



(Company Registration No. 199206445M)

## **Metech International Limited**

(Incorporated in the Republic of Singapore)

Condensed interim financial statements  
For the six months ended 31 December 2022

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## UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2022 (“1H2023”).

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

	Note	Group		Inc/(Dec)	
		6 months ended	6 months ended	S\$'000	%
		31/12/2022	31/12/2021		
		S\$'000	S\$'000		
<b>Revenue</b>	4	-	3,291	(3,291)	(100.0)
Cost of sales		-	(3,333)	3,333	(100.0)
<b>Gross profit</b>		-	(42)		(100.0)
<b>Gross profit margin</b>		-	(1.3) %		
Other income:					
Others	6	29	38	(9)	(23.7)
Interest income		18	-	18	nm
Administrative expenses		(1,298)	(921)	(377)	40.9
Impairment losses on trade and other receivables		(14)	-	(14)	nm
Other expenses	7	(5,053)	(238)	(4,815)	nm
Finance costs		(18)	(11)	(7)	63.6
<b>Loss before income tax</b>	8	<b>(6,336)</b>	(1,174)		nm
Income tax expense	9	-	-	-	nm
<b>Loss from continuing operations</b>		<b>(6,336)</b>	(1,174)		nm
<b>Profit from discontinued operations</b>	10	-	127	(127)	(100.0)
<b>Loss after income tax</b>		<b>(6,336)</b>	(1,047)		nm
Other comprehensive income/(loss), net of income tax:					
Foreign currency translation difference		177	(21)	198	nm
<b>Total comprehensive loss, for the financial period</b>		<b>(6,159)</b>	(1,068)		nm
<b>Loss attributable to:</b>					
Equity holders of the Company		(3,888)	(972)	(2,916)	nm
Non-controlling interest		(2,448)	(75)	(2,373)	nm
		<b>(6,336)</b>	(1,047)		
<b>Total comprehensive loss attributable to:</b>					
Equity holders of the Company		(3,711)	(995)	(2,716)	nm
Non-controlling interest		(2,448)	(73)	(2,375)	nm
		<b>(6,159)</b>	(1,068)		
<b>Total (loss)/earning per share, for the period attributable to the owners of the company</b>					
Basic and diluted, from continuing operations	cents	(2.5654)	(0.9403)		
Basic and diluted, from discontinued operations	cents	-	0.1087		

nm = not meaningful

The calculation of (loss)/earning per share was based on 151,555,655 shares as at 31 December 2022 and weighted average shares of 116,883,247 as at 31 December 2021.

## B. Condensed interim statements of financial position

	Note	The Group		The Company	
		As at	As at	As at	As at
		31/12/2022	30/06/2022	31/12/2022	30/06/2022
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	13	2,256	6,403	-	-
Investment in subsidiaries	14	-	-	-	-*
		<u>2,256</u>	<u>6,403</u>	<u>-</u>	<u>-</u>
<b>Current Assets</b>					
Inventories	15	66	483	-	-
Trade receivables	16	-	14	-	-
Other receivables	17	265	271	4,884	10,560
Cash and bank balances	18	4,163	6,053	789	629
		<u>4,494</u>	<u>6,821</u>	<u>5,673</u>	<u>11,189</u>
<b>Total Assets</b>		<b><u>6,750</u></b>	<b><u>13,224</u></b>	<b><u>5,673</u></b>	<b><u>11,189</u></b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	20	189,134	189,134	189,134	189,134
Translation reserve		20	(157)	-	-
Accumulated losses		(182,924)	(179,036)	(183,984)	(178,388)
		<u>6,230</u>	<u>9,941</u>	<u>5,150</u>	<u>10,746</u>
Non-controlling interest	21	(685)	1,763	-	-
<b>Total Equity</b>		<b><u>5,545</u></b>	<b><u>11,704</u></b>	<b><u>5,150</u></b>	<b><u>10,746</u></b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Lease liabilities	22	372	600	-	-
Provision	23	75	75	-	-
		<u>447</u>	<u>675</u>	<u>-</u>	<u>-</u>
<b>Current Liabilities</b>					
Other payables	24	573	642	523	443
Contract liabilities	4	14	15	-	-
Lease liabilities	22	171	188	-	-
		<u>758</u>	<u>845</u>	<u>523</u>	<u>443</u>
<b>Total Liabilities</b>		<b><u>1,205</u></b>	<b><u>1,520</u></b>	<b><u>523</u></b>	<b><u>443</u></b>
<b>Total Equity and Liabilities</b>		<b><u>6,750</u></b>	<b><u>13,224</u></b>	<b><u>5,673</u></b>	<b><u>11,189</u></b>

\*Less than S\$1,000

## C. Condensed interim statements of changes in equity

The Group	Share S\$'000	Translation Reserve S\$'000	Accumulated Losses S\$'000	Total S\$'000	Non-Controlling Interest	
					S\$'000	Total S\$'000
<b>2022</b>						
<b>Balance at 1 July 2022</b>	189,134	(157)	(179,036)	9,941	1,763	11,704
Loss for the financial period	-	-	(3,888)	(3,888)	(2,448)	(6,336)
Other comprehensive income - Foreign currency translation	-	177	-	177	-	177
<b>Total comprehensive loss for the financial period</b>	-	177	(3,888)	(3,711)	(2,448)	(6,159)
<b>Balance at 31 December 2022</b>	189,134	20	(182,924)	6,230	(685)	5,545
<b>2021</b>						
<b>Balance at 1 July 2021</b>	179,010	26	(177,126)	1,910	-	1,910
Loss for the financial period	-	-	(972)	(972)	(75)	(1,047)
Other comprehensive (loss)/income - Foreign currency translation	-	(23)	-	(23)	2	(21)
<b>Total comprehensive loss for the financial period</b>	-	(23)	(972)	(995)	(73)	(1,068)
Issuance of ordinary shares	10,248	-	-	10,248	-	10,248
Share issuance expenses	(123)	-	-	(123)	-	(123)
Subscription of interests in subsidiaries by non-controlling interests	-	-	-	-	285	285
<b>Balance at 31 December 2021</b>	189,135	3	(178,098)	11,040	212	11,252
<b>The Company</b>						
	Share S\$'000	Accumulated Losses S\$'000		Total S\$'000		
<b>2022</b>						
<b>Balance at 1 July 2022</b>	189,134	(178,388)		10,746		
Loss for the financial period	-	(5,596)		(5,596)		
<b>Total comprehensive loss for the financial period</b>	-	(5,596)		(5,596)		
<b>Balance at 31 December 2022</b>	189,134	(183,984)		5,150		
<b>2021</b>						
<b>Balance at 1 July 2021</b>	179,010	(177,051)		1,959		
Loss for the financial period	-	(684)		(684)		
<b>Total comprehensive loss for the financial period</b>	-	(684)		(684)		
Issuance of ordinary shares	10,248	-		10,248		
Share issuance expenses	(123)	-		(123)		
<b>Balance at 31 December 2021</b>	189,135	(177,735)		11,400		

## D. Condensed interim consolidated statement of cash flows

	Note	Group	
		6 months ended	6 months ended
		31/12/2022	31/12/2021
		S\$'000	S\$'000
<b>Cash flow from operating activities</b>			
Loss before income tax from continuing operations		(6,336)	(1,174)
Profit before income tax from discontinued operations		-	127
		<u>(6,336)</u>	<u>(1,047)</u>
Adjustments for:			
Depreciation of property, plant and equipment		196	50
Loss on disposal of property, plant and equipment		30	-
Impairment on disposal of property, plant and equipment		3,773	-
Impairment losses on trade and other receivables		14	-
Provision for inventory loss		483	-
Loss on foreign currency exchange - unrealised		162	16
Interest income		(18)	(1)
Interest expense		18	11
Operating loss before working capital changes		<u>(1,678)</u>	<u>(971)</u>
<b>Changes in operating assets and liabilities</b>			
Inventories		(66)	(1,022)
Trade and other receivables		6	(3,250)
Trade and other payables		<u>(190)</u>	<u>107</u>
<b>Cash generated used in operations</b>		<u>(1,928)</u>	<u>(5,136)</u>
Interest received		18	1
Interest paid		<u>(18)</u>	<u>(11)</u>
<b>Net cash generated used in operating activities</b>		<u>(1,928)</u>	<u>(5,146)</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(94)	(511)
Proceeds from disposal of property, plant and equipment		242	-
Acquisition of a subsidiary	10	<u>-</u>	<u>(507)</u>
<b>Net cash generated/(used in) from investing activities</b>		<u>148</u>	<u>(1,018)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares, net of expenses		-	6,879
Proceeds from issuance of warrant shares		-	3,246
Repayment of lease liabilities		(245)	(29)
Subscription of interest in subsidiaries by non-controlling interests		<u>-</u>	<u>245</u>
<b>Net cash (used in)/generated from financing activities</b>		<u>(245)</u>	<u>10,341</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(2,025)</u>	<u>4,177</u>
<b>Cash and cash equivalents at beginning of financial period</b>		6,053	2,138
<b>Effect of currency translation on cash and cash equivalents</b>		135	17
<b>Cash and cash equivalents at end of the financial period</b>	18	<u>4,163</u>	<u>6,332</u>

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

Metech International Limited (the “Company”) is incorporated and domiciled in Singapore and whose shares are listed and publicly traded on the Catalist of the Singapore Exchange. The registered office and principal place of business at 100G Pasir Panjang Road, #04-07 Interlocal Centre, Singapore 118523.

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the “Group”).

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

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

### **2. Basis of preparation**

The condensed interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the period ended 30 June 2022.

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

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

#### **2.1 New and amended standards adopted by the Group**

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

#### **2.2 Use of judgements and estimates**

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

Other than as disclosed in the condensed interim consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

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

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

Note 13 - Impairment for property, plant and equipment

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

During the current financial period, plant and equipment relating to machines supplied by XDC were written down to the indicative replacement costs of those machinery. An independent valuation will be carried out and further adjustments may be necessary upon the completion of the independent valuation.

As at the reporting date, the net carrying amount of the Group's property, plant and equipment is disclosed in Note 13.

#### Note 15 - Valuation of inventories

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

There is provision for inventory loss during the financial period which is on the basis of the purchase price of the inventory. The net carrying amount of the Group's inventories is disclosed in Note 15.

### **3. Seasonal operations**

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

### **4. Segment and revenue information**

The Group has three reportable segments as follows:

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

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



## 4.1 Reportable segments

	Lab-grown Diamond		Supply-Chain Management		Corporate/other		Per consolidated financial statements	
	6 months ended 31/12/2022	6 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021	6 months ended 31/12/2022	6 months ended 31/12/2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	-	1,060	-	2,231	-	-	-	3,291
Depreciation and amortisation	(164)	-	(32)	(32)	-	(18)	(196)	(50)
Loss on disposal of plant and equipment	-	-	(30)	-	-	-	(30)	-
Loss on termination of right-of-use assets	-	-	(14)	-	-	-	(14)	-
Impairment on plant and equipment	(3,773)	-	-	-	-	-	(3,773)	-
Loss allowance on trade and other receivables	(12)	-	(2)	-	-	-	(14)	-
Finance cost	(13)	-	(5)	(10)	-	(1)	(18)	(11)
Segment profit/(loss)	(4,856)	18	(535)	(134)	(945)	(1,058)	(6,336)	(1,174)
Segment assets	2,376	6,027	3,106	3,418	1,268	3,406	6,750	12,851
Segment liabilities	640	622	115	323	450	654	1,205	1,599
Capital expenditure								
- Addition to property, plant and equipment	94	1,022	-	-	-	5	94	1,027

## 4.2 Disaggregation of revenue

	Group	
	6 months ended 31/12/2022	6 months ended 31/12/2021
	S\$'000	S\$'000
<i>Principal geographical market</i>		
Singapore	-	3,291
Others	-	-
Total	-	3,291
<i>Major product or service line and time of recognition</i>		
<u>Performance obligations satisfied at a point in time</u>		
Sale of goods - Nickel and Gold Ingot	-	2,231
Sale of goods - Lab-grown diamonds	-	1,060
Total	-	3,291

A breakdown of sales:

	Group		Inc/(Dec) %
	Financial year ended 31/12/2022	Financial year ended 31/12/2021	
	\$'000	\$'000	
Sales reported for the first half year	-	3,291	(100.0)
Operating loss after tax before deducting non-controlling interests reported for first half year	(3,711)	(995)	273.0

nm = not meaningful

## Contract balances

	Group		Company	
	6 months ended	6 months ended	6 months ended	6 months ended
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Contract liabilities</b>				
Advances from customers	14	15	-	-

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

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 30 June 2022:

	Group		Company	
	As at	As at	As at	As at
	31/12/2022	30/06/2022	31/12/2022	30/06/2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets measured at amortised cost</b>				
Trade and other receivables #	250	267	164	-
Cash and cash equivalents	4,163	6,053	789	629
Amount due from subsidiaries	-	-	4,708	10,546
	<u>4,413</u>	<u>6,320</u>	<u>5,661</u>	<u>11,175</u>
<b>Financial liabilities measured at amortised cost</b>				
Trade and other payables *	(573)	(642)	(371)	(291)
Amount due to subsidiaries	-	-	(152)	(152)
Lease liabilities	(543)	(788)	-	-
	<u>(1,116)</u>	<u>(1,430)</u>	<u>(523)</u>	<u>(443)</u>

# Excludes prepayments

\* Excludes deferred income

## 6. Other income

	Group	
	6 months ended	6 months ended
	31/12/2022	31/12/2021
	S\$'000	S\$'000
Other income:		
Others		
- Government grant	19	5
- Foreign exchange gain	-	33
- Miscellaneous	10	-
	<u>29</u>	<u>38</u>

## 7. Other expenses

	<b>Group</b>	
	<b>6 months ended 31/12/2022</b>	<b>6 months ended 31/12/2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Other expenses		
- Foreign exchange loss	(304)	(40)
- Impairment on property, plant and equipment	(3,773)	-
- Impairment on advances (non-trade)	(91)	-
- Loss on disposal of property, plant and equipment	(30)	-
- Loss on termination of right-of-use assets	(14)	-
- Professional expenses	(335)	(198)
- Provision for inventory loss	(483)	-
- Miscellaneous	(23)	-
	<u>(5,053)</u>	<u>(238)</u>

## 8. Loss before income tax

### 8.1 Significant items

	<b>Group</b>	
	<b>6 months ended 31/12/2022</b>	<b>6 months ended 31/12/2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Depreciation of property, plant and equipment		
- included in administrative expenses	196	50
Impairment on property, plant and equipment	3,773	-
Impairment on advances (non-trade)	91	-
Loss on termination of right-of-use assets	14	-
Provision for inventory loss	483	-
Interest expenses on lease liabilities	18	6
Interest expenses on loan from third party	-	5

### 8.2 Related party transactions

	<b>Group</b>	
	<b>6 months ended 31/12/2022</b>	<b>6 months ended 31/12/2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<u>Non-controlling interests</u>		
Sale	-	1,061

The board of directors is of the opinion that the transactions above have been entered in normal course of businesses and have been established on terms and conditions that are not materially different from those obtainable in transactions with third parties.

## 9. Taxation

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

	<b>Group</b>	
	<b>6 months ended 31/12/2022</b>	<b>6 months ended 31/12/2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Current income tax expense		
Current year	-	-
Reversal of prior year provision	-	-
	<u>-</u>	<u>-</u>

## 10. Profit from discontinued operations

### (a) Disposal of a subsidiary

On 21 September 2021, the Company's wholly-owned subsidiary, Metech Recycling (Singapore) Pte. Ltd. acquired 60% of Blufu Water (Xinmin) Co., Ltd., ("Blufu") a company incorporated in People's Republic of China for a consideration of S\$516,000 in cash. Blufu was subsequently disposed on 23 May 2022 for a consideration of S\$618,000 in cash.

The above disposal was constituted as a discontinued operation of the Group and has been completed in the financial year ended 30 June 2022. All of the cash considerations for the disposal have also been fully received by the Group.

### (b) Results of discontinued operations

The results of the discontinued operations, from 1 September 2021 to 31 December 2021, included in the Group's consolidated statement of comprehensive income is set out below.

	<b>Group</b>	
	<b>6 months ended 31/12/2022</b>	<b>6 months ended 31/12/2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Revenue	-	307
Expenses	-	(181)
Other income	-	1
Profit before income tax	<u>-</u>	<u>127</u>
Income tax expense	-	-
Profit after income tax	<u>-</u>	<u>127</u>

## 11. Dividends

No interim dividend for the period ended 31 December 2022 (30 June 2022: Nil) is recommended.

## 12. Net asset value

	Group		Company	
	As at 31/12/2022	As at 30/06/2022	As at 31/12/2022	As at 30/06/2022
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	4.1107	6.5593	3.3981	7.0905

The calculation of net asset value per ordinary share was based on 151,555,655 shares as at 31 December 2022 (30 June 2022: 151,555,655).

## 13. Property, plant and equipment

	Group					
	Leasehold buildings	Renovation	Plant and equipment	Motor Vehicle	Furniture and fittings and office equipment	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Cost</u>						
Balance at 1 July 2021	163	-	-	-	-	163
Additions	634	765	4,720	300	24	6,443
Additions through business combination	-	-	-	5	-	5
Disposal of a subsidiary	-	-	-	(5)	-	(5)
Balance at 30 June 2022	797	765	4,720	300	24	6,606
Additions	-	36	14	-	44	94
Disposal	-	-	-	(300)	-	(300)
Balance at 31 December 2022	797	801	4,734	-	68	6,400
<u>Accumulated depreciation and impairment</u>						
Balance at 1 July 2021	13	-	-	-	-	13
Depreciation for the year	116	12	39	22	1	190
Balance at 30 June 2022	129	12	39	22	1	203
Depreciation for the period	90	73	14	6	13	196
Impairment	-	-	3,773	-	-	3,773
Disposal	-	-	-	(28)	-	(28)
Balance at 31 December 2022	219	85	3,826	-	14	4,144
<u>Carrying amount</u>						
Balance at 31 December 2022	578	716	908	-	54	2,256
Balance at 30 June 2022	668	753	4,681	278	23	6,403

Right-of-use assets acquired under leasing arrangement are presented together with the owned assets of the same class. During the current financial period, the Group acquired assets amounting to S\$94,000 (30 June 2022: S\$6,448,000) and disposed the motor vehicle with a net book value of S\$272,000 (30 June 2022: Nil).

## 14. Investment in Subsidiaries

	<u>Company</u>	
	<u>As At</u>	<u>As At</u>
	<u>31/12/2022</u>	<u>30/06/2022</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Equity investments, at cost	22,600	22,600
Less: Impairment losses	<u>(22,600)</u>	<u>(22,600)</u>
	<u>-</u> *	<u>-</u> *
Impairment losses on equity investments	<u>(22,600)</u>	<u>(22,600)</u>

\* Less than S\$1,000

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

<u>Name of Company/ country of incorporation</u>	<u>Principal activities</u>	Percentage of effective equity interest held by <u>the Group</u>	
		<u>31/12/2022</u>	<u>30/06/2021</u>
		%	%
<i><u>Held by the Company</u></i>			
<u>Metech Recycling (Singapore) Pte. Ltd.</u> 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
<u>Metech Dynamics Pte Ltd (fka Nolash Tech Pte. Ltd.)</u> Singapore	General wholesale trade (including general importers and exporters) and wholesale trade of a variety of a goods without a dominant product.	100	100
<u>Asian Green Tech Pte. Ltd.</u> Singapore	Engineering design and consultancy services in energy management and clean energy system	100	100
<i><u>Held by Metech Dynamics Pte. Ltd</u></i>			
<u>Zhongxin Minghua (Shanghai) International Trade Co., Ltd (fka Nolash Tech (Shanghai) Co., Ltd)</u> People's Republic of China	General wholesale trade	100	100
<i><u>Held by Asian Green Tech Pte. Ltd.</u></i>			
<u>Asian Eco Technology Pte. Ltd.</u> Singapore	Manufacturing and distribution of lab-grown diamonds	51	51

## 15. Inventories

	Group	
	As At	As At
	31/12/2022	30/06/2022
	S\$'000	S\$'000
Raw materials	380	314
Finished goods	169	169
	549	483
Provision for inventory loss	(483)	-
	66	483

  

	Group	
	31/12/2022	30/06/2022
	S\$'000	S\$'000
Beginning of interim period	-	-
Provision for inventory loss	483	-
End of interim period	483	-

For the current financial period ended 31 December 2022, finished goods recognised in cost of sales amounted to Nil (30 June 2022: S\$5,173,000).

## 16. Trade receivables

	Group		Company	
	As At	As At	As at	As at
	31/12/2022	30/06/2022	31/12/2022	30/06/2022
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables	-	14	-	-

Trade receivables are non-interest bearing and generally has credit of 30 to 120 (2022: 30 to 90) day terms. Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses.

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

	Lifetime expected loss rate	Gross carrying amounts	Lifetime expected credit losses	Net carrying amounts
	%	S\$'000	S\$'000	S\$'000
Group				
<u>As at 31/12/2022</u>				
> 120 days	*	14	(14)	-
<u>As at 30/06/2022</u>				
Current	*	14	*	-

\* insignificant expected credit loss rate

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

	<b>Group</b>	
	<b>31/12/2022</b>	<b>30/06/2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Beginning of interim period	-	-
Impairment loss recognised in profit or loss	14	-
End of interim period	<u>14</u>	<u>-</u>

## 17. Other receivables

		<b>Group</b>		<b>Company</b>	
		<b>As At</b>	<b>As At</b>	<b>As at</b>	<b>As at</b>
		<b>31/12/2022</b>	<b>30/06/2022</b>	<b>31/12/2022</b>	<b>30/06/2022</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Amount due from subsidiaries (non-trade)	(a)	-	-	14,098	15,149
Other receivables - third parties	(b)	1,227	1,238	-	-
Deposit	(c)	229	102	152	-
		<u>1,456</u>	<u>1,340</u>	<u>14,250</u>	<u>15,149</u>
Less: Allowance for impairment losses		(1,226)	(1,226)	(9,390)	(4,603)
Financial assets		230	114	4,860	10,546
Prepayments		15	18	12	14
Advances	(d)	-	138	-	-
GST receivable		20	1	12	-
		<u>265</u>	<u>271</u>	<u>4,884</u>	<u>10,560</u>

### (a) Amounts due from subsidiaries (non-trade)

Except for a non-trade balance of S\$2,565,000 due from subsidiaries as at 31 December 2022 (30 June 2022: S\$3,450,000), which is non-trade in nature, unsecured, interest bearing at 6% per annum and repayable by 22 October 2023, the remaining non-trade balance of S\$11,533,000 (30 June 2022: S\$11,699,000) due from subsidiaries are unsecured, interest-free and repayable on demand.

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

	<b>Company</b>	
	<b>31/12/2022</b>	<b>30/06/2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Beginning of interim period	4,603	4,296
Allowance for the year	4,787	307
End of interim period	<u>9,390</u>	<u>4,603</u>

### (b) Other receivables – third parties

As at 31 December 2022 and 30 June 2022, included in other receivables were amounts totaling 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 the financial year ended 30 June 2019.

	<b>Group</b>	
	<b>31/12/2022</b>	<b>30/06/2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Beginning of interim period	1,226	1,226
Allowance for the year	-	-
End of interim period	<u>1,226</u>	<u>1,226</u>



(c) Deposits

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

(d) Advances

Advances payments of S\$138,000 to non-controlling interests in relation to advance payments for supply of inventories and business travel expenses.

## 18. Cash and cash equivalents

	Group		Company	
	As At	As At	As at	As at
	31/12/2022	30/06/2022	31/12/2022	30/06/2022
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	4,163	6,053	789	629

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

## 19. Borrowings

There are no borrowings as at 31 December 2022 and 30 June 2022.

## 20. Share capital

	31/12/2022		30/06/2022	
	Number of shares	Amount S\$'000	Number of shares	Amount S\$'000
Beginning and end of financial period/year	151,555,655	189,134	151,555,655	189,134

There was no change in the Company's share capital since 30 June 2022.

As at 31 December 2022, the Company has 8,503,750 (31 December 2021: 8,503,750) warrants which were issued in October 2021 ("**2021 Warrants**") outstanding that are convertible into 8,503,750 ordinary shares (approximately 5.6% of the Company's total issued share capital as at both 31 December 2022 and 31 December 2021, excluding treasury shares and subsidiary holdings), at the exercise price of S\$0.21 per share.

The total number of ordinary shares issued, excluding treasury shares and subsidiary holdings as at 31 December 2022 and 30 June 2022 were 151,555,655.

There were no treasury shares held during the six months ended and as at 31 December 2022 and 31 December 2021.

There were no subsidiary holdings during the six months ended and as at 31 December 2022 and 31 December 2021.

There were no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings as at 31 December 2022.

## 21. Non-controlling interest

- (a) The Group has the following subsidiaries that have material non-controlling interests as at the reporting date:

	Asian Eco Technology Pte. Ltd. (49%)	
	<u>31/12/2022</u>	<u>30/06/2022</u>
	S\$'000	S\$'000
Accumulated non-controlling interest as at 1 July	1,763	2,515
Loss allocate to non-controlling interests	(2,448)	(752)
Balance as at 31 December / 30 June	<u>(685)</u>	<u>1,763</u>

- (b) Summarised financial information (before intragroup eliminations) in respect of subsidiaries with material non-controlling interests is set out below:

	Asian Eco Technology Pte. Ltd. (49%)	
	<u>31/12/2022</u>	<u>30/06/2022</u>
	S\$'000	S\$'000
Accumulated non-controlling interest as at 1 July	1,763	2,515
Loss allocate to non-controlling interests	(2,448)	(752)
Balance as at 31 December / 30 June	<u>(685)</u>	<u>1,763</u>

	Asian Eco Technology Pte. Ltd. <u>31/12/2022</u> S\$'000
<u>Summarised Statement of Financial Position</u>	
Non-current assets	2,185
Current assets	190
Non-current liabilities	(430)
Current liabilities	<u>(3,343)</u>
Net liabilities	<u>(1,398)</u>

	Asian Eco Technology Pte. Ltd. <u>31/12/2022</u> S\$'000
<u>Summarised Statement of Profit or Loss and Other Comprehensive Income</u>	
Revenue	-
Expenses	<u>(4,856)</u>
Loss and total comprehensive loss for the year	<u>(4,856)</u>

	Asian Eco Technology Pte. Ltd. <u>31/12/2022</u> S\$'000
<u>Summarised Cash Flow</u>	
Net cash used in operating activities	(644)
Net cash used in investing activities	(94)
Net cash generated from financing activities	<u>(786)</u>

## 22. Lease liabilities

The Group have made period lease payments in relation to leasehold buildings, and motor vehicle. These are recognised within property, plant and equipment (Note 13).

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

	<b>Group</b>	
	<b>As At</b>	<b>As At</b>
	<b>31/12/2022</b>	<b>30/06/2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Leasehold buildings	578	668
Motor Vehicle	-	278
	<u>578</u>	<u>946</u>

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

	<b>Group</b>	
	<b>6 months ended</b>	<b>6 months ended</b>
	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Leasehold buildings	90	44
Renovation	73	-
Plant and equipment	14	-
Motor Vehicle	6	6
Furniture and fittings and office equipment	13	-
	<u>196</u>	<u>50</u>

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

	<b>Group</b>	
	<b>6 months ended</b>	<b>6 months ended</b>
	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Interest expenses on lease liabilities	18	6
Total cash outflows for leases (excluding short-term leases)	<u>245</u>	<u>29</u>

The Group recognised lease liabilities as follows:

	<b>Group</b>	
	<b>As At</b>	<b>As At</b>
	<b>31/12/2022</b>	<b>30/06/2022</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Lease liabilities:		
Current	171	188
Non-current	372	600
	<u>543</u>	<u>788</u>

Other than as disclosed, the Group has no other third-party borrowings.

### 23. Provision

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

### 24. Other payables

	Group		Company	
	As At	As At	As at	As at
	31/12/2022	30/06/2022	31/12/2022	30/06/2022
	S\$'000	S\$'000	S\$'000	S\$'000
Sundry creditors	69	237	25	29
Accruals for:				
- professional fees	273	166	206	133
- staff costs	191	141	108	77
- other costs	34	65	32	36
Deposits	5	5	-	-
Amount due to subsidiaries (non-trade)	-	-	152	152
GST payable	1	28	-	16
	<u>573</u>	<u>642</u>	<u>523</u>	<u>443</u>

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

### 25. Subsequent events

On 17 January 2023, the Group's wholly-owned subsidiary, Asian Green Tech Pte. Ltd. ("**AGT**") issued a default notice in writing to X Diamond Capital Pte. Ltd. ("**XDC**") on the ground that XDC has caused an event of default under Clause 7.1 of the joint venture agreement entered into on 24 September 2021 between AGT and XDC ("**JVA**"), where XDC has materially and incurably breached the JVA. By the same written notice, AGT has also terminated the JVA against XDC with immediate effect.

As a result of the default notice, (i) a provision for inventory loss amounting of S\$483,000 has been made to the interim financial statements (Note 15) in relation to the missing diamond seeds and loose diamonds; and (ii) a write down of plant and equipment amounting to S\$3,773,000 has been made to the interim financial statements (Note 13) in relation to the machines supplied by XDC at inflated prices.

On 26 January 2023, the Company issued a statutory demand to XDC to immediately pay S\$1,301,023.06 being 49% of the S\$2,655,149.10 ("**Total Outstanding Sum**") which was due and owing from Asian Eco Technology Pte. Ltd. ("**AET**") to the Company under the Loan and Guarantee Agreement ("**LG Agreement**") comprising S\$2,565,216.00 of the remaining principal debt and interests in the sum of S\$89,933.10. XDC's obligation to pay the Company 49% of the Total Outstanding Sum is contained under Clause 6 of the LG Agreement where XDC unconditionally and irrevocably guaranteed to pay and/or fulfil 49% of the Total Outstanding Sum on demand if for any reason AET does not pay and/or fulfil any sums and/or liabilities under or in connection with the LG Agreement.

Except as stated and elsewhere in this set of interim financial statements, no adjustments have been made to this set of interim financial statements with respect to the above subsequent events.

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

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

The condensed interim consolidated statement of profit or loss and other comprehensive income of Metech International Limited and its subsidiaries as at 31 December 2022 and the related condensed interim consolidated statements of financial position, condensed interim consolidated statement of changes in equity and condensed profit or loss and other comprehensive income consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

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

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

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

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

Not applicable.

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

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

***Review for the performance of the Group for the half year ended 31 December 2022 ("1H2023") as compared to the half year ended 31 December 2021 ("1H2022").***

**(i) Revenue**

There was no revenue under lab-grown diamonds segment in 1H2023 as there were no trades due to numerous issues and irregularities relating to the joint venture subsidiary, Asian Eco Technology Pte. Ltd. ("AET") which the joint venture partner, X Diamond Capital Pte. Ltd. ("XDC") and XDC's appointed directors in AET have failed to address to, which was announced on 17 January 2023. These issues involved missing loose diamonds and diamond seeds which led to disruption to trade and production.

No trading activities were undertaken in the supply-chain management segment due to uncertain price fluctuations of metal products.

**(ii) Gross profit**

As there is no revenue in 1H2023, the gross profit is nil as compared to a loss of S\$42,000 in 1H2022.

**(iii) Other income**

Other income decreased by S\$9,000 from S\$38,000 in 1H2022 to S\$29,000 in 1H2023. The decrease in other income was mainly due to the absence of foreign exchange gain which was present in 1H2022 and was partially offset by an increase in government grant.

**(iv) Administrative expenses**

Administrative expenses increased by S\$377,000 from S\$921,000 in 1H2022 to S\$1.30 million in 1H2023. The increase was largely due to (A) the depreciation of plant and equipment being categorised under administrative expense in view of the absence of revenue as explained under (i)

above, (B) increase in the employee expenses which is in line with the increased in manpower, (C) operating costs of factory which involves insurance, utilities and repair and maintenance and were partially offset by lower travel expenses.

**(v) Other expenses**

Other expenses were S\$5.05 million in 1H2023 which was an increase of S\$4.82 million from S\$238,000 in 1H2022. The increase was mainly due to (A) higher foreign exchange loss, (B) write down of plant and equipment in relation to the machines supplied by XDC at inflated prices, (C) legal and professional fees incurred for matters relating to the termination of JVA and (D) provision for inventory loss in relation to the unaccounted for missing diamond seeds and loose diamonds. In relation to the machines supplied by XDC at inflated prices, the write down is estimated on the basis of indicative replacement costs and further adjustments may be necessary after the machines have been independently valued as announced on 29 January 2023. In relation to the unaccounted missing diamond seeds and loose diamonds, the provision is on the basis of the purchase price of those inventory items.

**(vi) Finance costs**

Finance cost slightly increased by S\$7,000 from S\$11,000 in 1H2022 to S\$18,000 in 1H2023. The finance costs in 1H2023 are solely interest expense on lease liabilities.

**(vii) Loss after income tax**

The Group reported a net loss after income tax from continuing operations of S\$6.34 million in 1H2023 as compared to S\$1.17 million in 1H2022. Higher losses were mainly due to the absence of revenue as well as the increased operating costs of lab-grown diamond factory, and the write down of plant and machinery and provision for inventory loss arising from the issues with and irregularities of XDC.

**(viii) Foreign currency translation difference**

Foreign currency translation difference was a gain of S\$176,000 in 1H2023 as compared to a loss of S\$21,000 in 1H2022. This was mainly due to the weakening of US Dollars against Singapore Dollars in 1H2023.

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

**Condensed interim statements of financial position**

- (i)** Property, plant and equipment decreased by S\$4.15 million due to the (i) write down on plant and machinery of S\$3.77 million, (ii) disposal of motor vehicle with net book value of S\$272,000 and (iii) depreciation charge of S\$196,000 which was partially offset by addition of property, plant and equipment of S\$94,000.
- (ii)** After provisioning for inventory loss of S\$483,000, the value of existing inventories is S\$66,000 which consisted of diamond seeds and raw materials for production use.
- (iii)** The outstanding trade receivables of S\$14,000 was brought forward from previous financial year are impaired as no payment was received as at 31 December 2022.
- (iv)** Other receivables decreased by S\$6,000 to S\$265,000 as at 31 December 2022 compared to S\$271,000 as at 30 June 2022. The decrease was mainly due to impairment of remaining advances made to acquire equipment offset by additional deposits paid for ad-hoc professional fees.
- (v)** Increase in translation reserve was mainly due to the strengthening of Singapore Dollar against US Dollars during the financial period.
- (vi)** Lease liabilities were decreased by S\$245,000 through repayment of S\$245,000.
- (vii)** The provision of S\$75,000 is related to the future reinstatement of the factory premises at Kallang, which was leased for the lab-grown diamond business segment.
- (viii)** Other payables decreased by S\$69,000 to S\$573,000 as at 31 December 2022 compared to S\$642,000 as at 30 June 2022. The decrease was due to settlement of balances before 31 December 2022 and offset by increased in accruals for professional fees and staff costs.

## Condensed interim consolidated statement of cash flows

Net cash of S\$1.93 million was used in operating activities of the Group in 1H2023 as compared to S\$5.14 million which was used in 1H2022. This was mainly due to lower net changes in inventories and receivables.

Net cash generated from investing activities of the Group in 1H2023 was S\$148,000, which arise from the acquisition and disposal of property, plant and equipment.

Net cash used in financing activities of the Group in 1H2023 was S\$245,000, mainly due to the repayment of lease liabilities.

As a result of the above, the Group's cash and cash equivalents as of 31 December 2022 decreased by S\$2.03 million from S\$6.05 million as at 30 June 2022 to S\$4.16 million as at 31 December 2022, after taking into consideration the effect of currency translation on cash and cash equivalents of S\$0.14 million.

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

Not applicable.

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

On 2 December 2022, the sale and purchase and call option agreement dated 2 June 2022 (the "Agreement") entered by the Company with XDC to acquire its issued and paid-up capital was lapsed as conditions pursuant to Clause 4.2 of the Agreement are not fulfilled in its entirety and the parties have not mutually agreed in writing to extend the long stop date.

On 17 January 2023, the Group's wholly-owned subsidiary, AGT issued a default notice in writing to XDC on the ground that XDC has caused an event of default under Clause 7.1 of the JVA where it has materially and incurably breached the JVA. By the same written notice, AGT also terminated the JVA against XDC with immediate effect.

The operations of AET will not be affected by the termination of the JVA against XDC as AET will be able to continue with the requisite technical support from its current production team. The Company's management, along with the existing employees of AET, have built up sufficient knowledge and experience to manage and run AET. Further, the Company's newly appointed independent director, Dr Zhang Keke, has many years of experience in the lab-grown diamond industry. AET is also in the process of hiring more experienced personnel to conduct AET's operations.

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

The COVID-19 pandemic, coupled with the war between Russia and Ukraine has caused disruption to the supply chain globally. As such, the Company expects certain impact on its operating business environment. However, the Group continues to embark on its cost control plan and focus on production efficiency.

**6. If a decision regarding dividend has been made:**

(a) **Whether an interim (final ordinary dividend has been declared (recommended)); and**  
No.

(b) (i) **Amount per share**  
Not applicable.

(ii) **Previous corresponding period**  
No dividend has been declared or recommended for the previous corresponding period.

- (c) **Whether the dividend is before tax, net of tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (if the dividend is not taxable in the hands of shareholders, this must be stated).**  
Not applicable.
- (d) **The date the dividend is payable**  
Not applicable.
- (e) **The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**  
Not applicable.
7. **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**  
  
No dividend has been declared or is recommended as the Group currently does not have accumulated profits available for the declaration of dividend.
8. **Interested person transactions (“IPTs”)**  
  
There was no interested party transaction amounting to S\$100,000 and above during the financial period under review. The Group has not obtained a general mandate from its shareholders for IPTs.
9. **Statement by Directors**  
**Negative confirmation pursuant to Rule 705(5) of the Catalist Rules**  
  
On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the six-month period ended 31 December 2022 to be false or misleading in any material aspect.
10. **Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules**  
  
The Company hereby confirms that it has procured signed undertakings from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

**On behalf of the Board of Directors**

**Ng Cheng Huat**  
Non-Executive and Non-Independent Chairman

**Samantha Hua Lei**  
Executive Director & Chief Executive Officer

**14 February 2023**

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





(Company Registration No. 199206445M)

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

*The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.*