

UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2019 (“3Q2019”) AND NINE MONTHS ENDED 31 MARCH 2019 (“9M2019”).

PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS FOR THIRD QUARTER RESULTS

1(a)(i). A statement of comprehensive income for the Group together with a comprehensive statement for the corresponding period of the immediately preceding financial year.

	Note 8(a)	Group		Inc/(Dec) %	Group		Inc/(Dec) %
		3Q2019 S\$'000	3Q2018 S\$'000		9M2019 S\$'000	9M2018 S\$'000	
Revenue	(i)	24,245	16,282	48.9	70,838	57,746	22.7
Cost of sales		(23,809)	(16,998)	40.1	(69,472)	(57,649)	20.5
Gross profit/(loss)	(ii)	436	(716)	nm	1,366	97	nm
Gross profit/(loss) margin		1.8 %	(4.4) %		1.9 %	0.2 %	
Other expenses - net	(iii)	(64)	(239)	(73.2)	(57)	(365)	(84.4)
Distribution expenses		(2)	(4)	(50.0)	(8)	(17)	(52.9)
Administrative expenses	(iv)	(285)	(526)	(45.8)	(1,023)	(1,827)	(44.0)
Finance costs	(v)	(62)	(52)	19.2	(127)	(160)	(20.6)
Profit/(Loss) before income tax	(vi)	23	(1,537)	nm	151	(2,272)	nm
Income tax expense		-	-	nm	-	-	nm
Profit/(Loss) from continuing operations		23	(1,537)	nm	151	(2,272)	nm
Profit/(Loss) from discontinued operations	(vii) &(A)	3,545	(523)	nm	1,267	369	nm
Profit/(Loss) after income tax		3,568	(2,060)	nm	1,418	(1,903)	nm
Other comprehensive loss, net of income tax:							
Foreign currency translation difference	(viii)	(433)	(43)	nm	(242)	(125)	93.6
Total comprehensive income/(loss), for the period attributable to the owners of the company		3,135	(2,103)	nm	1,176	(2,028)	nm

nm = not meaningful

1(a)(ii). The net profit/(loss) attributable to shareholders includes the following charges/credits

	Group		Inc/(Dec) %	Group		Inc/(Dec) %
	3Q2019 S\$'000	3Q2018 S\$'000		9M2019 S\$'000	9M2018 S\$'000	
1 Profit/(Loss) before income tax is arrived at after charging the following:						
Depreciation of plant and equipment	1	1	nm	3	3	nm
Interest expense	62	52	19.2	127	160	(20.6)
2 Other expenses - net comprises principally of the following:						
Rental income	196	1	nm	225	57	294.7
Interest income	-	-	nm	19	-	nm
Government grants	2	4	(50.0)	3	5	(40.0)
Foreign currency exchange (loss)/gain - realised	(2)	1	nm	(49)	(3)	nm
Foreign currency exchange loss - unrealised	(38)	(90)	(57.8)	(41)	(269)	(84.8)
Payables written off	-	-	nm	7	-	nm
Reinstatement expenses for leased premises	-	(180)	(100.0)	-	(180)	(100.0)
Depreciation of plant and equipment	(35)	-	nm	(35)	-	nm
Rental cost	(150)	-	nm	(150)	-	nm
Miscellaneous	(37)	25	nm	(36)	25	nm

nm = not meaningful

1(b)(i). A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		Group		Company	
		Unaudited 31-Mar-19 S\$'000	Audited 30-Jun-18 S\$'000	Unaudited 31-Mar-19 S\$'000	Audited 30-Jun-18 S\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	(i)	516	1,917	3	5
Restricted cash held in trust		-	335	-	-
Trade and other receivables		139	201	5,120	4,066
		<u>655</u>	<u>2,453</u>	<u>5,123</u>	<u>4,071</u>
Current Assets					
Inventories	(i)	504	3,185	-	-
Trade receivables	(ii)	3,527	4,666	-	-
Other receivables	(iii)	7,362	3,266	97	340
Cash and cash equivalents		2,777	2,909	15	97
		<u>14,170</u>	<u>14,026</u>	<u>112</u>	<u>437</u>
Total Assets		<u>14,825</u>	<u>16,479</u>	<u>5,235</u>	<u>4,508</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share Capital		177,480	177,480	177,480	177,480
Other reserves	(iv)	(175)	67	-	-
Accumulated losses		(171,834)	(173,640)	(174,822)	(174,649)
Total Equity		<u>5,471</u>	<u>3,907</u>	<u>2,658</u>	<u>2,831</u>
LIABILITIES					
Non-Current Liabilities					
Trade and other payables		-	34	-	-
Provisions		410	410	-	-
Finance lease liabilities		50	50	-	-
		<u>460</u>	<u>494</u>	<u>-</u>	<u>-</u>
Current Liabilities					
Trade and other payables	(v)	4,535	9,356	577	677
Provisions		-	683	-	-
Finance lease liabilities		3	32	-	-
Borrowings	(vi)	4,356	2,000	2,000	1,000
Income tax payable		-	7	-	-
		<u>8,894</u>	<u>12,078</u>	<u>2,577</u>	<u>1,677</u>
Total Liabilities		<u>9,354</u>	<u>12,572</u>	<u>2,577</u>	<u>1,677</u>
Total Equity and Liabilities		<u>14,825</u>	<u>16,479</u>	<u>5,235</u>	<u>4,508</u>

1(b)(ii). Aggregate amount of group's borrowings and debt securities.

	As at 31-Mar-19		As at 30-Jun-18	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Current				
Non-Convertible bond	2,000	-	1,000	-
Loan from third party	-	2,356	-	1,000
Total	<u>2,000</u>	<u>2,356</u>	<u>1,000</u>	<u>1,000</u>

Disposal of E-Waste Management (EWM") Business

(A) The post-tax profit/loss for the quarter ended 31 March 2019 from the discontinued EWM operations is presented below:

	Group			Inc/(Dec) %	Group		
	3Q2019 S\$'000	3Q2018 S\$'000			9M2019 S\$'000	9M2018 S\$'000	Inc/(Dec) %
Revenue	2,017	6,843	(70.5)	16,101	22,364	(28.0)	
Cost of sales	(2,335)	(6,487)	(64.0)	(16,971)	(19,996)	(15.1)	
Gross profit/(loss)	(318)	356	nm	(870)	2,368	nm	
Gross profit/(loss) margin	(15.8) %	5.2 %		(5.4) %	10.6 %		
Other income - net	4,076	31	nm	4,234	692	nm	
Distribution expenses	(3)	(302)	(99.0)	(432)	(1,002)	(56.9)	
Administrative expenses	(206)	(599)	(65.6)	(1,649)	(1,669)	(1.2)	
Finance costs	(4)	-	nm	(10)	(3)	nm	
Profit/(Loss) before income tax	3,545	(514)	nm	1,273	386	nm	
Income tax expense	-	(9)	(100.0)	(6)	(17)	(64.7)	
Profit/(Loss) from continuing operations	3,545	(523)	nm	1,267	369	nm	

nm = not meaningful

	Group			Inc/(Dec) %	Group		
	3Q2019 S\$'000	3Q2018 S\$'000			9M2019 S\$'000	9M2018 S\$'000	Inc/(Dec) %
1 Profit/(Loss) before income tax is arrived at after charging the following:							
Depreciation of property, plant and equipment	20	165	(87.9)	321	447	(28.2)	
Operating lease expenses	-	828	(100.0)	1,950	2,632	(25.9)	
Interest expense	4	-	nm	10	3	nm	
2 Other income - net comprises principally of the following:							
Rental income	-	59	(100.0)	112	153	(26.8)	
Interest income	-	1	(100.0)	3	3	-	
Insurance claim	-	-	nm	13	633	(98.0)	
Foreign currency exchange gain - realised	(10)	26	nm	(57)	49	nm	
Foreign currency exchange gain/(loss) - unrealised	3	(47)	nm	31	(48)	nm	
Loss on disposal of plant and equipment	-	(17)	(100.0)	(11)	(17)	(35.3)	
Impairment on plant and equipment	(141)	-	nm	(141)	-	nm	
Gain on disposal of subsidiaries	4,220	-	nm	4,220	-	nm	
Payables written off	-	-	nm	31	-	nm	
Government grant	4	-	nm	21	5	nm	
Fire related cost	-	121	(100.0)	-	-	nm	
Miscellaneous	-	(112)	(100.0)	12	(86)	nm	

nm = not meaningful

1(c). A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	3Q2019 S\$'000	3Q2018 S\$'000	9M2019 S\$'000	9M2018 S\$'000
Cash flow from operating activities				
Profit/(Loss) before income tax				
From continuing operations	23	(1,537)	151	(2,272)
From discontinued operations	3,545	(514)	1,273	386
Adjustments for:				
Depreciation of property, plant and equipment	56	166	359	450
Interest expense	66	52	137	163
Interest income	-	(1)	(22)	(3)
Payables written off	-	-	(38)	-
Gain on disposal of subsidiaries	(4,220)	-	(4,220)	-
Loss on disposal of plant and equipment	-	17	11	17
Impairment on plant and equipment	141	-	141	-
Loss on foreign currency exchange - unrealised	35	137	10	317
Operating cash flow before working capital changes	(354)	(1,680)	(2,198)	(942)
Changes in operating assets and liabilities				
Inventories	1,498	(106)	2,431	148
Trade and other receivables	(4,256)	(208)	(5,479)	836
Restricted cash held in trust	6	-	-	-
Trade and other payables	(388)	(19)	2,618	(2,935)
Cash used in operations	(3,494)	(2,013)	(2,628)	(2,893)
Interest paid	(66)	(52)	(137)	(163)
Interest received	-	1	22	3
Income tax paid	-	(40)	(6)	(48)
Net cash used in operating activities	(3,560)	(2,104)	(2,749)	(3,101)
Cash flows from investing activities				
Acquisition of property, plant and equipment	-	(207)	(72)	(404)
Proceeds from disposal of plant and equipment	-	40	47	40
Net cash inflow from disposal of subsidiaries	315	-	315	-
Net cash generated from/(used in) investing activities	315	(167)	290	(364)
Cash flows from financing activities				
Repayment of finance lease liabilities	(12)	-	(29)	(20)
Proceeds from controlling shareholder	-	1,000	-	1,000
Proceeds from/(Repayment of) third parties loan - net	2,224	-	2,356	(1,000)
Proceeds from shares issuances and warrants exercise	-	-	-	1,134
Net cash generated from financing activities	2,212	1,000	2,327	1,114
Net decrease in cash and cash equivalents	(1,033)	(1,271)	(132)	(2,351)
Cash and cash equivalents at beginning of financial period	3,810	2,662	2,909	3,742
Cash and cash equivalents at end of financial period	2,777	1,391	2,777	1,391

1(d)(i). A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital S\$'000	Currency Translation Reserve S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
Group				
At 1 January 2019	177,480	258	(175,790)	1,948
Profit for the financial period	-	-	3,568	3,568
Other comprehensive expenses - Foreign currency translation	-	(433)	388	(45)
Total comprehensive income for the period	-	(433)	3,956	3,523
At 31 March 2019	177,480	(175)	(171,834)	5,471
At 1 January 2018	177,480	189	(165,801)	11,868
Loss for the financial period	-	-	(2,060)	(2,060)
Other comprehensive expenses - Foreign currency translation	-	(43)	-	(43)
Total comprehensive loss for the period	-	(43)	(2,060)	(2,103)
At 31 March 2019	177,480	146	(167,861)	9,765

	Share Capital S\$'000	Currency Translation Reserve S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
Company				
At 1 January 2019	177,480	-	(174,649)	2,831
Loss for the financial period	-	-	(173)	(173)
Total comprehensive loss for the period	-	-	(173)	(173)
At 31 March 2019	177,480	-	(174,822)	2,658
At 1 January 2018	177,480	-	(169,327)	8,153
Loss for the financial period	-	-	(1,007)	(1,007)
Total comprehensive loss for the period	-	-	(1,007)	(1,007)
At 31 March 2019	177,480	-	(170,334)	7,146

1(d)(ii). Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares in a class that is listed as at the end of the current financial period reported on and as at the end of the current financial period reported on and as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital during 3Q2019.

There were no outstanding warrants as at 31 March 2019 and 30 June 2018. As of 31 March 2019, the total number of issued shares excluding treasury shares and subsidiary holdings, and the total share capital stood at 90,039,655 and S\$177,479,971 respectively. The Share Consolidation exercise was completed on 14 November 2018.

1(d)(iii). To show the total number of issued shares excluding treasury shares and subsidiary holdings as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of ordinary shares issued, excluding treasury shares and subsidiary holdings as at 31 March 2019 and 30 June 2018 were 90,039,655 and 4,501,984,229 respectively. The Share Consolidation exercise was completed on 14 November 2018.

1(d)(iv). A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no treasury shares held during the quarter ended and as at 31 March 2019.

1(d)(v). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no subsidiary holdings during the quarter ended and as at 31 March 2019.

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

The figures had not been audited or reviewed by the Company's auditors.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group had applied the same accounting policies and methods of computation to the financial statements in the current reporting period as with the audited financial statements for the financial year ended 30 June 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group had adopted the Singapore Financial Standards (International) ("SFRS(I)s") including improvements to SFRS and interpretations of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 July 2018. Where applicable, the application of these standards did not have any significant impact on the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

	Group		Group	
	3Q2019 Cents	3Q2018 Cents	9M2019 Cents	9M2018 Cents
Earnings/(Loss) per share for the Group attributable to equity holders of the Company				
i) Continuing operations	0.0255	(0.0341)	0.0033	(0.0515)
ii) Discontinued operations	3.9372	(0.0116)	0.0279	0.0084

The earnings per share for continuing business in 3Q2019 and 9M2019 were calculated based on the weighted average number of ordinary shares of 90,039,655 and 4,547,332,668 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer at the end of the:-

(a) Current financial period reported on; and

(b) Immediately preceding financial year.

	Group		Company	
	31-Mar-19 Cents	30-Jun-18 Cents	31-Mar-19 Cents	30-Jun-18 Cents
NAV per share based on issued share capital as at the end of the period	6.0762	0.0868	2.9520	0.0629

8. 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

(i) Revenue

As the E-Waste Management ("EWM") business had been sold during the quarter and accounted for under Discontinued Operation, revenue for 3Q2019 was derived solely from the Supply Chain Management ("SCM") business which increased by 48.9% to S\$24.2 million from S\$16.2 million in 3Q2018 as more resources have been committed to SCM.

(ii) Gross profit/(loss)

Gross profit improved significantly as compared to 3Q2018.

(iii) Other expenses – net

Net Other Expenses was S\$64,000 in 3Q2019, consisting of rental income of S\$196,000 offset by depreciation of S\$36,000, rental cost of S\$150,000, unrealised foreign exchange loss of S\$38,000, and miscellaneous expenses S\$36,000.

(iv) Administrative expenses

Administrative expenses decreased by 45.8% in 3Q2019 as compared to 3Q2018, due to the lower-cost structure of the holding company.

(v) Finance costs

Finance costs increased by 19.2% in 3Q2019 as compared to 3Q2018 due to increase in third parties loan (see paragraph (b)(vi) below) with interest charge of 8% p.a.

(vi) Profit after income tax

The Group reported a profit before income tax of S\$23,000 in 3Q2019 as compared to a loss of S\$1.5 million in 3Q2018. Total net profit for the nine months ending 31 March 2019 has improved to S\$151,000.

(vii) Profit/(Loss) from discontinued operations

Discontinued operation reported a net profit before tax of S\$3,545,000 and S\$1,267,000 in 3Q2019 and 9M2019 respectively, mainly arising from the gain of S\$4.2 million on the disposal of the EWM business.

(viii) Foreign currency translation difference

Foreign currency translation difference increased to negative S\$242,000 in 9M2019 due to translation effect of US currency-denominated reserve.

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

Statement of financial position

(i) Plant and equipment decreased by S\$1.3 million and inventories decreased by S\$2.7 million as a result of the disposal of Malaysia and US subsidiaries. Correspondingly, the relevant Accounts Payable were excluded (see paragraph (v) below).

(ii) Trade receivables decreased by S\$1.1 million as at 31 March 2019 as compared to 30 June 2018, as a result of an increase in trade receivables derived from continuing operations by S\$1.6 million and a decrease of S\$2.7 million from discontinued operations. The increase in trade receivables from continuing operations is mainly due to the higher revenue and lower settlement of balances before 31 March 2019.

(iii) Other receivables increased by S\$4.1 million as at 31 March 2019 as compared to 30 June 2018, as a result of an increase in other receivables derived from the continuing operations by S\$5.0 million and decrease of S\$0.9 million from discontinued operations. The increase in other receivables of continuing operations is due to an increase of trade deposits paid to suppliers.

(iv) Other reserves comprised of S\$175,000 in foreign exchange translation reserve.

- (v) Trade and other payables increased by S\$4.8 million as at 31 March 2019, as a result of an increase in trade and other payables derived from continuing operations by S\$3.7 million and decrease of S\$8.5 million in discontinued operations. The increase in trade and other payables of continuing operations is mainly due to the higher amount of purchases and lower settlement of balances before 31 March 2019.
- (vi) Borrowings relate to loans of \$4.4 million arising from the bond issued as well as short term borrowings from third parties. The group has repaid the entire short-term borrowings of 2.4 million as of the date of this announcement.

Cash flow statement

Net cash used in operating activities of the Group in 3Q2019 was S\$3.6 million which was mainly due to increase in trade and other receivables.

Net cash generated from investing activities in 3Q2019 was S\$315,000 which was net cash inflow from disposal of subsidiaries.

Net cash generated from financing activities of the Group in 3Q2019 was S\$2.2 million which was mainly due to loan from third parties.

As a result of the above, the Group's cash and cash equivalents as of 31 March 2019 decreased by S\$1.0 million.

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

There is no material variance with the commentary previously disclosed in the results announcement for the financial period ended 30 June 2018.

10. 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 reporting period and the next 12 months.

The Group has successfully disposed and exited from its electronic waste business on 16 April 2019, having completed the transfer of the subsidiaries involved in its operations in the United States of America and Malaysia, as well as successfully leasing out its Singapore facilities. The lease of its current premises will expire in November 2020.

In the immediate future, the Company will focus on the remaining supply chain management business which has been profitable for many quarters. For the longer term, Management is actively sourcing for more resources to augment its current focus as well as for a new business sector. It is also open to inducting a new partner who can introduce the Company to a new business sector to ensure sustainable returns and long-term growth.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale / distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. Shareholders and potential investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events. Shareholders and potential investors should seek advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisors if they have any doubt about the actions they should take.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date of payable

Not applicable.

(d) Books closure date

Not applicable.

12. 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 a dividend.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from its shareholders for IPTs. There was no IPT transaction for the period under review.



(Company Registration No. 199206445M)

14. Statement by Directors

Negative confirmation pursuant to Rule 705(5)

On behalf of the Board of Metech International Limited (the "Company"), we, Simon Eng, Chairman and Chief Executive Officer and Chay Yiowmin, Independent Director of the Company, 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 period ended 31 March 2019 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

On behalf of the Board of Directors

Simon Eng

Chairman and Chief Executive Officer

Chay Yiowmin

Independent Director

3 May 2019

This announcement 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 announcement.

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 Shervyn Essex, Registered Professional, RHT Capital Pte. Ltd., 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619, telephone (65) 6381 6757.