



METECH INTERNATIONAL LIMITED (formerly known as CENTILLION ENVIRONMENT & RECYCLING LTD)

(Company Registration No. 199206445M)

**UNAUDITED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

**1(a)(i) STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

		<b>GROUP</b>		
		<b>QUARTER ENDED 30/9/12 S\$'000</b>	<b>QUARTER ENDED 30/9/11 S\$'000</b>	<b>Favorable / (Unfavorable) %</b>
<b>Continuing Operations</b>				
	<b>Revenue</b>	<b>6,332</b>	<b>6,128</b>	<b>3.3</b>
	Cost of sales	(5,607)	(4,641)	(20.8)
	<b>Gross profit</b>	<b>725</b>	<b>1,487</b>	<b>(51.2)</b>
	<b>Gross Margin %</b>	<b>11.4%</b>	<b>24.3%</b>	<b>(53.1)</b>
	Other income	491	23	2,034.8
	Distribution expenses	(486)	(651)	25.3
	Administrative expenses	(1,350)	(1,389)	2.8
	Other expenses	(154)	(124)	(24.2)
	Results from operating activities	(774)	(654)	18.4
	Finance expense	(11)	(87)	87.4
	<b>Loss before income tax</b>	<b>(785)</b>	<b>(741)</b>	<b>6.0</b>
	Tax benefit	-	10	(100.0)
	<b>Loss from continuing operations</b>	<b>(785)</b>	<b>(731)</b>	<b>7.4</b>
<b>Discontinued Operations</b>				
	Loss from discontinued operations	-	(430)	100.0
	<b>Loss for the Period</b>	<b>(785)</b>	<b>(1,161)</b>	<b>32.4</b>
<b>STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2012</b>				
	<b>Loss for the Period</b>	<b>(785)</b>	<b>(1,161)</b>	<b>32.4</b>
<b>Other comprehensive income</b>				
	Currency translation differences	(177)	1,119	(115.8)
	Net fair value change on cash flow hedge	-	(22)	100.0
	<b>Total comprehensive income for the period</b>	<b>(962)</b>	<b>(64)</b>	<b>(1,403.0)</b>
<b>Attributable to</b>				
	Equity holders of the company	(962)	(64)	
	Minority interest	-	-	
		<b>(962)</b>	<b>(64)</b>	

**NOTE:** All comparative figures have been represented in S\$ due to change in presentation currency. See Item 1.6 for details.



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**1(a)(ii) BREAKDOWN AND EXPLANATORY NOTES TO STATEMENT OF PROFIT AND LOSS**

		<b>GROUP</b>		
		<b>QUARTER</b>	<b>QUARTER</b>	<b>Favorable /</b>
		<b>ENDED 30/9/12</b>	<b>ENDED 30/9/11</b>	<b>(Unfavorable)</b>
		S\$'000	S\$'000	%
<b>1.1</b>	<b>Loss before income tax</b> is arrived at after charging/(crediting) the following:			
	Depreciation and amortisation	105	125	16.0
	Operating lease expense	823	758	(8.6)
	Exchange loss	128	141	9.2
	Interest expenses on borrowing	11	87	87.4
		<u>11</u>	<u>87</u>	
<b>1.2</b>	<b>Other income</b> comprises principally the following:			
	Rental income	256	-	N.M.
	Commodity trading income	228	-	N.M.
	Gain/(loss) on disposal of non-current assets	1	-	N.M.
		<u>1</u>	<u>-</u>	

1.7

Note : N.M. - Not Meaningful

**Discontinued Operations**

**1.3** Loss in Q12012 pertains to the disposal of its precious metal recovery facilities in China and Singapore.

**Continuing Operations**

**1.4** Other income of SGD 491,000 in current quarter arose mainly from rental income and income from commodity hedging.

**1.5** The Group continued to report operating losses for Q1 2013 as the US and Europe operations are currently undergoing restructuring, strengthening of balance sheet and implementing business strategies. Please see details under paragraph 8 "Review of Group Performance".

**1.6** Currency translation fluctuation arose mainly due to change in functional currency from SGD to USD in 1Q 2012 results ended 30 September 2011. 1Q 2012 results was announced with USD as the presentation currency, the 1Q 2012 results are represented in SGD as comparative in this announcement.

**1.7** Exchange losses is mainly due to the appreciation of SGD against USD for the unrealised exchange loss on trade balances denominated in USD.

**METECH INTERNATIONAL LIMITED (formerly known as CENTILLION ENVIRONMENT & RECYCLING LTD)**

**1(b)(i) STATEMENT OF FINANCIAL POSITION**

	GROUP		COMPANY	
	30/09/12 S\$'000	30/06/12 S\$'000	30/09/12 S\$'000	30/06/12 S\$'000
<b>Current assets</b>				
Inventories	1,026	738	-	-
Trade and Other receivables	a 5,789	7,810	2,500	2,785
Cash and cash equivalents	b 3,077	6,721	2,635	6,628
	9,892	15,269	5,135	9,413
<b>Non-current assets</b>				
Property, plant and equipment	5,613	5,939	3	3
Restricted cash held in trust	540	560	-	-
Amount due from subsidiaries	-	-	4,621	3,562
	6,153	6,499	4,624	3,565
<b>Total assets</b>	<b>16,045</b>	<b>21,768</b>	<b>9,759</b>	<b>12,978</b>
<b>Current liabilities</b>				
Borrowings	-	2,600	-	2,600
Trade and other payables	d 8,232	10,468	1,552	1,840
Income tax payable	-	-	-	-
	8,232	13,068	1,552	4,440
<b>Non-current liabilities</b>				
Trade and other payables	239	164	-	-
Borrowings	-	-	-	-
	239	164	-	-
<b>Equity attributable to equity holders of the Company</b>				
Share capital	158,563	158,563	158,563	158,563
Reserves	2,653	2,830	2,447	2,447
Accumulated losses	(153,642)	(152,857)	(152,803)	(152,472)
<b>Total equity</b>	<b>7,574</b>	<b>8,536</b>	<b>8,207</b>	<b>8,538</b>
<b>Total liabilities and equity</b>	<b>16,045</b>	<b>21,768</b>	<b>9,759</b>	<b>12,978</b>

1b (ii)

**METECH INTERNATIONAL LIMITED (formerly known as CENTILLION ENVIRONMENT & RECYCLING LTD)**

**1(b)(i) STATEMENT OF FINANCIAL POSITION (cont'd)**

Significant changes are discussed below:

- a. Trade and other receivables were reduced mainly via routine settlement.
- b. Please see details under Statement of Cashflows for Quarter ended 30 September 2012 in page 5.
- c. Interest bearing loans are cleared to reduce interest expenses for the Group
- d. Trade and other payables were reduced mainly via routine settlement.

**1(b)(ii) GROUP BORROWINGS**

	As at 30/09/12 S\$'000	As at 30/06/12 S\$'000
Amount repayable in one year -unsecured	-	2,600
Amount repayable after one year	-	-
	-	2,600

**METECH INTERNATIONAL LIMITED (formerly known as CENTILLION ENVIRONMENT & RECYCLING LTD)**

**1(c) STATEMENT OF CASH FLOWS FOR THE QUARTER ENDED 30 SEPTEMBER 2012**

	<b>GROUP</b>	
	<b>QUARTER ENDED 30/9/12 S\$'000</b>	<b>QUARTER ENDED 30/9/11 S\$'000</b>
<b>Operating activities</b>		
Loss for the period	(785)	(731)
<i>Adjustments:</i>		
Depreciation and amortisation	105	125
(Gain)/ Loss on disposal of non current assets	(1)	-
Unrealised exchange loss	128	311
Unrealised loss on investment on future assets	(228)	-
Interest income	-	-
Interest expense	11	87
Income tax expense/ (benefit)	-	-
	<u>(770)</u>	<u>(208)</u>
Changes in working capital		
Trade and other receivables	2,252	953
Inventories	(288)	63
Cash encumbered	20	-
Trade and other payables	(2,259)	(767)
Cash (used in)/ generated from operations	<u>(1,045)</u>	<u>41</u>
Interest received	-	-
Interest paid	(11)	(87)
Income tax refund	-	-
<b>Cash flows (used in) / generated from operating activities</b>	<b><u>(1,056)</u></b>	<b><u>(46)</u></b>
<b>Investing activities</b>		
Purchase of plant and equipment	-	(83)
Proceeds from sale of property, plant and equipment	15	-
<b>Cash flows generated from / (used) in investing activities</b>	<b><u>15</u></b>	<b><u>(83)</u></b>
<b>Financing activities</b>		
Repayment of borrowings	(2,600)	(120)
Proceeds from borrowings	-	-
Payment of deferred creditors	-	(14)
<b>Cash flows (used in) financing activities</b>	<b><u>(2,600)</u></b>	<b><u>(134)</u></b>
Net (decrease) in cash and cash equivalents	(3,641)	(263)
Cash and cash equivalents at beginning of period	6,721	1,918
Effect of exchange rate fluctuation on cash held	(3)	(34)
<b>Cash and cash equivalents at end of period</b>	<b><u>3,077</u></b>	<b><u>1,621</u></b>
<b>Analysis of Cash Flow</b>		

Cash and cash equivalents are used to fund the working capital and support business in US and Europe operations in Q12013, and the operating cashflows are used to reduce the Group's borrowing to decrease interest expenses.

The Group reported a negative cashflow as the US and Europe operations are still undergoing restructuring and re-organisation in Q12013.

METECH INTERNATIONAL LIMITED (formerly known as CENTILLION ENVIRONMENT & RECYCLING LTD)

1(d)(i) **STATEMENT OF CHANGES IN EQUITY FOR QUARTER ENDED 30 SEPTEMBER 2012**

Group	Share Capital S\$'000	Currency Translation Reserve S\$'000	Hedge reserve S\$'000	Warrant reserve S\$'000	Share Option Reserve S\$'000	Accumulated Losses USD'000	Total Equity USD'000
<b>At 1 July 2011</b>	152,854	(171)	(84)	(84)	1,327	(137,798)	16,044
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-
Foreign currency translation	-	116	-	-	73	-	189
Loss for the year	-	-	-	-	-	(1,151)	(1,151)
Total comprehensive loss for the period	-	116	-	-	73	(1,151)	(962)
<b>At 30 Sept 2011</b>	152,854	(55)	(84)	(84)	1,400	(138,949)	15,082
<b>At 1 July 2012</b>	158,563	383	-	2,447	-	(152,857)	8,536
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-
Foreign currency translation	-	(177)	-	-	-	-	(177)
Net fair value change on cash flow hedge	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	(785)	(785)
Total comprehensive loss for the period	-	(177)	-	-	-	(785)	(962)
<b>At 30 Sept 2012</b>	158,563	206	-	2,447	-	(153,642)	7,574
<b>Company</b>							
<b>At 1 July 2011</b>	152,854	-	-	-	1,327	(123,216)	30,965
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-
Foreign currency translation	-	1,620	-	-	73	-	1,693
Loss for the year	-	-	-	-	-	(387)	(387)
Total comprehensive loss for the period	-	1,620	-	-	73	(387)	1,306
<b>At 30 Sept 2011</b>	152,854	1,620	-	-	1,400	(123,603)	32,271
<b>At 1 July 2012</b>	158,563	-	-	2,447	-	(152,472)	8,538
<b>Total comprehensive income for the period</b>	-	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	(331)	(331)
Total comprehensive loss for the period	-	-	-	-	-	(331)	(331)
<b>At 30 Sept 2012</b>	158,563	-	-	2,447	-	(152,803)	8,207

**METECH INTERNATIONAL LIMITED (formerly known as CENTILLION ENVIRONMENT & RECYCLING LTD)**

**1(d)(ii) CHANGES IN COMPANY'S SHARE CAPITAL**

There were no changes in the company's share capital for the reported quarter ended 30 September 2012

**1(d)(iii) TOTAL NUMBER OF ISSUED SHARES**

As at 30 September 2012, the number of ordinary shares issued were 1,654,692,760 (30 Sep 2011: 8,273,463,905).

**1(d)(iv) MOVEMENT IN TREASURY SHARES**

There are no treasury shares during the quarter and as at 30 September 2012.

**1(d)(v) SUBSEQUENT EVENT**

The Company has entered into a Sale and Purchase Agreement dated 1 October 2012 to acquire the entire equity interest in Tonkin Recycling Pte. Ltd. for an aggregate consideration of S\$4 million of which S\$1.2 million shall be satisfied in cash and the balance S\$2.8 million shall be satisfied by the allotment and issuance of new ordinary shares of the Company.

164,705,882 Consideration Shares in the Company have been allotted and issued on 25 October 2012 at an issue price of SGD 0.017 per Consideration Share pursuant to the Acquisition.

**2 AUDIT**

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

**3 AUDITORS' REPORT**

Not applicable.

**4 ACCOUNTING POLICIES**

The Group has applied the same accounting policies and methods of computation in the current reporting period's financial statements as compared with the audited financial statements for the year ended 30 June 2012.

**5 CHANGES IN ACCOUNTING POLICIES**

The Group has adopted the Singapore Financial Reporting Standards (SFRS") including improvements to SFRS and Interpretations of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 July 2012, where applicable, the application of these standards has no significant impact on the Group.

**6 NET ASSET VALUE**

	GROUP		COMPANY	
	30/9/12	30/6/12	30/9/12	30/6/12
Net asset value per ordinary share based on issued share capital as at the end of the period	S\$ Cents 0.4577	S\$ Cents 0.5159	S\$ Cents 0.4960	S\$ Cents 0.5160

**METECH INTERNATIONAL LIMITED (formerly known as CENTILLION ENVIRONMENT & RECYCLING LTD)**

**7 EARNING PER ORDINARY SHARE ("EPS")**

	GROUP	
	QUARTER ENDED 30/9/12	QUARTER ENDED 30/9/11
<b>Loss per share for results from the Group attributable to equity holders of the Company</b>		
<b>- Basic and Diluted (Note A)</b>		
- Continuing operations	S\$ Cents (0.0474)	S\$ Cents (0.0088)
- Discontinuing operations	-	(0.0052)
<b>Total</b>	<b>(0.0474)</b>	<b>(0.0140)</b>

The Group's basic and fully diluted earnings per ordinary share for the quarter ended 30 September 2012 are calculated based on the weighted average number of ordinary shares in issue during the year: 1,654,692,760 shares (2011: 8,273,463,950).

Note A: For the quarter ended 30 September 2012 and 2011, the diluted loss per share was shown as the same amount as the basic loss per share as the share options were anti-dilutive and disregarded in the computation of diluted loss per share.

**8 REVIEW OF GROUP PERFORMANCE**

**a. Quarterly Revenue and Gross Margin (Continuing operations)**

Revenue by Segment	1Q2013	4Q2012	+ / (-)	1Q2013	1Q2012	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
US	5,840	6,534	(10.60)	5,840	4,280	36.40
Singapore	85	2,275	(96.30)	85	-	N.M.
Europe	407	858	(52.60)	407	664	(38.70)
<b>Total</b>	<b>6,332</b>	<b>9,667</b>	<b>(34.50)</b>	<b>6,332</b>	<b>4,944</b>	<b>28.10</b>
<b>Gross Margin by Segment</b>	<b>%</b>	<b>%</b>		<b>%</b>	<b>%</b>	
US	11.4 %	(31.6)%		11.4 %	24.3 %	
Singapore	12.9 %	(2.7)%		12.9 %	0.0 %	
Europe	3.9 %	(14.7)%		3.9 %	21.4 %	
<b>Total</b>	<b>11.4 %</b>	<b>(12.4)%</b>		<b>11.4 %</b>	<b>24.4 %</b>	

Note : N.M. - Not Meaningful

The Group recorded a decrease in revenue from the preceding quarter and revenue continued to be challenging and are cyclical in nature.

**US Operations** – Revenue continues to be cyclical and challenging with the US operations rebuilding its pipelines in the business segments in FY2013. Margin continues to be a main focus for the Group, and US operations has reported improvements in margin from the preceding quarter and are still undergoing restructuring to improve it.

**Singapore Operations** – Singapore reported minimal trading in Q1 2013, with the main focus on US and Europe operations.

**Europe Operations** – Revenue is lower than the preceding quarter and that of comparative quarter in 1Q2012. Initial excess capacity in CZ plant brought down Europe overall gross margin, overheads are continued being monitored and managed to achieve profitability in the Europe operations.





**METECH INTERNATIONAL LIMITED (formerly known as CENTILLION ENVIRONMENT & RECYCLING LTD)**

**8 REVIEW OF GROUP PERFORMANCE (Con'td)**

	1Q2013	4Q2012	Favorable / (Unfavorable)	1Q2013	1Q2012	Favorable / (Unfavorable)
	S\$'000	S\$'000		S\$'000	S\$'000	%
<b>b. Loss Before Income Tax (Continuing operations)</b>						
US	(332)	(2,681)	87.6	(332)	(18)	(1,744.4)
Singapore	9	49	81.6	9	(9)	200.0
Europe	(298)	(844)	64.7	(298)	(378)	21.2
Corporate and other unallocated items	(164)	(11,250)	98.5	(164)	(326)	49.7
<b>Total</b>	<b>(785)</b>	<b>(14,726)</b>	<b>94.7</b>	<b>(785)</b>	<b>(731)</b>	<b>(7.4)</b>

**US Operation** – Loss in US operations in Q1 2013 was due to the restructuring and reorganisation of the US plants which are currently in progress.

**Singapore Operation** – Singapore operations reported profits from its trading activities.

**Europe Operation** – Loss recorded for the quarter has decreased and the Europe operations are currently restructuring its business to focus on margins by reducing overheads and refocus on higher margin business segments.

**Corporate** – The expenses has decreased compared to preceding quarter mainly due to goodwill written off at the end of FY2012.

**9 SEGMENTED REVENUE AND RESULTS FOR GEOGRAPHICAL SEGMENTS**

See item 8.

**10 VARIANCE FROM PROSPECT STATEMENT**

No Variance from previous prospect statement made.

**11 PROSPECT**

Although the world economy presents an uncertain outlook, there are signs of prospects in the US whereas continued losses are expected in Europe. The management continues to realign the Group's business strategies, fine tune the execution imperatives and to carry out the change management with the focused objective of improving the US and Europe operations.

*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 results 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. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.*

**METECH INTERNATIONAL LIMITED (formerly known as CENTILLION ENVIRONMENT & RECYCLING LTD)**

**12 USE OF PROCEEDS FROM RIGHTS CUM WARRANTS ISSUANCE**

On 22 October 2012, the Company has reported use of proceeds up to 30 September 2012 of approximately S\$4.28 million from the Right cum Warrants issue as follow:

	<b>30/9/2012 SGD' 000</b>
Utilised for the business in Europe and United Stated operations	1,900
Utilised for working capital purposes to support current operations	1,730
Utilised for the repayment of external borrowings	650
	4,280

The Company has further utilised S\$1,200,000 in October 2012 as part of the consideration for the acquisition of Tonkin Recycling Pte Ltd as annouced on 24th October 2012.

The use of the proceeds from the rights cum warrants issue stated above is in accordance with the use of proceeds allocations stated in the Offer Information Statement.

**13 DIVIDENDS**

No dividend is recommended.

**13 INTERESTED PARTY TRANSACTIONS**

The Group has not obtained a general mandate from its shareholders.

**BY ORDER OF THE BOARD**

**Shirley Lim Guat Hua**  
**Company Secretary**  
**Date : 12 November 2012**

**CONFIRMATION BY THE BOARD**

We, Andrew Eng and Song Tang Yih, being two Directors of Metech International Limited (the "Company") do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the quarter ended 30 September 2012 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

**Andrew Eng**  
**Executive Director and President**

**Song Tang Yih**  
**Executive Chairman**

**Date : 12 November 2012**