resourced and has appropriate standing within the Company.
- In light of the above, the AC and the Board review the adequacy and effectiveness of the internal audit function as required under Catalist Rule 1204(10C) and is of the view that the independent audit function was adequately resourced, independent and able to discharge its duties effectively (as *inter alia*, its adherence to standards which is in line with the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors).
- 10.5 The AC meets with the external auditors, and with the internal auditors, in each case without the presence of Management, at least annually.
- In FY2021 the AC had one (1) meeting with the external auditors without the presence of the Management.

CORPORATE GOVERNANCE REPORT

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

11.1 The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are published in the Business Times together with the annual reports and other relevant supporting documents (where applicable), and posted onto SGXNET.

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

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

CORPORATE GOVERNANCE REPORT

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

The Company wishes to highlight that the above description is the Company's usual practice when there are no pandemic risks arising from COVID-19 and when the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order") is not in operation. As of date of this report, the Company notes that pursuant to an announcement by the Ministry of Law dated 6 April 2021 stating that the duration of the Order which allows for the Company to hold its meetings by electronic means has been extended beyond 30 June 2021 until revoked or amended by the Ministry of Law, with at least six (6) months' advance notice before the alternative arrangements cease to be available.

Similar to the last general meeting that was conducted by the Company on 30 October 2020 at 10:00 am, the upcoming AGM for FY2021 to be held will be conducted by the Company by way of electronic means, pursuant to the Order and guidance on the Conduct of General Meetings Amid Evolving Covid-19 Situation jointly released by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation on 1 October 2020 ("**Guidance Note**"). Accordingly, shareholders who wants to exercise their voting rights would be required to appoint the Chairman of the respective meetings as their proxy to attend and vote on their behalf at the respective meetings.

The Company recognises the value of feedback from shareholders. The Company has taken steps to solicit and understand the views of the shareholders, especially during annual general meetings, shareholders are given ample time and opportunities to air their views and concerns.

All resolutions at general meetings are put to vote by poll and the results of the number of votes cast for and against each resolution, together with the respective percentages, will be made via a separate announcement on the same day on SGXNET.

CORPORATE GOVERNANCE REPORT

62

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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| <p>11.2 The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the company explains the reasons and material implications in the notice of meeting.</p> | <p>The resolutions tabled at the general meetings are proposed as each substantially separate resolution, including the election or re-election of each Director. Detailed information on each item in the agenda is accompanied with the explanatory notes detailed in the notice of general meeting.</p> <p>“Bundling” of resolutions will only be done where resolutions are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the Company will explain reasons and material implications in the notice of general meeting.</p> |
| <p>11.3 All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders’ queries about the conduct of audit and the preparation and content of the auditors’ report. Directors’ attendance at such meetings held during the financial year is disclosed in the company’s annual report.</p> | <p>At general meetings of the Company, shareholders are given the opportunity to communicate their views and are encouraged to ask the Directors and the Management questions regarding matters affecting the Company. The Board and the Chairpersons of the AC, NC and RC were present at the last AGM. All Directors will endeavour to be present at the Company’s forthcoming FY2021 AGM to address shareholders’ questions relating to the Company and the Group.</p> <p>As physical attendance for the previous and upcoming AGM to be held is not practicable due to the COVID-19 situation, the Company had instead informed shareholders to submit its queries in advance of the respective meetings and that the Company would address their questions prior to the respective meetings by publishing its responses on SGXNet.</p> <p>The Company’s external auditors, Moore Stephens LLP, will also be present at the AGM and are available to assist the Directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors’ report.</p> |
| <p>11.4 The company’s Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.</p> | <p>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.</p> |

CORPORATE GOVERNANCE REPORT

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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| <p>11.5 The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.</p> | <p>The Company prepares detailed minutes of general meetings, which include comments and the questions raised by shareholders, together with the responses from the Board and the Management, and such minutes are publicly available on the Company's website and on SGXNET within one (1) month after the general meetings.</p> |
| <p>11.6 The company has a dividend policy and communicates it to shareholders.</p> | <p>The Company does not have a fixed dividend policy. The form, frequency and amount of dividends to be declared each year will take into consideration the Group's profit growth, cash position, positive cash generated from operations, projected capital requirements for business growth and other factors that the Board may deem appropriate. Based on these factors, the Board does not recommend any payment of dividends for FY2021.</p> |

CORPORATE GOVERNANCE REPORT

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

12.1 The company provides avenues for communication between the Board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The Board is mindful of its obligation to provide timely and relevant information to shareholders. The Company is committed to treating all shareholders of the Company fairly and equitably to facilitate their ownership rights. The Company recognises and strives to protect and facilitate the exercise of shareholders' rights, and will continually review and update such governance arrangements.

The Board believes in timely and accurate dissemination of information to shareholders and does not engage in selective disclosure. The Company adheres strictly to the continuous disclosure obligations of the Company pursuant to the Catalist Rules. Announcements on financial results, major changes to the composition of the Board, changes to interests of Directors and substantial shareholders, major developments in the Company, annual reports, notices and circulars of general meetings and extraordinary meetings and other stipulated disclosures are made through SGXNET. The aforementioned announcements and other information on the Company can also be found on the Company's website at www.metechinternational.com where shareholders are able to access freely and at any time to their convenience.

12.2 The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

The Company currently does not have an investor relations policy in place, but will consider having one as the Company expands its business. In the meantime, information on the Company can be found on the Company's website where shareholders are able to access freely and shareholders can submit their feedback and raise any questions to the Company at the email address provided on the Company's website.

CORPORATE GOVERNANCE REPORT

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

- 12.3 The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.
- The Board views the AGM as the principal forum for dialogue with shareholders, being an opportunity for shareholders to raise issues pertaining to the resolutions tabled for approval and/or asking the Directors or the Management questions regarding the Company and its operations.

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

- 13.1 The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.
- The Group has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address their concerns so as to improve services and products' standards, as well as to sustain business operations for long term growth.

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

CORPORATE GOVERNANCE REPORT

GUIDELINES OF THE CODE

METECH CORPORATE GOVERNANCE PRACTICES

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| <p>13.2 The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.</p> | <p>The Group has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually. Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships.</p> <p>Please refer to the Sustainability Report on pages 68 to 92 of this Annual Report for further details.</p> |
| <p>13.3 The company maintains a current corporate website to communicate and engage with stakeholders.</p> | <p>All material information on the performance and development of the Group and of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET and the Company's website. The Company does not practice selective disclosure of material information. All materials on the half-year and full year financial results are available on the Company's website at www.metechinternational.com. The comprehensive website, which is updated regularly, contains various information on the Group and the Company which serves as an important resource for investors and all stakeholders.</p> |

CORPORATE GOVERNANCE REPORT

DEALING IN SECURITIES

With respect to Rule 1204(19) of the Catalist Rules, the Company has a set of internal guidelines to provide guidance to the Directors and employees of the Group on their dealings in the Company's securities, as well as the implications of insider trading. The Company prohibits its Directors and employees from dealing in the Company's securities for the period commencing one (1) month prior to the announcement of the Company's half-year and full year financial statements 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 interested person transactions ("IPT") sets out the procedures for review and approval of such IPTs. When a potential conflict of interest arises, the Directors concerned do not participate in discussions and refrain from exercising any influence over other members of the Board. Prior to entry by the Company into an IPT, the Board and AC will review such a transaction to ensure that the relevant rules under Chapter 9 of the Listing Manual are complied with. In FY2021 there were no IPTs involving transactions of more than S\$100,000 and the Company did not seek shareholders' mandate pursuant to Rule 920 of the Listing Manual.

MATERIAL CONTRACTS

With respect to Rule 1204(8) of the Catalist Rules, there was no material contract involving the interests of any Director or controlling shareholder entered into by the Company or any of its subsidiaries since the end of the previous financial year. 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 FY2021.

SUSTAINABILITY REPORT

BOARD'S STATEMENT

Dear Stakeholders,

The Board of Directors (the "**Board**" or the "**Directors**") of Metech International Limited (the "**Company**" and together with its subsidiaries, the "**Group**" or "**Metech**") is pleased to present our annual Sustainability Report (the "**Report**") for the financial year end 30 June 2021 and reaffirm our commitment to building a sustainable business. By providing a transparent and balanced view of the Company, this Report aims to provide further insights to the Group's environmental, social, governance ("**ESG**") factors and economic performance for the financial year.

Despite the challenges from the unprecedented COVID-19 pandemic outbreak in 2020, Metech had remained more steadfast than ever in its sustainability efforts. The Group had exhibited pro-active management and operational dexterity to deliver value to its stakeholders and safeguard the stakeholders' interests. As a Catalyst listed company on the Singapore Exchange Securities Trading Limited, the Group prides itself on good corporate governance and had maintained a robust risk management process that includes a comprehensive whistle-blowing policy to address risks related to the pandemic outbreak and other ESG issues.

Based on globally-recognised reporting frameworks, the Group's key material ESG factors were selected and highlighted by the management to enable the Board in establishing strategic business objectives that are aligned with the Group's sustainability goals and policies. Through the publication of this Report, we hope to achieve further progress in our efforts towards sustainable growth as we continue to refine our sustainability efforts in the coming years.

As sustainability is a critical part of the Group's strategy to create long-term value for all its stakeholders, it is imperative that we fulfil our part as a responsible corporate citizen to protect our environment and continue to contribute to our community. The Board endorses the material factors presented in this Report.

The Board of Directors
Metech International Limited

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Scope of Report

Metech International Limited (“**the Company**” and together with its subsidiaries, the “**Group**” or “**Metech**”) is listed on the Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). This Sustainability Report (“**SR**”) outlines the integration of sustainability into Metech’s policies, operations and management, and highlights the economic, environmental, social and governance aspects of the Group’s operations. All data and activities reported were from 1 July 2020 to 30 June 2021 (“**FY2021**”), unless stated otherwise.

The contents of this report will focus on the sustainability performance, activities and initiatives that are under our direct control, including our Singapore offices and operations, our local supply chain as well as any overseas activities directly associated with us. Material issues and topics described in this report have been selected according to their level of significance within the Company boundaries, the sustainability context and the expectations of stakeholders which are reflective of our core business in a consistent manner for comparability of our performance indicators over time.

Reporting Framework

This SR is prepared in accordance with the Global Reporting Initiative (“**GRI**”) standards, Core option and published in pursuant to Rules 711(A) and 711(B) Listing Manual Section B: Rules of Catalist of the SGX-ST. The content of this SR was developed using the four reporting principles established by the GRI Standards as follows:

1. **Stakeholder inclusiveness:** In the context of the SR, it was determined based on engagement and discussions with various stakeholders that Metech considers to be accountable.
2. **Sustainability context:** The report covers the Group’s performance in the context of sustainability which includes the Environmental, Social and Governance (“**ESG**”) aspects.
3. **Materiality:** Material issues in the report are determined through stakeholder engagements and internal discussions.
4. **Completeness:** The report covers the impacts that Metech contributes to the material topics during the reporting period using all relevant information collected.

Report Content and Quality

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

Feedback

As part of our continued efforts to improve our reporting, we welcome stakeholders to submit their questions, comments, suggestions or feedback to info@metechinternational.com.

SUSTAINABILITY REPORT

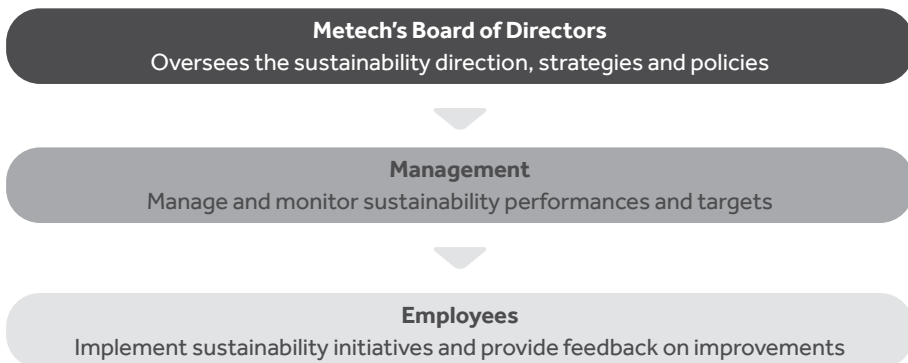
OUR SUSTAINABILITY APPROACH

We believe that incorporating sustainability as part of our corporate strategy is key to achieving long-term continuous growth for the Group. The values that we create for our stakeholders, including the environment, have an impact on our financial performance. With our established sustainability governance structure, we have implemented sustainability strategy across our business, enhanced reporting processes and strengthened relations with our external stakeholders. We have aligned our corporate governance policies and practices with the principles and guidelines set out in the Code of Corporate Governance 2018. The corporate governance processes and practices adopted by the Group can be found in the Corporate Governance Report of the Annual Report and/or our website www.metechinternational.com.

Being responsible for providing strategic direction to the management and promoting long-term success of the Group through creation of stakeholder value, our Board considers the impact of the Group's operations on the environment, the interests of the Group's internal and external stakeholders, long-term consequences of business decisions and ethical business practices, as part of its decision making process.

To achieve sustainable business practices, the Board continues to play an active role in monitoring Metech's sustainability growth and its overall performance.

Metech has established a sustainability team as follows:



SUSTAINABILITY REPORT

Metech's Board of Directors ("Board") has assigned the responsibility for monitoring and overseeing the company's sustainability efforts to the management, which is led by the Executive Director and Deputy Chief Executive Officer and assisted by the Group Financial Controller and comprises members of the Senior Management Team. The management is responsible for driving continued progress and improvements in the areas of ESG, and reports to Metech's Board.

Management reports the Company's sustainability progress from time to time to the Board to assess the success in executing the company's sustainability strategy to meet stakeholders' and the Board's expectations. In addition, the Board is also updated on key material issues identified by stakeholders alongside with planned follow-up actions.

Alignment to United Nations Sustainable Development Goals ("UN SDGs")

The 17 Sustainable Development Goals were established by the UN General Assembly to end poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. The UN SDGs are used as one of the guiding principles for our sustainability initiatives. We have mapped our material ESG issues against five of the UN SDGs that are most relevant to our sustainability targets and business operations.

As we advance with our sustainability journey, we will continue to assess our alignment with the SDGs and, whenever possible, redirect our internal priorities and sustainability strategy to more effectively and comprehensively address the goals.



SUSTAINABILITY REPORT

72

ASPECTS	MATERIAL ESG ISSUES	OUR COMMITMENT	OUR ACHIEVEMENTS
Economic	<ul style="list-style-type: none"> Procurement practices 	<ul style="list-style-type: none"> Metech only works with traders with London Metal Exchange ("LME") registered products, with registered warehouses. We are committed to selecting local traders so as to minimise reliance on foreign traders which may subject the Group to supply chain disruptions. 	<ul style="list-style-type: none"> Refer to page 78 of Metech's Annual Report 2021
Environmental <i>SDG 13: Climate Action</i> <i>SDG 15: Life on Land</i>	<ul style="list-style-type: none"> Energy efficiency and conservation Supplier's environmental practices Stakeholder engagement 	<ul style="list-style-type: none"> We are committed to reducing energy in our operational activities through the implementation of internal processes and environmental-related policies. We strive to adopt digital documentation/ promote paper recycling to reduce paper usage. Metech works with suppliers that engages in global citizenship, sustainability and best practices in corporate responsibility. 	<ul style="list-style-type: none"> Our new office is retrofitted with energy efficient light-emitting diode (LED). We have reduced paper usage and waste by prioritising digital documentation and reusing unwanted paper. We have screened our suppliers using sustainability-related criteria, and conducted checks on their finances and reputation within the industry.

SUSTAINABILITY REPORT

ASPECTS	MATERIAL ESG ISSUES	OUR COMMITMENT	OUR ACHIEVEMENTS
Social <i>SDG 3: Good Health and Well-Being</i> <i>SDG 5: Gender Equality</i> <i>SDG 8: Decent work and economic growth</i>	<ul style="list-style-type: none"> Diversity and equal opportunity Talent attraction and retention Employee training and development Occupational health and safety Stakeholder engagement 	<ul style="list-style-type: none"> Metech believes that, regardless of gender, age, race or religion, all employees are able to make significant contributions to the Group and should be treated fairly with respect and dignity. We adopt fair and merit-based recruitment and employment practices. We are committed to investing in our employees' knowledge and development, as well as caring for their well-being. We are dedicated in providing safe and healthy work environment for our employees. 	<ul style="list-style-type: none"> Improved equality of employee gender mix. An average of five man-hours of training conducted for our employees. Implemented COVID-19 safety measures that are in line with the local Ministries' advisories.
Governance	<ul style="list-style-type: none"> Business ethics and compliance Anti-corruption and fraud Stakeholder engagement 	<ul style="list-style-type: none"> Metech has established whistle-blowing procedures for employees and third-parties to raise concerns of possible improprieties. We are dedicated in assessing the risk environment our business is subjected to so as to protect our stakeholders' interests. We are committed to conducting our business ethically and comply with relevant laws and regulations. Zero tolerance policy towards corruption and fraud. 	<ul style="list-style-type: none"> Refer to Corporate Governance Report on page 9 to 67 of Metech's Annual Report 2021 Zero incidents of non-compliance with various anti-corruption laws and regulations Zero incidents of non-compliance with various socioeconomic laws and regulations

SUSTAINABILITY REPORT

74

STAKEHOLDER ENGAGEMENT

We recognise the importance of close collaboration with our key stakeholders in order to achieve sustainable business goals and believe that communication is the utmost priority towards organisation success. Besides understanding various stakeholders' viewpoints, we also actively communicate and respond to stakeholders' needs to align our expectations and goals. The responsible units regularly review the needs and expectations of the respective groups of stakeholders to ensure that stakeholders' expectations and concerns are considered in our business decisions.

STAKEHOLDERS	CURRENT METHODS	FREQUENCY	NEEDS/ EXPECTATIONS	COMMITMENTS TO SUSTAINABILITY
Employee	Through employment policy	Annual	<ul style="list-style-type: none"> • Healthy work-life balance 	<ul style="list-style-type: none"> • Provide safe and cohesive working environment • Rewarding work/ performance • Provide fair and equal opportunities to all employees
	Dialogue/ feedback/ evaluation sessions between employees and senior management	Annual	<ul style="list-style-type: none"> • Remuneration and benefits • Career opportunities 	
	Advocate work-life balance / flexible working hours and place	Ad-hoc	<ul style="list-style-type: none"> • Employee safety and welfare 	
	Staff event/training	Bi-annual	<ul style="list-style-type: none"> • Fair & non-discriminatory employment practice 	

SUSTAINABILITY REPORT

STAKEHOLDERS	CURRENT METHODS	FREQUENCY	NEEDS/ EXPECTATIONS	COMMITMENTS TO SUSTAINABILITY
Investors/ Shareholders	General Meetings/ Annual Report	Annual	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Provide clear goals and directions for business expansion • Strive to generate sustainable long-term returns on investment • Adhere to timely and transparent dissemination of accurate, relevant information to the market • Improve Investor Relations website
	Regular meetings with representatives of business partners	Ad-hoc		
	Financial results announcement	Half- yearly		
	Extraordinary general meetings and SGX announcements	Ad-hoc		
	Media/ news/ marketing activities	Ad-hoc		
	Face-to-face social meetings	Ad-hoc		
	Whistleblowing channel	Perpetual		
	Company's website	Perpetual		

SUSTAINABILITY REPORT

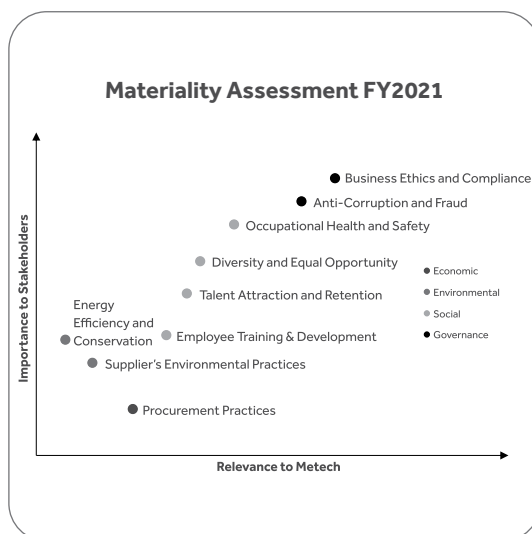
STAKEHOLDERS	CURRENT METHODS	FREQUENCY	NEEDS/ EXPECTATIONS	COMMITMENTS TO SUSTAINABILITY
Customers	Regular meetings with representatives of clients	Ad-hoc	<ul style="list-style-type: none"> Quality products, graded certification and availability of services 	<ul style="list-style-type: none"> Participation as a vested stakeholder in selected projects
	Written and verbal feedback through business communications	Perpetual	<ul style="list-style-type: none"> Create sustainable developments for future generations 	<ul style="list-style-type: none"> Building long-term and successful relationships
	Website feedback service	Perpetual	<ul style="list-style-type: none"> Convenience and compliance with environmental regulations 	<ul style="list-style-type: none"> Improve transparency of our supply chain
Government and Regulators	Sustainability Report	Annual	<ul style="list-style-type: none"> Compliances with safety & environment laws and regulations 	<ul style="list-style-type: none"> Strict compliance with relevant laws and regulations
	Government training workshops, surveys	Ad-hoc	<ul style="list-style-type: none"> Reduce emissions, waste and other detrimental environmental effects 	<ul style="list-style-type: none"> Encouraging lifelong learning for mid-career change and skill-upgrading
	Cooperating with public sector for their environmental needs	Ad-hoc	<ul style="list-style-type: none"> Providing training and skills-upgrading 	<ul style="list-style-type: none"> Understand and support initiatives driven by the Government
	Website feedback service	Perpetual		
Communities	Sustainability Report	Annual	Giving back to the community through donations or volunteering	Management of impacts on the community
	Website feedback service	Perpetual		

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

Through numerous engagement platforms and feedbacks received, we have performed a materiality assessment to identify topics that are significant to the sustainability of our business and our stakeholders. The materiality review considered under the GRI guidelines and topics are prioritised based on the materiality matrix. The matrix considers the potential impact of each topic on our business and its significance to stakeholders.

The material topics are ranked in the materiality matrix and are further discussed in the subsequent pages of the report. The report focuses on four key aspects with nine identified material topics. In addition, additional measures implemented in light of the COVID-19 pandemic has also been included in this SR.



MATERIAL TOPICS	WHERE THE IMPACTS OCCUR	METECH'S INVOLVEMENT
Economic		
Procurement Practices	Shareholders, Employees, Customers, Communities	Direct & Indirect
Environment		
Energy Efficiency and Conservation	People and Communities	Direct & Indirect
Supplier's Environmental Practices	People and Communities	Indirect
Social		
Diversity and Equal Opportunity	Employees and Shareholders	Direct & Indirect
Talent Attraction and Retention	Employees and Shareholders	Direct
Employee Training & Development	Employees and Shareholders	Direct
Occupational Health and Safety	Employees and Shareholders	Direct
Governance		
Business Ethics and Compliance	Shareholders, Employees and Customers	Direct
Anti-Corruption and Fraud	Shareholders, Employees and Customers	Direct

SUSTAINABILITY REPORT

78

ECONOMIC

Since the COVID-19 pandemic outbreak in 2020, international trade had been disrupted as mobility restrictive measures such as the suspension of international transport and border closures are still in place across affected countries. As a result of disrupted international trade and business activities, the Group's economic performance faces recessionary pressures.

As our economic performance directly impacts the Group's stakeholders' investment, the Group's economic performance is essential to stakeholders' such as investors and owners. Other stakeholders, including employees and the community also benefit from such performance indirectly. Being a Catalist-listed company on the SGX-ST, we publish an in-depth annual report which includes the Group's corporate governance and financial performance in accordance to the latest financial reporting standards recognised by the SGX-ST. For detailed information on our financial performance, please refer to the financial statements in our Annual Report for FY2021.

(a) Procurement Practices

Metech has adopted a customers centric procurement procedure by including relevant metrics in the evaluation of traders to maximise customer satisfaction, health and safety during the current COVID-19 pandemic outbreak. Under the current pandemic stricken economic conditions, the Group had included customer-oriented metrics such as the level of compliance with COVID-19 measures and level of customer satisfaction towards products provided by the traders.

Metech only works with traders with London Metal Exchange ("LME") registered products, with registered warehouses. The Group takes constant effort to validate the contracts it enters into and trades in only certified contracts which are listed on the LME.

Additionally, the Group also maintains its emphasis towards having an element of local community in its procurement strategies and obtaining a competitive advantage in human capital. During the selection of traders to engage with, Metech places heavy consideration for the locality of the traders to exhibit support for local suppliers and services. This reduces the Group's reliance on foreign traders and as a result, minimises any impact from a disrupted global supply chain. As at FY2021, 100% of the Group's trading partners are local companies in Singapore.

Targets

In light of the challenges from the COVID-19 pandemic outbreak, Metech will continue to prioritise customer satisfaction and will successively grow its customer base with its sustainability goals. Through Metech's business updates and various online platforms such as customer feedbacks and inquiries on Metech's website (www.metechinternational.com), the Group aims to maximise customers' satisfaction by way of its services provided and open client communication.

SUSTAINABILITY REPORT

ENVIRONMENTAL

As we operate in the supply chain industry, the Group understands the gravity of managing the impact that our operations have on the environment. We acknowledge that the Group's operating activities such as the procurement of metals has directly and/or indirectly caused strain to the environment in terms of pollution, among other consequences such as resource depletion.

Metech is committed to reducing the ecological footprint created by our operational activities through continuous improvements in our business processes and operations. We believe that the effective management and monitoring of our carbon footprint would contribute to the Group's increased productivity, lower consumption of natural resources, reduced wastage and pollution, creating a competitive edge and an overall improvement in financial performance.

(a) Energy Efficiency and Conservation

The Group recognises that investing in energy conservation not only reduces our carbon footprint but will simultaneously aid in our cost savings. Hence, we are committed to reducing energy consumption while not compromising our operational requirements. The office is also retrofitted with energy efficient Light-Emitting Diode ("LED") lightings, which have proven to be more energy efficient and durable compared to traditional incandescent bulbs, without affecting the lighting levels.

Employees are encouraged to be environmentally friendlier while carrying out their daily tasks. For instance, employees are constantly reminded to switch off the lights whenever they are no longer in use. Employees are also encouraged to make eco-friendly decisions such as printing on both sides of the paper before recycling, and reusing unwanted paper should they be only printed on one-side. Digital documentation is also preferred whenever possible in the Group's bid to go paperless.

(b) Supplier's Environmental Practices

Metech acknowledges that while trading in metals does not have significant impact to the environment directly, the Group inevitably affects the environment indirectly through the Group's suppliers, who may contribute to environmental issues such as erosion, sedimentation, and soil & water pollution as a result of their metal mining activities.

To minimise the Group's indirect ecological footprint, it is imperative that Metech work with suppliers for whom has the knowledge and engagement in global citizenship, sustainability and best practices related to corporate responsibility. This is practised through stringent assessment and selection of our suppliers using environmental criteria, ensuring that they have the ability to conform to environmental-related best practices and regulations. In addition, our suppliers are also checked for their finances and reputation within the industry.

Targets

In line with the Group's continual effort in energy conservation, Metech aims to reduce energy consumption by 10% per headcount in FY2022. In addition, with the office being shifted to a new location in July 2021, the Group will commence on the tracking of water and electricity consumption in FY2022. This will allow Metech to have a better overview of its energy consumption and adopt a more targeted approach to its plan to be environmentally friendlier.

SUSTAINABILITY REPORT

SOCIAL

The Group believes that our employees are the foundation to a strong and long-running organisation. Decisions on staff recruitment are crucial in ensuring that the right people are placed in roles that complement their expertise, thereby increasing employee's degree of job engagement. We are committed to empowering and supporting the development of our employees to their greatest potential. The Group recognises that career advancement, recognition, personal development and compensation are key factors in talent attraction and retention.

(a) Diversity and Equal Opportunity

The Group believes that workforce diversity is vital to the enhancement of our human capital capacity. The Group is of the opinion that talent can be harnessed in any individual regardless of their gender, age, religion or ethnicity. As such, the Group engages in fair employment practices and recruit employees based on merits such as experience, qualifications, skills and knowledge. We do not discriminate job applicants on gender, race, age, nationality and ethnicity and provide equal opportunities for all applicants and employees.

Employees of different background can make significant contributions to the Group based on their differing viewpoints, expertise and experience. The Group values diversity and respect the rights of each employee and thus strives to create an equitable and harmonious working environment for all employees.

(b) Talent Attraction and Retention

The long-term sustainability of our business is dependent on our ability to attract and retain talent. Employee compensation packages are set in line with job requirements as well as the employees' qualifications and experience, regardless of age, race, ethnicity, nationality or gender. Each employment package is unique to their respective job requirements as we believe that by catering to the individual needs of our employees and meeting their needs, they will feel aligned with our mission, vision and values of our Group, and remain loyal to the Group. Our compensation packages to employees are reviewed against industry standards regularly to ensure that our employees are fairly rewarded.

SUSTAINABILITY REPORT

Employee Benefits

Apart from basic compensation, the Group also provides welfare and benefits to employees, such as reimbursement of medical and dental claims, and annual leaves. Additional types of leaves that are given to employees include marriage, maternity, parental, compassionate, childcare and extended childcare leaves as long as the criteria established has been fulfilled. We align our welfare practices with the Singapore Government's pro-family leave scheme. Mothers and fathers whose children are Singapore Citizens at birth are entitled to 16 weeks of maternity leave and 2 weeks of paternity leave respectively. In addition, male employees are entitled to shared parental leave where they are able to share up to one week of the 16 weeks of Government-Paid Maternity Leave, subjected to their spouse's agreement.

Employee Engagement

The Group also has platforms where employees are engaged, as we believe that creating an engaging environment is important for employee development. All full-time employees are subjected to annual performance reviews which aids in the identification of areas for improvement and developmental needs. In addition, we have also obtained feedback from our employees with regard to the working environment and their work expectations during the annual performance review so as to ensure that the Group is able to meet their career and developmental needs. In FY2021, we have conducted performance appraisals for 100% of our employees and we aim to continue this practice in FY2022. Furthermore, we have received zero negative feedback from our employees.

(c) Employee Training and Development

The Group is committed to investing in the growth of people as our success depends on employees being able to keep themselves abreast of the latest industry changes, enabling them to contribute effectively to the Group's future growth and success. We seek to equip our employees with future-ready skills and knowledge through a range of internal trainings and development programmes to meet the needs of their professional function. Additionally, we have put in place onboarding programmes lasting between three to six months to ensure seamless integration of new hires into our organisational culture. This will provide them with the necessary skills, knowledge and conduct to become effective contributors to the Group.

SUSTAINABILITY REPORT

In light of the new challenges brought about by the COVID-19 pandemic, employees are also encouraged to elevate their skillsets through courses organised by third parties such as Institute of Singapore Chartered Accountants (ISCA) and the London Metal Exchange. The Group is also open to all kinds of training programmes that our employees might require and will not hesitate to invest in the development of our talents.

In view of the COVID-19 pandemic, all trainings in FY2021 are conducted online. On average, all our employees have clocked the required hours of training mandated by the Group in FY2021.

(d) Occupational Health and Safety

Safe and healthy workplaces are the topmost priority for us as we believe that the health and safety of our employees are vital to the sustainability and growth of our business operations. The Group believes that in order to improve our employees' productivity, we need to provide them with a safe and healthy working environment. As such, we are continuously exploring and evolving towards a new, better and safe working environment.

To protect our employees from the COVID-19 pandemic, all our employees are under the default Work From Home (WFH) arrangement. Employees are not required to come into office unless necessary as they are able to access the office network off-site when working from home. In the event where there is a need for employees to come to work physically, temperature taking will be conducted twice a day and face masks and hand sanitizer will also be provided. We also discourage our employees from socialising or congregating in groups at the workplace including during meal breaks to create a safe environment for the Group.

Targets

With Metech's commitment in equipping our employees with the necessary skills and knowledge to take on challenges brought about by the COVID-19 pandemic, we aim to double our training hours in FY2022.

SUSTAINABILITY REPORT

GOVERNANCE

As the Group regards governance as integral to the interest of all stakeholders, Metech is committed to uphold high standards of ethics and complying with the best practices of good governance to enhance corporate sustainability. Please refer to the Corporate Governance Report set out in pages 9 to 67 of our Annual Report 2021 for details on our compliance with the established Code of Corporate Governance 2018 ("**Code**").

Guided by the Code, the Group implements multiple sustainability measures to ensure that the best practices of good governance are instilled throughout its operations.

(a) Business Ethics and Compliance

Whistle Blowing Policy

Approved and endorsed by the Board, Metech has established a Whistle Blowing Policy which serves as an effective communication mechanism for all employees, traders, and any other stakeholders of the Group to anonymously inform on any illegal conduct or malpractice. As the Whistle Blowing Policy includes preserving the confidentiality of the complainant's identity, the policy also addresses any potential concerns from complainants on their anonymity and being subjected to victimisation, harassment or discriminatory treatment, after reporting.

Risk Management

Metech has instituted a comprehensive risk management framework to guide the Group's management and approach to corporate responsibility and sustainability related risks.

With a comprehensive risk management framework, the Group identifies and mitigates any risks in a systematic and consistent manner. In a bid to enhance governance processes and raise risk awareness, enterprise risk assessments are conducted to highlight and review any inadequacies in addressing material risks and attaining business sustainability.

Conflict of Interest

Clear guidelines are provided to Directors and employees in the Group's code of conduct, which explicitly indicates 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, a reminder email would be sent out to all Directors and employees of the Group to inform them of the duration of the period. All Directors and key management personnel are also required to undergo the annual conflict of interest declaration exercise so as to identify any potential material risks of insider trading or inappropriate relations that may contravene the Group's code of conduct.

SUSTAINABILITY REPORT

Any Director or key management personnel found to have conflicting interests would be immediately evaluated and excluded from critical processes that may significantly impact the Company's results or corporate sustainability.

Regulatory Compliance

Regulatory compliance is of utmost importance and is vital in fostering trust with our stakeholders. In order to stay abreast of any changes in existing regulatory requirements and maintain good corporate governance, the Group's management keeps themselves updated with the latest regulatory changes and engage external legal consultants for advice on any changes. Some examples of the laws and regulations that Metech need to comply and adhere with are as follows:

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

During FY2021, the Group has had no instances of non-compliance and has not violated any applicable regulations in the jurisdiction that the Group's businesses operate in.

(b) Anti-Corruption and Fraud

As a Catalist-listed company on the SGX, strong corporate governance and ethical business practices are pivotal to sustainable growth and economic prosperity of the Group. Leveraging upon transparent and open communications channels with its stakeholders, Metech is able to monitor and manage its sustainability goals of ethical business practices while striving for higher economic returns on investments.

In addition to utilising open communication channels, Metech also has appointed a designated officer to take up anti-corruption responsibilities for the Group. These responsibilities include monitoring potential ethics non-compliance incidents, reporting to the Board and the management, formulating and executing escalation plans.

Targets

Metech has no cases of non-compliance or contravened any regulations during the FY2021. As good corporate governance and ethical business practices is vital to Metech's corporate ethos and sustainability objectives, the Group aims to continue its compliance to all applicable regulations and the Code of Governance.

SUSTAINABILITY REPORT

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE NO.	DISCLOSURE TITLE	CROSS-REFERENCE ANNUAL REPORT (AR) SUSTAINABILITY REPORT (SR)	PAGE
General Standards Disclosure				
1. Organizational profile	Disclosure 102-1	Name of the organization	Message from Chairman	2
	Disclosure 102-2	Activities, brands, products, and services	Financial Statements	140-141
	Disclosure 102-3	Location of headquarters	Corporate Information	IBC*
	Disclosure 102-4	Location of operations	Financial Statements	140-141
	Disclosure 102-5	Ownership and legal form	Financial Statements	140-141
	Disclosure 102-6	Markets served	Financial Statements	156
	Disclosure 102-7	Scale of the organization	Financial Statements	140-141
	Disclosure 102-8	Information on employees and other workers	The Management Team Social	8 80-82
	Disclosure 102-9	Supply chain	Economic – Procurement Practices	78
	Disclosure 102-10	Significant changes to the organization and its supply chain	No significant change in FY2021	N/A
	Disclosure 102-11	Precautionary Principle or approach	Metech does not specifically address the principles of precautionary approach	N/A
	Disclosure 102-12	External Initiatives	Metech does not subscribe or endorse any initiatives.	N/A
	Disclosure 102-13	Membership of associations	Metech is not a member of any association.	N/A

* Inside Back Cover

SUSTAINABILITY REPORT

86

GRI STANDARDS	DISCLOSURE NO.	DISCLOSURE TITLE	CROSS-REFERENCE	
			ANNUAL REPORT (AR)	SUSTAINABILITY REPORT (SR) PAGE
2. Strategy	Disclosure 102-14	Statement from senior decision-maker	Our Sustainability Approach	70-71
	Disclosure 102-15	Key impacts, risks, and opportunities	Materiality Assessment	77
3. Ethics and integrity	Disclosure 102-16	Values, principles, standards, and norms of behavior	Corporate Governance Report	9-67
4. Governance	Disclosure 102-18	Governance structure	Corporate Governance Report Our Sustainability Approach	9-67 70-71
	Disclosure 102-20	Executive-level responsibility for economic, environmental, and social topics	Our Sustainability Approach	70-71
	Disclosure 102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement	74 – 76
	Disclosure 102-22	Composition of the highest governance body and its committees	Corporate Governance Report	9-67
	Disclosure 102-23	Chair of the highest governance body	Corporate Governance Report	9-67
	Disclosure 102-24	Nominating and selecting the highest governance body	Corporate Governance Report	9-67
	Disclosure 102-25	Conflicts of interest	Corporate Governance Report Governance – Business Ethics and Compliance	9-67 83
	Disclosure 102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Report	9-67
	Disclosure 102-27	Collective knowledge of highest governance body	Corporate Governance Report	9-67

SUSTAINABILITY REPORT

GRI STANDARDS	DISCLOSURE NO.	DISCLOSURE TITLE	CROSS-REFERENCE ANNUAL REPORT (AR) SUSTAINABILITY REPORT (SR)	PAGE
	Disclosure 102-28	Evaluating the highest governance body's performance	Corporate Governance Report	9-67
	Disclosure 102-29	Identifying and managing economic, environmental, and social impacts	Materiality Assessment	77
	Disclosure 102-30	Effectiveness of risk management processes	Corporate Governance Report	9-67
	Disclosure 102-31	Review of economic, environmental, and social topics	Economic, Environmental, Social	78-82
	Disclosure 102-32	Highest governance body's role in sustainability reporting	Our Sustainability Approach	70-71
	Disclosure 102-33	Communicating critical concerns	Corporate Governance Report	9-67
	Disclosure 102-35	Remuneration policies	Corporate Governance Report	9-67
	Disclosure 102-36	Process for determining remuneration	Corporate Governance Report	9-67
	Disclosure 102-37	Stakeholders' involvement in remuneration	Corporate Governance Report	9-67
5. Stakeholder engagement	Disclosure 102-40	List of stakeholder groups	Stakeholder Engagement	74-76
	Disclosure 102-41	Collective bargaining agreements	No collective bargaining agreements are in place	N/A
	Disclosure 102-42	Identifying and selecting stakeholders	Stakeholder Engagement	74-76
	Disclosure 102-43	Approach to stakeholder engagement	Stakeholder Engagement	74-76
	Disclosure 102-44	Key topics and concerns raised	Stakeholder Engagement	74-76

SUSTAINABILITY REPORT

GRI STANDARDS	DISCLOSURE NO.	DISCLOSURE TITLE	CROSS-REFERENCE ANNUAL REPORT (AR) SUSTAINABILITY REPORT (SR)	PAGE
6. Reporting practice	Disclosure 102-45	Entities included in the consolidated financial statements	Financial Statements	140-141
	Disclosure 102-46	Defining report content and topic Boundaries	About This Report	69
	Disclosure 102-47	List of material topics	Materiality Assessment	77
	Disclosure 102-48	Restatements of information	Not Applicable	N/A
	Disclosure 102-49	Changes in reporting	Not Applicable	N/A
	Disclosure 102-50	Reporting period	About This Report	69
	Disclosure 102-51	Date of most recent report	June 2020	N/A
	Disclosure 102-52	Reporting cycle	About This Report	69
	Disclosure 102-53	Contact point for questions regarding the report	About This Report	69
	Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	About This Report	69
	Disclosure 102-55	GRI content index	GRI Content Index	85 – 92
	Disclosure 102-56	External assurance	Metech has not sought external assurance on this report but may do so in the future.	N/A

SUSTAINABILITY REPORT

GRI STANDARDS	DISCLOSURE NO.	DISCLOSURE TITLE	CROSS-REFERENCE ANNUAL REPORT (AR) SUSTAINABILITY REPORT (SR)	PAGE
Topic-specific disclosures				
GRI201: Economic Performance	Disclosure 201-1	Direct economic value generated and distributed	Financial Statements Economic	93-169 78
	Disclosure 201-4	Financial assistance received from government	Not Applicable	N/A
	Disclosure 103-1	Explanation of the material topic and its boundary	Financial Statements Materiality Assessment Economic	93-169 77 78
	Disclosure 103-2	The management approach and its components	Financial Statements Our Sustainability Approach	93-169 70-71
	Disclosure 103-3	Evaluation of the management approach	Financial Statements	93-169
GRI 204: Procurement Practices	Disclosure 204	Management Approach	Economic	78
	Disclosure 204-1	Proportion of spending on local suppliers	Economic	78
	Disclosure 103-1	Explanation of the material topic and its boundary	Materiality Assessment Economic – Procurement Practices	77 78
	Disclosure 103-2	The management approach and its components	Our Sustainability Approach Economic – Procurement Practices	70-71 78
	Disclosure 103-3	Evaluation of the management approach	Economic – Procurement Practices	78

SUSTAINABILITY REPORT

GRI STANDARDS	DISCLOSURE NO.	DISCLOSURE TITLE	CROSS-REFERENCE	
			ANNUAL REPORT (AR)	SUSTAINABILITY REPORT (SR) PAGE
GRI 205: Anti-Corruption	Disclosure 205-1	Operations assessed for risks related to corruption	Governance – Anti-Corruption and Fraud	84
	Disclosure 205-2	Communication and training about anti-corruption policies and procedures	Governance – Anti-Corruption and Fraud	84
	Disclosure 205-3	Confirmed incidents of corruption and actions taken	Management has confirmed no such incidents.	N/A
	Disclosure 103-1	Explanation of the material topic and its boundary	Materiality Assessment	77
			Governance – Anti-Corruption and Fraud	84
	Disclosure 103-2	The management approach and its components	Our Sustainability Approach	70-71
			Governance – Anti-Corruption and Fraud	84
Disclosure 103-3	Evaluation of the management approach	Governance – Anti-Corruption and Fraud	84	
GRI 302: Energy	Disclosure 302-1	Energy consumption within the organization	Tracking of energy consumption will commence in FY2022	N/A
	Disclosure 302-4	Reduction of energy consumption	Environmental – Energy Efficiency and Conservation	79
	Disclosure 304-2	Significant impacts of activities, products, and services on biodiversity	Environmental – Energy Efficiency and Conservation	79
	Disclosure 103-1	Explanation of the material topic and its boundary	Materiality Assessment	77
			Environmental – Energy Efficiency and Conservation	79
	Disclosure 103-2	The management approach and its components	Our Sustainability Approach	70-71
			Environmental – Energy Efficiency and Conservation	79
Disclosure 103-3	Evaluation of the management approach	Environmental – Energy Efficiency and Conservation	79	

SUSTAINABILITY REPORT

GRI STANDARDS	DISCLOSURE NO.	DISCLOSURE TITLE	CROSS-REFERENCE	
			ANNUAL REPORT (AR)	SUSTAINABILITY REPORT (SR) PAGE
GRI 401: Employment	Disclosure 401-1	New employee hires and employee turnover	Social – Talent Attraction and Retention	81
	Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social – Talent Attraction and Retention	81
	Disclosure 401-3	Parental leave	Social – Talent Attraction and Retention	81
	Disclosure 103-1	Explanation of the material topic and its boundary	Materiality Assessment Social – Talent Attraction and Retention	77 81
	Disclosure 103-2	The management approach and its components	Our Sustainability Approach Social – Talent Attraction and Retention	70-71 81
	Disclosure 103-3	Evaluation of the management approach	Social – Talent Attraction and Retention	81
GRI 404: Training and Education	Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	Social – Employee Training and Development	82
	Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Social – Employee Training and Development	82
	Disclosure 103-1	Explanation of the material topic and its boundary	Materiality Assessment Social – Employee Training and Development	77 82
	Disclosure 103-2	The management approach and its components	Our Sustainability Approach Social – Employee Training and Development	70-71 82
	Disclosure 103-3	Evaluation of the management approach	Social – Employee Training and Development	82

SUSTAINABILITY REPORT

GRI STANDARDS	DISCLOSURE NO.	DISCLOSURE TITLE	CROSS-REFERENCE	
			ANNUAL REPORT (AR)	SUSTAINABILITY REPORT (SR) PAGE
GRI 405: Diversity and Equal Opportunity	Disclosure 405-1	Diversity of governance bodies and employees	Social – Diversity and Equal Opportunity	80
	Disclosure 103-1	Explanation of the material topic and its boundary	Materiality Assessment	77
			Social – Diversity and Equal Opportunity	80
	Disclosure 103-2	The management approach and its components	Our Sustainability Approach Social – Diversity and Equal Opportunity	70-71 80
Disclosure 103-3	Evaluation of the management approach	Social – Diversity and Equal Opportunity	80	

DIRECTORS' STATEMENT

For the financial year ended 30 June 2021

The directors present their statement to the members together with the audited consolidated financial statements of Metech International Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 30 June 2021 and the statement of financial position of the Company as at 30 June 2021.

In the opinion of the directors:

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due as discussed in Note 3(b) to the consolidated financial statements.

1. DIRECTORS

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

Chay Yiowmin	
Samantha Hua Lei	(appointed on 1 November 2020)
Ricky Sim Eng Huat	
Chng Hee Kok	
Tan Siji Macarthur	(appointed on 5 November 2020)

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.

DIRECTORS' STATEMENT

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 THE DIRECTOR		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				
<i>Number of ordinary shares</i>				
Liu Chang Sheng ⁽¹⁾	–	–	19,797,439	–
Samantha Hua Lei	213,000	213,000	–	–
Tan Siji Macarthur	2,546,793	2,546,793	2,370,769	2,370,769

(1) Liu Chang Sheng resigned as director of the Company on 23 October 2020.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 July 2021.

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

DIRECTORS' STATEMENT

4. SHARE OPTIONS

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

Options Granted

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

Options Exercised

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

Unissued Shares under Option

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

5. WARRANTS

DATE OF ISSUE	WARRANTS OUTSTANDING AT 1 JULY 2020	WARRANTS ISSUED	WARRANTS OUTSTANDING AT 30 JUNE 2021	DATE OF EXPIRATION
15 October 2019	10,000,000	–	10,000,000	14 October 2022

Each warrant entitles the warrant holder to subscribe for one new ordinary share in the Company at the exercise price of S\$0.153 per share. The warrants do not entitle the holders of the warrants, by virtue of such holdings, to any rights to participate in any share issue of any other company.

DIRECTORS' STATEMENT

6. AUDIT COMMITTEE

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

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

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50, the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Code of Corporate Governance and assists the Board of Directors in the execution of its corporate governance responsibilities within its established terms of reference.

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

- (a) review the audit plans of the internal and external auditors of the Company, and review the internal auditors' evaluation of the adequacy of the Group's/Company's system of internal accounting controls and the assistance given by the Group's/Company's management to the external and internal auditors;
- (b) review the half-year announcement of financial statements, annual financial statements and the auditors' report on the annual consolidated financial statements of the Company and its subsidiaries before their submission to the Board of Directors;
- (c) review the effectiveness of the Group's/Company's material internal controls, including financial, operational, compliance and information technology controls and risk management via reviews carried out by the internal auditors;
- (d) review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- (e) review the cost effectiveness and the independence and objectivity of the external auditors;
- (f) review the nature and extent of non-audit services provided by the external auditors;
- (g) recommend to the Board of Directors the external auditors to be nominated, approve the compensation of the external auditors and review the scope and results of audit;
- (h) report actions and minutes of the Audit Committee to the Board of Directors with such recommendations as the Audit Committee considers appropriate;
- (i) review interested person transactions in accordance with the requirements of the Listing Manual Section B: Rules of Catalist of the SGX-ST; and
- (j) undertake such other functions and duties as may be agreed to by the Audit Committee and the Board of Directors.

DIRECTORS' STATEMENT

6. AUDIT COMMITTEE (CONT'D)

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

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

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

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

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

7. INDEPENDENT AUDITORS

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

On behalf of the Board of Directors,

.....
Chay Yiowmin
Director

.....
Samantha Hua Lei
Director

Singapore
6 October 2021

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Metech International Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2021 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.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters (cont'd)

KEY AUDIT MATTER

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Valuation of trade and other receivables (including Company's trade and other receivables)

We refer to Note 3(h), Note 14 and Note 23(c) to the consolidated financial statements.

The carrying amount of the Group and the Company's trade and other receivables amounted to S\$59,000 and S\$2,437,000 respectively as at 30 June 2021, net of allowance of S\$1,327,000 and S\$4,296,000.

There are judgements and estimates involved in the application of the expected credit loss model and impairment provision.

We have reviewed the Group's and the Company's control over the receivables collection process, requested and received trade receivables balance confirmation, analysed the aging of trade and other receivables, checked for the receipt of cash after year end, reviewed the adequacy of the Group's and the Company's impairment provisions against trade and other receivables and its disclosures about the degree of estimation involved in arriving at the expected credit loss model.

We found the estimates used by management in deriving the expected credit loss model and impairment provision adequate.

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.

INDEPENDENT AUDITOR'S REPORT

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.

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.

INDEPENDENT AUDITOR'S REPORT

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

- 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 Other Legal and Regulatory Requirements

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

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

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
6 October 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2021

	NOTE	GROUP	
		2021 S\$'000	2020 S\$'000
Revenue	5	15,757	27,469
Cost of sales		(15,466)	(26,948)
Gross profit		291	521
Other income:			
Others	6	117	1,038
Interest income	6	2	18
Administrative expenses		(1,273)	(1,303)
Loss allowance on trade and other receivables		(101)	(37)
Other expenses		(221)	(1,028)
Finance costs	7	(39)	(183)
Loss before income tax	8	(1,224)	(974)
Income tax refund/(expense)	10	17	(17)
Loss for the year		(1,207)	(991)
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
- Exchange differences on currency translation differences		94	98
Other comprehensive income for the year, net of tax		94	98
Total comprehensive loss for the year		(1,113)	(893)
Loss for the year attributable to:			
Equity holders of the Company		(1,167)	(1,031)
Non-controlling interests		(40)	40
		(1,207)	(991)
Total comprehensive loss for the year attributable to:			
Equity holders of the Company		(1,073)	(933)
Non-controlling interests		(40)	40
		(1,113)	(893)
Basic and diluted loss per share (cents per share) attributed to equity holders of the Company			
Loss per share	11	(1.21)	(1.02)

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June 2021

	NOTE	GROUP		COMPANY	
		2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
ASSETS					
Non-current Assets					
Property, plant and equipment	12	150	246	–	–
Investments in subsidiaries	13	–	–	*	*
		150	246	*	*
Current Assets					
Trade and other receivables	14	59	325	2,437	4,764
Cash and bank balances	15	2,138	3,116	46	104
		2,197	3,441	2,483	4,868
Total Assets		2,347	3,687	2,483	4,868
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	179,010	179,010	179,010	179,010
Translation reserve	16	26	(68)	–	–
Accumulated losses	16	(177,126)	(175,959)	(177,051)	(174,878)
		1,910	2,983	1,959	4,132
Non-controlling interest	13	–	40	–	–
Total Equity		1,910	3,023	1,959	4,132
LIABILITIES					
Non-current Liabilities					
Lease liabilities	18	100	63	–	–
Current Liabilities					
Other payables	17	285	538	524	736
Lease liabilities	18	52	46	–	–
Income tax payable		–	17	–	–
		337	601	524	736
Total Liabilities		437	664	524	736
Total Equity and Liabilities		2,347	3,687	2,483	4,868

* Less than S\$1,000

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

GROUP	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
	SHARE CAPITAL S\$'000	TRANSLATION RESERVE S\$'000	ACCUMULATED LOSSES S\$'000	TOTAL S\$'000	NON-CONTROLLING INTEREST S\$'000	TOTAL EQUITY S\$'000
2021						
Balance at 1 July 2020	179,010	(68)	(175,959)	2,983	40	3,023
Loss for the year	–	–	(1,167)	(1,167)	(40)	(1,207)
Other comprehensive income, net of tax						
- Exchange differences on currency translation differences	–	94	–	94	–	94
Total comprehensive income/(loss) for the year	–	94	(1,167)	(1,073)	(40)	(1,113)
Balance at 30 June 2021	179,010	26	(177,126)	1,910	–	1,910
2020						
Balance at 1 July 2019	177,480	(166)	(174,928)	2,386	–	2,386
(Loss)/profit for the year	–	–	(1,031)	(1,031)	40	(991)
Other comprehensive income, net of tax						
- Exchange differences on currency translation differences	–	98	–	98	–	98
Total comprehensive income/(loss) for the year	–	98	(1,031)	(933)	40	(893)
Issuance of ordinary shares (Note 16)	1,530	–	–	1,530	–	1,530
Subscription of interests in a subsidiary	–	–	–	–	*	*
Balance at 30 June 2020	179,010	(68)	(175,959)	2,983	40	3,023

* Less than \$1,000.

The accompanying notes form an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	NOTE	GROUP	
		2021 S\$'000	2020 S\$'000
Cash Flows from Operating Activities			
Loss before income tax		(1,224)	(974)
Adjustments for:			
Depreciation of property, plant and equipment		191	181
Allowance for impairment loss on property, plant and equipment		–	164
Loss allowance on trade and other receivables		101	37
Payables written back		–	(7)
Amortisation of accrual for restoration cost		–	118
Unrealised loss on derivative contracts		44	–
Unrealised foreign exchange loss/(gain)		175	(187)
Reversal of provision for restoration cost		–	(210)
Gain on disposal of property, plant and equipment		(55)	–
Loss on termination of right-of-use assets		4	–
Interest income		(2)	(18)
Interest expense		39	183
Operating cash flows before changes in working capital		(727)	(713)
Changes in working capital:			
Trade and other receivables and contract assets		121	7,535
Inventories		–	13
Trade and other payables and contract liabilities		(247)	(3,419)
Cash (used in)/generated from operating activities		(853)	3,416
Interest received		2	18
Interest paid		(39)	(183)
Net cash (used in)/generated from operating activities		(890)	3,251
Cash Flows from Investing Activity			
Proceeds from disposal of property, plant and equipment		55	–
Net cash generated from investing activity		55	–
Cash Flows from Financing Activities			
Proceeds from issuance of ordinary shares		–	1,530
Repayment of lease liabilities		(56)	(53)
Proceeds from loans from a third party		707	4,391
Repayment of loans from a third party		(707)	(7,330)
Loan from a shareholder		62	–
Repayment to a shareholder		(62)	–
Repayment of non-convertible bonds		–	(2,000)
Net cash used in financing activities		(56)	(3,462)
Net decrease in cash and cash equivalents		(891)	(211)
Cash and cash equivalents at the beginning of the year		3,116	3,354
Effect of exchange rate changes on balances of cash held in foreign currencies		(87)	(27)
Cash and cash equivalents at the end of the year	15	2,138	3,116

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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

1. CORPORATE INFORMATION

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

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

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

(a) Application of New and Revised Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except that for the current financial year, the Group has adopted all the new and revised SFRS(I) and interpretations of SFRS(I) ("INT SFRS(I)") issued that are relevant to the Group and effective for annual financial periods beginning on or after 1 July 2020.

The accounting policies adopted are consistent with those of the previous financial year except as disclosed in Note 4(b)(i) to the financial statements. During the current financial year, the Company has adopted all the new and revised SFRS(I) and interpretations of SFRS(I) ("INT SFRS(I)") issued that are relevant to its operations and effective for annual periods beginning on 1 July 2020. The adoption of the new and revised SFRS(I) has had no material financial impact on the financial statements of the Group.

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

As at the date of authorisation of the financial statements, the Company has not adopted the following new or revised SFRS(I) that have been issued and which are relevant to the Company but will only be effective for the Company for the annual periods beginning on or after 1 July 2021. Management is in the process of assessing the impact of these new standards/amendments on the financial performance or financial position of the Company and is of the view that the adoption of these new standards/amendments will not have material impact on the consolidated financial statements in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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

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

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

DESCRIPTION	EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 16, <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendments to SFRS(I) 16, <i>Covid-19 Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to SFRS(I) 1-16, <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37, <i>Provision – Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to SFRS(I) 3, <i>Business Combination – Reference to the Conceptual Framework</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018 – 2020 – SFRS(I) 9 <i>Financial Instruments – Fees in the "10 per cent" test for de-recognition</i>	1 January 2022
Amendments to SFRS(I) 1-1, <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1, <i>Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements</i>	1 January 2023
Amendments to SFRS(I) 1-8, <i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12, <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 16 *Interest Rate Benchmark Reform - Phase 2*

The amendments provide temporary relief to allow hedge accounting to continue for certain hedges during the period of uncertainty before replacement of an existing Interbank Offered Rate benchmark (IBOR) with an alternative nearly Risk Free Rates (RFRs). The amendments are mandatory for all hedging relationships directly affected by the IBOR reform.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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

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

Amendments to SFRS(I) 16 Covid-19 Related Rent Concessions beyond 30 June 2021

The amendments extend the application period of the practical expedient in SFRS(I) 16 Leases by one year to assist lessees accounting for COVID-19-related rent concessions that reduce only lease payments due on or before 30 June 2022.

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

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

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

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

Amendments to SFRS(I) 3 Business Combination

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

Annual improvements to SFRS(I)s 2018 – 2020 - SFRS(I) 9

Financial Instruments – Fees in the '10 per cent' test for de-recognition

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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

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

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

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

Amendments to SFRS(I) 1-1

Disclosure of Accounting Policies and SFRS(I) Practice Statement 2 Making Materiality Judgements

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

Amendments to SFRS(I) 1-8

Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and SFRS(I). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

(b) Going Concern Assumption

For the financial year ended 30 June 2021, the Group has incurred a net loss and a total comprehensive loss of S\$1,207,000 (2020: S\$991,000) and S\$1,113,000 (2020: S\$893,000), respectively. These conditions indicate an uncertainty exists that may cast doubt on the ability of the Group and the Company to continue as going concerns and to realise their assets and discharge their liabilities in the ordinary course of business.

Notwithstanding the above, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 30 June 2021 is appropriate after taking into consideration the following factors:

- i. As at 30 June 2021, the Group and the Company has net current assets of S\$1,860,000 (2020: S\$2,840,000) and S\$1,959,000 (2020: S\$4,132,000) respectively and the Group and the Company has positive total equity of S\$1,910,000 (2020: S\$3,023,000) and S\$1,959,000 (2020: S\$4,132,000) respectively.
- ii. 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 2021 and to meet its obligations as and when they fall due.
- iii. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Going Concern Assumption (cont'd)

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

(c) Group Accounting

Consolidation

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Group Accounting (cont'd)

Acquisition of businesses

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

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

Acquisition-related costs are expensed as incurred.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Group Accounting (cont'd)

Acquisition of businesses (cont'd)

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

Disposals of subsidiaries or businesses

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

Transaction with non-controlling interests

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Investments in Subsidiaries

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

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

(e) Foreign Currencies

Functional and presentation currency

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

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

Transactions and balances

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Foreign Currencies (cont'd)

Translation of Group entities' financial statements

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Measurement

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

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

Depreciation

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

Office and factory premises	3 to 5 years
Plant and equipment	2 to 8 years (2020: 2 to 10 years)

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

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

Subsequent expenditure

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Disposal

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

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

- (g) Impairment of Non-Financial Assets

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

(h) Financial Assets

Classification and measurement

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

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

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

Initial recognition

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Assets (cont'd)

Subsequent measurement

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

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

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

Impairment

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Assets (cont'd)

Impairment (cont'd)

Simplified approach – Trade receivables

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

General approach – Other financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Assets (cont'd)

Impairment (cont'd)

General approach – Other financial assets (cont'd)

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

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

Credit-impaired financial assets

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

Measurement of expected credit loss

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

Write-off policy

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Assets (cont'd)

Recognition and Derecognition

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

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

(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.

(j) Financial Liabilities

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) 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.

(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) Trade and Other Payables

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Borrowings

Borrowings

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

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

Borrowing Costs

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

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

(o) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Leases

When the Group is the lessee

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Leases (cont'd)

When the Group is the lessee (cont'd)

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

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

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

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

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

When the Group is the lessor

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

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

(q) Government Grants

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) 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.

(s) Employee Benefits

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

Defined contribution plans

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

Employee leave entitlement

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

(t) Revenue

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

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

Sale of goods

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Revenue (cont'd)

Sale of goods (cont'd)

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

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

Service fee

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

(u) Income Tax

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

Current tax

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Income Tax (cont'd)

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 in which the liability is settled or the asset realised based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Segment Reporting

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

(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 (in this Standard referred to as the "reporting entity").

- a. A person or a close member of that person's family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to a reporting entity if any of the following conditions applies:
 - i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - iii. both entities are joint ventures of the same third party;
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - vi. the entity is controlled or jointly controlled by a person identified in (a);
 - vii. a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
 - viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Fair Value Estimation

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

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

(a) Critical Judgements in Applying the Accounting Policies

(i) Impairment of investments in subsidiaries

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

The carrying amount of the Company's investments in subsidiaries as at 30 June 2021 and the allowance for impairment loss recognised are disclosed in Note 13.

(b) Key Sources of Estimation Uncertainty

(i) Useful life of property, plant and equipment

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

During the current financial year, the Group changed its useful life of plant and equipment from 2 to 10 years to 2 to 8 years based on expected remaining useful life of the assets. These plant and equipment were disposed during the current year and the Group recorded proceeds of S\$55,000 and a corresponding gain of S\$55,000 in profit or loss. The carrying amount of the Group's property, plant and equipment are disclosed in Note 12.

(ii) Loss allowance for trade and other receivables

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

The carrying amount of the Group's and the Company's trade and other receivables at 30 June 2021 are disclosed in Note 14. The information about the expected credit losses on the Group's trade and other receivables are disclosed in Note 14 and Note 23(c).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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 22.

	GROUP	
	2021 S\$'000	2020 S\$'000
<i>Principal geographical market</i>		
People's Republic of China	–	27,469
Singapore	15,757	–
<i>Major product or service line and time of recognition</i>		
<u>Performance obligations satisfied at a point in time</u>		
Sale of goods - Copper Cathodes and products	–	27,370
Sale of goods - Nickel and Gold Ingot	15,757	–
<u>Performance obligations satisfied over time</u>		
Provision of services	–	99
	15,757	27,469

Contract balances

	GROUP	
	2021 S\$'000	2020 S\$'000
<i>Contract assets</i>		
Unbilled receivables	–	–
<i>Contract liabilities</i>		
Advances from customers	–	–

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

5. REVENUE (CONT'D)

Contract balances (cont'd)

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

	GROUP	
	2021 S\$'000	2020 S\$'000
<u>Contract assets</u>		
Balance at 1 July	–	3,855
Contract assets reclassified to trade receivables	–	(3,855)
Balance at 30 June	–	–
<u>Contract liabilities</u>		
Balance at 1 July	–	(103)
Advance payment recognised as sales	–	103
Balance at 30 June	–	–

6. OTHER INCOME

	GROUP	
	2021 S\$'000	2020 S\$'000
Rental of building and plant and equipment income – operating leases	111	945
Foreign exchange loss – unrealised/realised	(90)	(44)
Gain on disposal of property, plant and equipment	55	–
Government grants income	41	34
Reversal of provision for reinstatement cost, net	–	92
Payables written back	–	7
Other miscellaneous income	–	4
	117	1,038
Interest income	2	18
	119	1,056

During the current financial year, the Group has received various government grant income related to various temporary wage support scheme as introduced by the Singapore government aimed to help companies retain and pay their workers as businesses take a hit from the Covid-19 pandemic. The Group recorded government grant income of S\$41,000 (2020: S\$34,000) related to various temporary wage support schemes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

7. FINANCE COSTS

	GROUP	
	2021 S\$'000	2020 S\$'000
Interest expense on:		
- loans from third party	30	70
- loans from a shareholder	2	-
- lease liabilities	7	6
- non-convertible bonds	-	107
	39	183

8. LOSS BEFORE INCOME TAX

	GROUP	
	2021 S\$'000	2020 S\$'000
This is arrived at after charging:		
Operating lease expenses		
- included in administrative expenses	24	41
- included in other expenses	-	675
Depreciation of property, plant and equipment		
- included in administrative expenses	24	36
- included in other expenses	167	145
Impairment of property, plant and equipment		
- included in other expenses	-	164
Employee benefits (including directors' remuneration)		
- included in administrative expenses (Note 9)	644	503
Directors' fees	169	92
Realised gains on future contracts	-	(117)
Unrealised losses on future contracts	44	-
Fees on audit services paid/payable to:		
- Auditors of the Company	76	84

There were no non-audit fees paid/payable to the auditors of the Company during the financial years ended 30 June 2021 and 2020.

9. EMPLOYEE BENEFITS EXPENSES

	GROUP	
	2021 S\$'000	2020 S\$'000
Employee benefits comprised:		
- Salaries and bonuses	576	456
- Employer's contribution to Central Provident Fund	62	46
- Other short-term employee benefits	6	1
	644	503

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

10. INCOME TAX

	GROUP	
	2021 S\$'000	2020 S\$'000
Current income tax	–	17
Over-provision in prior year	(17)	–
	(17)	17

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

	GROUP	
	2021 S\$'000	2020 S\$'000
Loss before income tax	(1,224)	(974)
Tax at the applicable tax rate of 17% (2020: 17%)	(208)	(166)
Income not subject to tax	(272)	(7)
Tax effect of non-deductible items	96	67
Deferred tax benefits not recognised	384	123
Over-provision in prior year	(17)	–
	(17)	17

The Group's applicable tax rate used for the reconciliation above is the corporate tax rate of 17% (2020: 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\$25,526,000 and S\$5,118,000 (2020: S\$24,719,000 and S\$3,663,000), respectively, that are available for offset against future taxable profits of those corporate entities of the Group in which these tax losses arose. The use of these unutilised tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax regulation of the respective countries in which the corporate entities of the Group operate. The unutilised tax losses have no expiry dates.

The deferred tax assets arising from these unutilised tax losses and capital allowances of approximately S\$5,101,000 (2020: S\$4,717,000) have not been recognised in accordance with the Group's accounting policy in Note 3(u).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

11. LOSS PER SHARE

(a) Basic loss per share

	GROUP	
	2021	2020
<i>Loss for the year attributable to equity holders of the Company used in the computation of basic loss per share (S\$'000)</i>		
Loss for the year	(1,207)	(991)
Weighted average number of ordinary shares for the purpose of computation of basic loss per share ('000)	100,040	97,143
<i>Basic and diluted loss per share (cents per share) (S\$'000)</i>		
Loss per share	(1.21)	(1.02)

(b) Diluted loss per share

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

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

There are no potential dilutive shares during the financial years ended 30 June 2021 and 2020.

Diluted loss per share is the same as basic earnings per share for the financial year ended 30 June 2021 and 2020. The warrants issued were anti-dilutive during the financial year ended 30 June 2021 and 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

12. PROPERTY, PLANT AND EQUIPMENT

	OFFICE AND FACTORY PREMISES S\$'000	PLANT AND EQUIPMENT S\$'000	TOTAL S\$'000
Group			
<u>Cost</u>			
Balance at 1 July 2019	–	1,706	1,706
Additions	112	–	112
Balance at 30 June 2020	112	1,706	1,818
Additions	163	–	163
Disposals/Written off	(112)	(1,706)	(1,818)
Balance at 30 June 2021	163	–	163
<u>Accumulated depreciation and impairment</u>			
Balance at 1 July 2019	–	1,227	1,227
Depreciation for the year	33	148	181
Impairment	–	164	164
Balance at 30 June 2020	33	1,539	1,572
Depreciation for the year	24	167	191
Disposals/Written off	(44)	(1,706)	(1,750)
Balance at 30 June 2021	13	–	13
<u>Carrying amount</u>			
Balance at 30 June 2020	79	167	246
Balance at 30 June 2021	150	–	150

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

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

	PLANT AND EQUIPMENT S\$'000	TOTAL S\$'000
Company		
<u>Cost</u>		
Balance at 1 July 2019 and 1 July 2020	18	18
Written off	(18)	(18)
Balance at 30 June 2021	–	–
<u>Accumulated depreciation</u>		
Balance at 1 July 2019	17	17
Depreciation for the year	1	1
Balance at 30 June 2020	18	18
Written off	(18)	(18)
Balance at 30 June 2021	–	–
<u>Carrying amount</u>		
Balance at 30 June 2020	–	–
Balance at 30 June 2021	–	–

Right-of-use assets acquired under leasing arrangement are presented together with the owned assets of the same class. During the current financial year, the property, plant and equipment included S\$163,000 additions of right-of-use assets and S\$68,000 disposals of right-of-use assets under leasing arrangements (Note 18) and recognised gain on disposal of property, plant and equipment amounting S\$55,000 in profit or loss.

During the financial year ended 30 June 2020, the Group impaired certain property, plant and equipment with a net book value of S\$164,000, and the recoverable amount was determined using fair value less costs of disposal. These plant and equipment were mainly rendered technologically obsolete and/or were derecognised as part of the disposal of discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

13. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2021 S\$'000	2020 S\$'000
Equity investments, at cost	22,600	22,600
Less: Impairment losses	(22,600)	(22,600)
	*	*
Impairment losses on equity investments		
- Balance at 30 June	(22,600)	(22,600)

* Less than S\$1,000

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

NAME OF COMPANY/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PERCENTAGE OF EFFECTIVE EQUITY INTEREST HELD BY THE GROUP	
		2021 %	2020 %
<u>Held by the Company</u>			
Metech Recycling (Singapore) Pte. Ltd. ⁽¹⁾ Singapore	Provision of a one-stop recycling and processing service centre for the electronics industry and the trading of plastics and non-precious metal materials	100	100
Nolash Tech Pte. Ltd. ⁽¹⁾ Singapore	General wholesale trade (including general importers and exporters) and wholesale trade of a variety of goods without a dominant product and provision of recycling technology, operation, procurement management services	100	100
Asian Agritech Pte. Ltd. ⁽²⁾⁽³⁾ Singapore	Carry out circular economy marketing, advisory and management services in relation to recycling and trading in Singapore and PRC	51	51
Asian Green Tech Pte. Ltd. ⁽¹⁾ Singapore	Engineering design and consultancy services in energy management and clean energy system	100	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

NAME OF COMPANY/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	PERCENTAGE OF EFFECTIVE EQUITY INTEREST HELD BY THE GROUP	
		2021	2020
		%	%
<u>Held by Nolash Tech Pte. Ltd.</u>			
Nolash Tech (Shanghai) Co., Ltd. ⁽²⁾	General wholesale trade	100	100
People's Republic of China			

(1) Audited by Moore Stephens LLP, Singapore.

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

(3) In the process of striking off.

- (b) Incorporation of subsidiaries

- (i) On 17 August 2020, the Company incorporated a wholly owned subsidiary, Asian Green Tech Pte. Ltd. in Singapore. Asian Green Tech Pte. Ltd. has an issued and paid up capital of S\$100 divided into 100 shares.
- (ii) On 30 June 2020, the Company incorporated a 51.0% owned subsidiary, Asian Agritech Pte. Ltd. in Singapore. Asian Agritech Pte. Ltd. has an issued and paid up capital of S\$100 divided into 100 shares.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

13. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Interest in subsidiary with material non-controlling interests

As at 30 June 2021, the non-controlling interest is Nil (2020: S\$40,000). The summarised financial information of Asian Agritech Pte. Ltd. below represents amounts before elimination.

	GROUP	
	2021	2020
	S\$'000	S\$'000
Current assets	*	99
Current liabilities	–	(17)
Revenue	–	99
Expenses (including tax expenses)	(84)	(17)
(Loss)/Profit for the year	(84)	82
(Loss)/Profit attributable to owners of the Company	(44)	42
(Loss)/Profit attributable to the non-controlling interests	(40)	40
	(84)	82
Total comprehensive (loss)/income attributable to owners of the Company	(44)	42
Total comprehensive (loss)/income attributable to the non-controlling interests	(40)	40
	(84)	82
Net cash inflow from operating activities	*	*
Net cash inflow from financing activities	*	*
Net cash inflow	–	–

* Less than S\$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

14. TRADE AND OTHER RECEIVABLES

		GROUP		COMPANY	
		2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Trade receivables	(a)	101	99	–	–
Less: Allowances for impairment losses		(101)	–	–	–
		–	99	–	–
Other receivables:					
Amounts due from subsidiaries (non-trade)	(b)	–	–	6,711	7,345
Other receivables – third parties	(c)	1,226	1,400	–	–
Margin trading account:	(d)				
- Margin deposit		57	–	–	–
- Unrealised loss on derivative contracts		(44)	–	–	–
		13	–	–	–
Government grants receivable		3	22	3	22
Deposits	(e)	25	10	4	–
		1,267	1,432	6,718	7,367
Less: Allowances for impairment losses		(1,226)	(1,226)	(4,296)	(2,618)
Financial assets		41	206	2,422	4,749
Prepayments		14	16	14	12
GST receivable		4	4	1	3
		59	226	2,437	4,764
Total trade and other receivables		59	325	2,437	4,764

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

Trade receivables are non-interest bearing and generally has credit of 30 to 90 (2020: 30 to 90) day terms. Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses as disclosed in the accounting policy Note 3(h). There has been no change in the estimation techniques or significant assumptions made during the current reporting period. None of the trade receivables that have been written off is subject to enforcement activities.

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

	LIFETIME EXPECTED LOSS RATE %	GROSS CARRYING AMOUNTS S\$'000	LIFETIME EXPECTED CREDIT LOSSES S\$'000	NET CARRYING AMOUNTS S\$'000
Group				
<u>2021</u>				
Current	*	101	(101)	–
<u>2020</u>				
Current	*	99	*	99

* Insignificant expected loss rate.

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

	GROUP	
	2021 S\$'000	2020 S\$'000
Balance at 1 July	–	–
Impairment loss recognised in profit or loss	101	–
Balance at 30 June	101	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

14. TRADE AND OTHER RECEIVABLES (CONT'D)

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

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

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

	COMPANY	
	2021	2020
	S\$'000	S\$'000
Balance at 1 July	(2,618)	(3,657)
Allowance for the year	(1,678)	(593)
Reversal for the year	–	1,632
Balance at 30 June	(4,296)	(2,618)

(c) Other receivables – third parties

As at 30 June 2021 and 30 June 2020, included in other receivables were amounts totalling S\$1,162,000 due from a former subsidiary that was disposed of in the financial year ended 30 June 2019. The gross amounts of S\$1,162,000 has been fully impaired in previous financial year ended 30 June 2019.

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

	GROUP	
	2021	2020
	S\$'000	S\$'000
Balance at 1 July	(1,226)	(1,189)
Impairment loss	–	(37)
Balance at 30 June	(1,226)	(1,226)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

14. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) Margin trading account

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

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

	GROUP	
	2021	
	CONTRACT NOTIONAL AMOUNT	FAIR VALUE
	S\$'000	S\$'000
Derivative contracts at Fair value through profit or loss		
- Paper transactions on futures contracts – metals	147	*

* Less than S\$1,000

(e) Deposit

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

15. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	2,138	3,116	46	104

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

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

16. SHARE CAPITAL

	GROUP AND COMPANY			
	2021	2021	2020	2020
	NO. OF ORDINARY SHARES	AMOUNT	NO. OF ORDINARY SHARES	AMOUNT
	'000	S\$'000	'000	S\$'000
<u>Issued and fully paid:</u>				
Balance at 1 July	100,040	179,010	90,040	177,480
Issuance of ordinary shares	–	–	10,000	1,530
Balance at 30 June	100,040	179,010	100,040	179,010

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

16. SHARE CAPITAL (CONT'D)

Translation reserve and accumulated losses

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

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

17. OTHER PAYABLES

	GROUP		COMPANY	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Sundry creditors	33	123	7	68
Accruals for:				
- professional fees	207	90	62	71
- staff costs	35	44	107	40
- other costs	5	-	45	3
Deposits	5	11	-	-
Deferred government grant	-	19	-	19
Accrued operating expenses	-	246	-	40
GST payable	-	5	-	-
Amount due to subsidiaries	-	-	303	495
Total	285	538	524	736

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

18. LEASE LIABILITIES

(a) The Group as a lessee

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

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

	GROUP	
	2021	2020
	S\$'000	S\$'000
Office and factory premises	150	79
Plant and equipment	–	167

Additions of right-of-use assets classified within property, plant and equipment during the financial year are S\$163,000 (2020: S\$112,000). During the financial year ended 30 June 2021, the disposal of right-of-use assets classified within property, plant and equipment arising from termination of leased properties amounted to S\$68,000 (2020: Nil). The Group de-recognised the corresponding lease liabilities amounted to S\$64,000 and recognised loss on termination of right-of-use assets amounted to S\$4,000 in profit or loss.

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

	GROUP	
	2021	2020
	S\$'000	S\$'000
Office and factory premises	24	33
Plant and equipment	167	148

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

18. LEASE LIABILITIES (CONT'D)

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

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

	GROUP	
	2021	2020
	S\$'000	S\$'000
Interest expenses on lease liabilities	7	6
Expenses relating to short-term leases	24	716
Total cash outflows for leases (excluding short-term leases)	56	53

The Group recognised lease liabilities as follows:

	GROUP	
	2021	2020
	S\$'000	S\$'000
Lease liabilities:		
Current	52	46
Non-current	100	63
	152	109

- (b) The Group as a lessor

The Group subleased certain office, warehouse and factory premises and equipment under operating leases with tenure periods of about 1 year. Undiscounted lease payments from the operating leases to be received after the reporting date were set out in Note 20 to the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

19. CASH FLOWS ARISING FROM FINANCING ACTIVITIES

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

	BORROWINGS				TOTAL S\$'000
	LOAN FROM A SHAREHOLDER S\$'000	BORROWINGS LOANS S\$'000	NON- CONVERTIBLE BONDS S\$'000	LEASE LIABILITIES S\$'000	
Group					
<u>2021</u>					
At 1 July 2020	–	–	–	109	109
Proceeds	62	707	–	–	769
Repayment	(62)	(707)	–	(56)	(825)
<u>Non-cash changes</u>					
Adjustment to property, plant and equipment	–	–	–	99	99
At 30 June 2021	–	–	–	152	152
<u>2020</u>					
At 1 July 2019	–	2,939	2,000	50	4,989
Proceeds	–	4,391	–	–	4,391
Repayment	–	(7,330)	(2,000)	(53)	(9,383)
<u>Non-cash changes</u>					
Adjustment to property, plant and equipment	–	–	–	112	112
At 30 June 2020	–	–	–	109	109

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

20. COMMITMENTS

When the Group is a lessor

The Group leased certain plant and equipment under operating leases with tenure periods of about 1 years. At the reporting date, undiscounted lease payments from the operating leases to be received after the reporting date were as follows:

	GROUP	
	2021	2020
	S\$'000	S\$'000
Within one year	–	109
Total undiscounted lease payments	–	109

21. 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	
	2021	2020
	S\$'000	S\$'000
Key management personnel compensation comprised:		
- Short-term employee benefits	424	310
- Central Provident Fund contributions	35	28
- Fees to Directors of the Company	169	92
	628	430
Comprised amounts paid/payable to:		
- Directors of the Company	562	272
- Other key management personnel	66	158
	628	430

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

21. RELATED PARTIES TRANSACTIONS (CONT'D)

(b) Other Related Party Transactions

	GROUP	
	2021	2020
	S\$'000	S\$'000
<u>A shareholder of the Group</u>		
Loan advanced to the Group	62	–
Repayment from the Group	(62)	–
<u>A related party</u>		
Advances/loan given to the Group	–	590
Repayment from the Group	–	(590)

During the financial year ended 30 June 2021, a shareholder of the Group provided an advance of RMB300,000 (S\$62,000) to the Group, at interest rate of 9% per annum with interest expenses amounted S\$2,000 (2020: Nil) and the amounts have been fully repaid by the Group in June 2021.

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

22. OPERATING SEGMENTS

The Group has two reportable segments, Supply-Chain Management and services and Corporate (2020: two reportable segments, Supply-Chain Management and services and Corporate) which are the Group's strategic business units. For each of the strategic business units, the Group's Deputy Chief Executive Officer (Deputy CEO) reviews and monitors the operating results of these strategic business units separately for the purpose of internal management reports on a monthly basis to make strategic decisions.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

22. OPERATING SEGMENTS (CONT'D)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

22. OPERATING SEGMENTS (CONT'D)

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

	GROUP	
	2021	2020
	S\$'000	S\$'000
<i>Segment assets</i>		
Supply-Chain Management and services	2,279	3,547
Corporate	68	140
Consolidated total segment assets	2,347	3,687
<i>Segment liabilities</i>		
Supply-Chain Management and services	215	423
Corporate	222	241
Consolidated total segment liabilities	437	664

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

22. OPERATING SEGMENTS (CONT'D)

Geographical information

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

	GROUP'S REVENUE FROM EXTERNAL CUSTOMERS		GROUP'S NON-CURRENT ASSETS	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Singapore	15,757	–	150	246
People's Republic of China	–	27,469	–	–
	15,757	27,469	150	246

Major customers

Included in revenue arising from Supply-Chain Management and services segment of S\$15,757,000 (2020: S\$27,469,000), were revenues of approximately S\$15,612,000 (2020: S\$20,060,000) which arose from sales to 3 (2020: 1) major customer(s) during the relevant financial years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

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

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

(a) Price risk

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

(b) Foreign currency risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(b) Foreign currency risk (cont'd)

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

	SGD S\$'000	USD S\$'000	RMB S\$'000	TOTAL S\$'000
Group				
<u>2021</u>				
<u>Financial assets</u>				
Trade and other receivables	40	–	1	41
Cash and bank balances	97	2,021	20	2,138
	137	2,021	21	2,179
<u>Financial liabilities</u>				
Other payables	(276)	–	(9)	(285)
Lease liabilities	(152)	–	–	(152)
	(428)	–	(9)	(437)
Net financial (liabilities)/assets	(291)	2,021	12	1,742
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	196	(1,990)	(12)	(1,806)
Currency exposure	(95)	31	–	(64)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(b) Foreign currency risk (cont'd)

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

	SGD	USD	RMB	TOTAL
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
<u>2020</u>				
<u>Financial assets</u>				
Trade and other receivables	206	–	99	305
Cash and bank balances	3,011	6	99	3,116
	<u>3,217</u>	<u>6</u>	<u>198</u>	<u>3,421</u>
<u>Financial liabilities</u>				
Other payables	(492)	–	(22)	(514)
Lease liabilities	(109)	–	–	(109)
	<u>(601)</u>	<u>–</u>	<u>(22)</u>	<u>(623)</u>
Net financial assets	2,616	6	176	2,798
Less: Net financial assets denominated in the respective entities' functional currencies	(85)	(3)	(176)	(264)
Currency exposure	<u>2,531</u>	<u>3</u>	<u>–</u>	<u>2,534</u>

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(c) Credit risk

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

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

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

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

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

	GROUP	
	2021	2020
	S\$'000	S\$'000
Trade receivables by country:		
- China	–	99

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(c) Credit risk (cont'd)

Trade receivables

As disclosed in Note 3(h), the Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on their shared credit risk characteristics and numbers of days past due. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Further details on the loss allowance of the Group's credit risk exposure in relation to the trade receivables is disclosed in Note 14.

Cash and bank balances

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(c) Credit risk (cont'd)

Other receivables

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(c) Credit risk (cont'd)

Credit risk grading guideline

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(c) Credit risk (cont'd)

Credit risk exposure and significant credit risk concentration

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

	INTERNAL CREDIT RATING	ECL	GROSS CARRYING AMOUNT S\$'000	LOSS ALLOWANCE S\$'000	NET CARRYING AMOUNT S\$'000
Group					
<u>2021</u>					
Trade receivables	Note A	Lifetime ECL (Simplified)	101	(101)	–
Other receivables	Performing	12-month ECL	41	–	41
Other receivables	Non- Performing	Lifetime ECL (Credit impaired)	1,226	(1,226)	–
<u>2020</u>					
Trade receivables	Note A	Lifetime ECL (Simplified)	99	–	99
Other receivables	Performing	12-month ECL	206	–	206
Other receivables	Non- Performing	Lifetime ECL (Credit impaired)	1,226	(1,226)	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(c) Credit risk (cont'd)

Credit risk exposure and significant credit risk concentration (cont'd)

	INTERNAL CREDIT RATING	ECL	GROSS CARRYING AMOUNT S\$'000	LOSS ALLOWANCE S\$'000	NET CARRYING AMOUNT S\$'000
Company					
<u>2021</u>					
Other receivables	Performing	12-month ECL	7	–	7
Other receivables	Non- Performing	Lifetime ECL (Credit impaired)	6,711	(4,296)	2,415
<u>2020</u>					
Other receivables	Performing	12-month ECL	22	–	22
Other receivables	Non- Performing	Lifetime ECL (Credit impaired)	7,345	(2,618)	4,727

Note A – The Group have applied the simplified approach to measure the loss allowance at lifetime expected credit loss. The details of the loss allowance for these financial assets are disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

(d) Liquidity risk

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

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

Other than the maturity profiles of the 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

23. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Objectives and Policies (cont'd)

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

Fair value hierarchy

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

- i. Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- ii. Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- iii. Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Other financial assets and financial liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

24. CAPITAL MANAGEMENT

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

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

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

	GROUP	
	2021	2020
	S\$'000	S\$'000
Net debts	(1,701)	(2,469)
Total equity	1,910	3,023
Net debt-to-equity ratio	N.M.	N.M.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2021

25. EVENTS AFTER THE REPORTING DATE

- (a) On 21 September 2021, the Company announced that the Company's wholly-owned subsidiary, Metech Recycling (Singapore) Pte. Ltd. entered into a sale and purchase agreement to acquire 60% equity interest in Blufu Water (Xinmin) Co., Ltd, a company incorporated in PRC, for a cash consideration of S\$516,440. Details of the assets acquired and liabilities assumed, non-controlling interest that will be recognised, revenue and profit contribution of Blufu Water (Xinmin) Co., Ltd and the effect of the cash flows for the Group are not disclosed, as the accounting for this acquisition is still incomplete at the time that these financial statements have been authorised for issue.
- (b) On 24 September 2021, the Company's wholly-owned subsidiary, Asian Green Tech Pte. Ltd. entered into a joint venture arrangement with a third party to incorporate a new entity incorporated in Singapore, Asian Eco Technology Pte. Ltd. to carry out the business of manufacturing and distribution of lab-grown diamonds. The Group will hold 51% equity interest in Asian Eco Technology Pte. Ltd.
- (c) On 30 September 2021, the Company entered into a placement agreement with Placement Agent to procure subscriptions for, an aggregate of up to 33,346,550 fully paid-up ordinary shares in the capital of the Company ("Placement Shares") at an issue price of S\$0.21 for each Placement Share amounting to an aggregate consideration of up to S\$7.00 million. The Company has also agreed to issue up to 16,673,275 free, detachable, transferrable and non-listed warrants (the "Warrants") on the basis of one warrant for every two Placement Shares, with each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.21 for each warrant issue.

STATISTICS OF SHAREHOLDINGS

As at 1 October 2021

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

DISTRIBUTION OF SHAREHOLDINGS AS AT 1 OCTOBER 2021

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS		NO. OF SHARES	
		%		%
1 - 99	3,919	34.09	153,344	0.15
100 - 1,000	5,452	47.43	1,797,544	1.80
1,001 - 10,000	1,703	14.81	5,353,860	5.35
10,001 - 1,000,000	405	3.52	20,894,925	20.89
1,000,001 AND ABOVE	17	0.15	71,839,982	71.81
TOTAL	11,496	100.00	100,039,655	100.00

STATISTICS OF SHAREHOLDINGS

As at 1 October 2021

TWENTY LARGEST SHAREHOLDERS AS AT 1 OCTOBER 2021

NO.	NAME	SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	13,557,110	13.55
2	WU YONGQIANG	11,000,000	11.00
3	ANG POH GUAN	6,060,000	6.06
4	TIANG MING KIONG	4,797,479	4.80
5	DBS NOMINEES (PRIVATE) LIMITED	4,559,763	4.56
6	PLATON RESOURCES PTE. LTD.	4,358,794	4.36
7	ANG POH HWEE	4,000,000	4.00
8	CHEN YAN	4,000,000	4.00
9	LIM LIANG MENG	3,400,000	3.40
10	TAN NG KUANG	3,115,840	3.11
11	TAN SIJI MACARTHUR	2,546,793	2.55
12	APZENITH CAPITAL PTE LTD	2,346,769	2.35
13	PHILLIP SECURITIES PTE LTD	2,211,476	2.21
14	OCBC SECURITIES PRIVATE LIMITED	1,855,677	1.85
15	IFAST FINANCIAL PTE. LTD.	1,461,821	1.46
16	UOB KAY HIAN PRIVATE LIMITED	1,386,964	1.39
17	RAFFLES NOMINEES (PTE.) LIMITED	1,181,496	1.18
18	MAYBANK KIM ENG SECURITIES PTE. LTD.	884,086	0.88
19	CHUA WEE CHONG	867,000	0.87
20	LEE AI NI	666,060	0.67
	TOTAL	74,257,128	74.25

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

Based on the information available to the Company as at 1 October 2021, approximately 67.19 % 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 1 October 2021

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Registrar of Substantial Shareholders)

	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
Simon Eng	14,393,677 ⁽¹⁾	14.39	420,000 ⁽²⁾	0.42
Wu Yongqiang	12,365,500 ⁽³⁾	12.36	-	-
Ang Poh Guan	6,060,000	6.06	-	-

- Simon Eng has 13,003,377 Shares under his nominee account with Citibank Nominees Singapore Pte Ltd and 1,390,300 shares registered under his SRS account.
- Simon Eng is deemed interested in 420,000 Shares held by his spouse, Ms Hau Chan Yen.
- Wu Yongqiang has 11,000,000 Shares under his personal CDP account, 1,363,500 Shares under his nominee account with IFAST Financial Pte Ltd and 2,000 Shares under his nominee account with Phillip Securities Pte Ltd.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chay Yiowmin

(Independent Non-Executive Chairman)

Samantha Hua Lei

(Executive Director/
Deputy Chief Executive Officer)

Ricky Sim Eng Huat

(Independent Director)

Chng Hee Kok

(Independent Director)

Tan Siji Macarthur

(Non-Independent Non-Executive Director)

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

Ricky Sim Eng Huat (Chairman)
Chng Hee Kok
Tan Siji Macarthur

REMUNERATION COMMITTEE

Chng Hee Kok (Chairman)
Ricky Sim Eng Huat
Tan Siji Macarthur

COMPANY SECRETARY

Gn Jong Yuh Gwendolyn

REGISTERED OFFICE

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

AUDITORS

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

AUDIT PARTNER-IN-CHARGE

Chan Rouh Ting
(Appointed since Financial Year 2020)

PRINCIPAL BANKERS

CIMB Bank Berhad
HL Bank

CONTINUING SPONSOR

RHT Capital Pte. Ltd.
6 Raffles Quay, #24-02
Singapore 048580

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
(formerly known as RHT Corporate Advisory Pte. Ltd.)
30 Cecil Street #19-08
Prudential Tower
Singapore 049712



metech
铭泰国际



METECH INTERNATIONAL LIMITED

Company Registration No. : 199206445M

100G Pasir Panjang Road

#04-07 Interlocal Centre

Singapore 118523

Telephone : +65 6250 4518

Email : info@metechinternational.com

Website : www.metechinternational.com