

(Company Registration No. 199206445M)

**UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2014  
("1Q FY2015")**

**PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS FOR FIRST 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) %
		1Q FY2015 S\$'000	1Q FY2014 S\$'000	
<b>Revenue</b>	(i)	<b>9,885</b>	8,552	15.6
Cost of sales		<b>(9,701)</b>	(6,941)	39.8
<b>Gross profit</b>	(ii)	<b>184</b>	1,611	(88.6)
<b>Gross margin</b>	(ii)	<b>1.9%</b>	18.8%	(16.9) pp
Other income - net	(iii)	<b>13</b>	368	(96.5)
Distribution expenses		<b>(474)</b>	(445)	6.5
Administrative expenses	(iv)	<b>(1,167)</b>	(1,385)	(15.7)
Finance costs		<b>(19)</b>	(10)	90.0
(Loss)/Profit on operating activities		<b>(1,463)</b>	139	(1,152.5)
Share of results of associates	(v)	-	13	nm
<b>(Loss)/Profit before income tax</b>		<b>(1,463)</b>	152	(1,062.5)
Income tax expense		<b>(1)</b>	(13)	(92.3)
<b>(Loss)/Profit after income tax</b>	(vi)	<b>(1,464)</b>	139	(1,153.2)
Other comprehensive profit/(loss):				
Foreign currency translation difference		<b>65</b>	(93)	(169.9)
- foreign operations				
<b>Total comprehensive (loss)/profit for the period attributable to the owners of the company</b>		<b>(1,398)</b>	46	(3,139.1)

nm = not meaningful  
pp = percentage point

(Company Registration No. 199206445M)

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

	Group		Inc/(Dec) %
	1Q FY2015 S\$'000	1Q FY2014 S\$'000	
1.1 <b>(Loss)/Profit before income tax</b> is arrived at after charging the following:			
Depreciation of property, plant and equipment	274	154	77.9
Operating lease expenses	790	804	(1.7)
Exchange loss	12	-	nm
Interest expense	19	10	90.0
1.2 <b>Other income</b> comprises principally the following:			
(Loss)/Gain on future contract	(24)	108	(122.2)
Rental income	63	259	(75.7)
Net change in fair value on derivative financial instrument	(185)	-	nm
Net change in fair value on financial assets designated at fair value through profit or loss ("FVTPL")	(132)	-	nm
Gain on sale of Available For Sale ("AFS") quoted securities	286	-	nm
Miscellaneous income	6	-	nm

nm = not meaningful

(Company Registration No. 199206445M)

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

		Group		Company	
		Unaudited 30-Sep-14 S\$'000	Audited 30-Jun-14 S\$'000	Unaudited 30-Sep-14 S\$'000	Audited 30-Jun-14 S\$'000
<b>ASSETS</b>	<b>Note 8(b)</b>				
<b>Non-Current Assets</b>					
Property, plant and equipment	(i)	9,952	8,347	-	-
Subsidiaries		-	-	1,000	1,000
Associate	(ii)	-	2,224	-	1,879
Restricted cash held in trust	(iii)	305	299	-	-
Trade and other receivables		-	-	10,696	9,244
		<u>10,257</u>	<u>10,870</u>	<u>11,696</u>	<u>12,123</u>
<b>Current Assets</b>					
Inventories	(iv)	4,189	2,445	-	-
Trade and other receivables	(v)	9,025	9,765	3,614	1,676
Derivative financial instrument	(vi)	32	217	32	217
Available for sale investment	(vii)	-	1,200	-	1,200
Other financial assets	(viii)	265	397	265	397
Cash and cash equivalents		1,701	2,783	617	1,179
		<u>15,212</u>	<u>16,807</u>	<u>4,528</u>	<u>4,669</u>
<b>Total Assets</b>		<u><b>25,469</b></u>	<u><b>27,677</b></u>	<u><b>16,224</b></u>	<u><b>16,792</b></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share Capital		170,513	170,513	170,513	170,513
Other reserves	(ix)	2,829	3,250	2,447	2,933
Accumulated losses		(152,509)	(151,045)	(157,186)	(157,118)
<b>Total Equity</b>		<u><b>20,833</b></u>	<u><b>22,718</b></u>	<u><b>15,774</b></u>	<u><b>16,328</b></u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	(x)	4,636	4,959	450	464
<b>Total Liabilities</b>		<u>4,636</u>	<u>4,959</u>	<u>450</u>	<u>464</u>
<b>Total Equity and Liabilities</b>		<u><b>25,469</b></u>	<u><b>27,677</b></u>	<u><b>16,224</b></u>	<u><b>16,792</b></u>

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

The Group has no external debt and borrowing as of 30 September 2014 and 30 June 2014.

(Company Registration No. 199206445M)

**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	
	1Q FY2015 S\$'000	1Q FY2014 S\$'000
<b>Cash flows from operating activities</b>		
Net (loss)/profit before tax	(1,463)	152
Adjustments for:		
Depreciation and amortisation	274	154
Interest expense	19	10
Gain on sale of Available For Sale quoted securities	(286)	-
Miscellaneous income	(6)	-
Net change in fair value on derivative financial instrument	185	-
Net change in fair value on financial assets designated at fair value through profit & loss ("FVTPL")	132	-
Share of results of associates	-	(13)
Loss/(Gain) on future contracts	24	(108)
Unrealized foreign exchange (gain)/loss	12	(17)
Operating cash flows before changes in working capital	<u>(1,109)</u>	<u>178</u>
Before working capital changes:		
Inventory	(1,744)	(654)
Trade and other receivables	2,937	(1,645)
Restricted cash held in trust	(6)	-
Trade and other payables	<u>(261)</u>	<u>476</u>
<b>Cash used in operating activities</b>	(183)	(1,645)
Interest paid	<u>(19)</u>	<u>(10)</u>
	(202)	(1,655)
<b>Cash flows from investing activities</b>		
Acquisition of plant, property and equipment	(1,880)	(239)
Proceeds from sale of subsidiary	-	2,195
Proceeds from sale of AFS quoted securities	<u>1,000</u>	<u>-</u>
<b>Net cash (used in)/generated from investing activities</b>	(880)	1,956
<b>Cash flows from financing activities</b>		
<b>Net cash generated from financing activities</b>	-	-
<b>Net change in cash</b>	(1,082)	301
<b>Cash at beginning</b>	2,783	6,110
<b>Effect of currency translation on cash and cash equivalents</b>	-	1
<b>Cash at end</b>	<u><u>1,701</u></u>	<u><u>6,412</u></u>

(Company Registration No. 199206445M)

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	Fair Value Reserve S\$'000	Warrant Reserve S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
<b>Group</b>						
<b>At 1 July 2013</b>	168,284	363	-	2,447	(151,147)	19,947
<b>Total comprehensive income for the period</b>						
Foreign currency translation	-	(124)	-	-	-	(124)
Profit for the period	-	-	-	-	139	139
Total comprehensive (loss)/income for the period	-	(124)	-	-	139	15
<b>At 30 September 2013</b>	168,284	239	-	2,447	(151,008)	19,962
<b>At 1 July 2014</b>	170,513	317	486	2,447	(151,045)	22,718
<b>Total comprehensive income for the period</b>						
Net change in fair value of available-for-sale financial asset	-	-	(486)	-	-	(486)
Foreign currency translation	-	65	-	-	-	65
Loss for the period	-	-	-	-	(1,464)	(1,464)
Total comprehensive income/(loss) for the period	-	65	(486)	-	(1,464)	(1,885)
<b>At 30 September 2014</b>	170,513	382	-	2,447	(152,509)	20,833
	Share Capital S\$'000	Currency Translation Reserve S\$'000	Fair Value Reserve S\$'000	Warrant Reserve S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
<b>Company</b>						
<b>At 1 July 2013</b>	168,284	-	-	2,447	(156,338)	14,393
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(505)	(505)
Total comprehensive loss for the period	-	-	-	-	(505)	(505)
<b>At 30 September 2013</b>	168,284	-	-	2,447	(156,843)	13,888
<b>At 1 July 2014</b>	170,513	-	486	2,447	(157,118)	16,328
<b>Total comprehensive income for the period</b>						
Net change in fair value of available-for-sale financial asset	-	-	(486)	-	-	(486)
Foreign currency translation	-	-	-	-	-	-
Loss for the period	-	-	-	-	(68)	(68)
Total comprehensive loss for the period	-	-	(486)	-	(68)	(554)
<b>At 30 September 2014</b>	170,513	-	-	2,447	(157,186)	15,774

(Company Registration No. 199206445M)

**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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

There were no changes in the Company's share capital for the reported quarter ended 30 September 2014.

There were 827,227,279 ordinary shares that may be issued on conversion of all outstanding warrants as at 30 September 2014 (30 September 2013: 827,231,580).

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

As at 30 September 2014, the number of ordinary shares issued was 2,343,398,871 (30 September 2013: 2,183,394,570).

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

There were no treasury shares issued during the quarter and as at 30 September 2014.

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

The figures have 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 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 September 2014.

**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 has adopted the Singapore Financial Standards ("SFRS") including improvements to SFRS and interpretations of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 July 2013. Where applicable, the application of these standards did not have any significant impact on the Group.

(Company Registration No. 199206445M)

**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:-**

(Loss)/Earning per share for the Group attributable to equity holders of the Company  
- Basic and diluted

Group	
1Q FY2015	1Q FY2014
cents	cents
(0.0625)	0.0064

Basic and diluted earnings per share for continuing business in 1Q FY2015 were calculated based on the weighted average number of ordinary shares of 2,343,398,871.

The basic earnings per share were the same as the diluted earnings per share for 1Q FY2015. There were no dilutive effects arising from the outstanding dilutive warrants for 1Q FY2015.

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

(a) Current financial period reported on; and

(b) Immediately preceding financial year.

NAV based on issued share capital as at the end of the period

Group		Company	
30-Sep-14	30-Jun-14	30-Sep-14	30-Jun-14
Cents	Cents	Cents	Cents
0.889	0.914	0.673	0.659

(Company Registration No. 199206445M)

**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 from continuing operations**

For the quarter ended 30 September 2014 ("1Q FY2015"), the Group's revenue increased by 14.3% quarter-on-quarter ("qoq") to S\$9.9 million.

	1Q FY2015	1Q FY2014	Var %
US operations	S\$6.0m	S\$7.0m	(14.3)
Singapore operations	S\$3.9m	S\$1.5m	160.0
Group operations	<b>S\$9.9m</b>	<b>S\$8.5m</b>	<b>16.5</b>

Revenue from US operations decreased by 14.3% qoq due to the decrease in incoming materials from a major corporate customer, who is currently experiencing a slowdown in business activity. This coupled with lower yield from precious metals and metals due to lower commodity prices in 1Q FY2015, have resulted in lower revenue in 1Q FY2015.

Revenue from Singapore operations increased by 160.0% qoq in 1Q FY2015 compared to 1Q FY2014. The increase is due to the precious metals recovery ("PMR") business from new corporate clients for refinery and other waste management services. This coupled with the new non-ferrous metals operations that started in 3Q FY2014 accounts for the increase in revenue of 160% in 1Q FY2015 compared to 1Q FY2014.

The Group's US operations accounted for 60.6% of the Group's revenue in 1Q FY2015 compared to 82.3% of the Group's revenue in 1Q FY2014.

**(ii) Gross Profit**

Gross margin decreased from 18.8% to 1.9% in 1Q FY2015.

The Group recorded lower margin in 1Q FY2015 due to challenging business climates both in the US and Singapore operations. The US operations reported lower margin in 1Q FY2015 due to lower revenue while attributable overheads on direct labour and premises related expenses remain. The Singapore operations experienced a slowdown in business activity from its metals operations due to the delay of several projects. Due to the slowdown, the metals operations reported lower margins from its operations and in turn affected the Group's gross profit for 1Q FY2015.

**Expenses and Other Income**

**(iii)** Other income decreased from S\$368,000 to S\$13,000 in 1Q FY2015. Other income in 1Q FY2015 decreased due to lower rental income as the Group cut back leases to tenants, and coupled with a S\$24,000 loss in futures contracts. In 1Q FY2015, the available for sale quoted securities were divested with a gain of S\$286,000, offset by a loss of S\$132,000 in the change in fair value in financial assets FVTPL and a loss of S\$185,000 on change in fair value in derivative financial instruments.

**(iv)** Administrative expenses decreased by S\$0.22 million in 1Q FY2015 compared to 1Q FY2014. The decrease in administrative expenses was due to cost savings from restructuring some of the corporate functions through reducing of headcount and streamlining work processes. This is offset by additional overheads incurred due to the commencement of additional business activities in both Singapore and United States in 3Q FY2014.

**(v)** There is no share of results from associate as the associate was disposed off in 1Q FY2015.

**(vi) Profit after income tax**

As a result of the above, the Group reported a loss of S\$1.4 million for 1Q FY2015, compared to profits of S\$139,000 for the corresponding period in the prior year.



(Company Registration No. 199206445M)

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

**Balance Sheet**

- (i) Property, plant and equipment increased by S\$1.6 million due to the acquisition of equipment for the precious metals recovery operations in Singapore and for the recycling and reuse operations in United States in 1Q FY2015.
- (ii) Investment in associates was disposed off in 1Q FY2015.
- (iii) The restricted cash held in trust for regulatory obligations imposed on the fund for reinstatement costs for the facility in California and Utah were revised in FY2015 and hence the increase as at 30 September 2014.
- (iv) Inventories increased by approximately S\$1.7 million to S\$4.2 million as at 30 September 2014 mainly due to an increase of S\$1.6 million in inventory in the Singapore operations. The inventory holding in the US increased by S\$0.1 million due to the increase in business activity.
- (v) Trade and other receivables for the Group as at 30 September 2014 decreased compared to 30 June 2014. This is mainly due to repayment and settlement of receivables in 1Q FY2015.
- (vi) Derivative financial instrument pertains to put and call options on quoted equities noted in (vii) and (viii).
- (vii) Available for sale investment pertains to quoted equities available for sale, which were divested in 1Q FY2015.
- (viii) Other financial assets pertains to quoted equities held for trading.
- (ix) The other reserves consisted of S\$2.4 million in warrants reserves and S\$0.3 million in foreign exchange translation reserve.
- (x) Trade and other payables of the Group decreased by approximately S\$324,000 to S\$4.6 million as at 30 September 2014 due to repayment and settlement of payables in 1Q FY2015.

**Cash flow statement**

The Group's cash and cash equivalents as of 30 September 2014 decreased by S\$1.1 million.

Net cash used in operating activities of the Group decreased by S\$1.5 million to S\$0.2 million mainly due to the repayment from trade receivables.

Net cash used in investing activities of the Group was S\$1.8 million for the acquisition of Precious Metal Refinery equipment, offset by proceeds of S\$1.0 million received from the sale of AFS quoted securities.

There were no changes in Net cash generated from financing activities of the Group.

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

No variance from previous prospect statement made.

(Company Registration No. 199206445M)

**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.**

With rising business costs and current business conditions, the Group expects FY2015 to be a challenging year.

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

**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.**

No dividend is recommended for the period under review.

**13. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive office or substantial shareholder of the issuer pursuant to rule 704(13)**

None.

**14. 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 has not obtained a general mandate from its shareholders.



(Company Registration No. 199206445M)

## **15. Use of proceeds**

### ***(a) Use of proceeds from shares placement completed on 11 April 2013***

The Company wishes to announce that the remaining S\$900,000 of the proceeds from the shares placement completed on 11 April 2013 has been utilized for general working capital purposes during the period 1 August 2014 to 30 September 2014, purposes for which are in accordance with the Company's announcement of 12 March 2013.

Consequently, the proceeds from the shares placement have been fully utilized in accordance with the purposes as set out in the Company's announcement of 12 March 2013.

## **16. Statement by Directors**

### **Negative confirmation pursuant to Rule 705(5)**

We, Andrew Eng, Chief Executive Officer and Benny Lim, Chief Financial Officer of Metech International Limited (the "Company") do hereby confirm 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 period ended 30 September 2014 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

**Andrew Eng**  
Chief Executive Officer and Executive Director

**Benny Lim**  
Chief Financial Officer

**10 November 2014**