

(Company Registration No. 199206445M)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2016 (“3Q2016”) AND NINE MONTHS ENDED 31 MARCH 2016 (“9M2016”)

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.

		Group		Inc/(Dec) %	Group		Inc/(Dec) %
		3Q2016 S\$'000	3Q2015 S\$'000		9M2016 S\$'000	9M2015 S\$'000	
Revenue	<i>Note 8(a)</i> (i)	8,854	11,371	(22.1)	30,314	32,287	(6.1)
Cost of sales		(9,213)	(12,057)	(23.6)	(31,808)	(33,312)	(4.5)
Gross loss	(ii)	(359)	(686)	(47.7)	(1,494)	(1,025)	45.8
Gross loss	(ii)	(4.1) %	(6.0) %	nm	(4.9) %	(3.2) %	
Other income/(expenses) - net	(iii)	511	(520)	nm	1,330	(523)	nm
Distribution expenses	(iv)	(306)	(362)	(15.5)	(886)	(1,117)	(20.7)
Administrative expenses	(v)	(1,266)	(1,155)	9.6	(3,751)	(3,812)	(1.6)
Finance costs		(18)	(39)	(53.9)	(67)	(80)	(16.3)
Loss before income tax		(1,438)	(2,762)	(47.9)	(4,868)	(6,557)	(25.8)
Income tax expense		-	-	nm	(5)	(1)	nm
Loss after income tax	(vi)	(1,438)	(2,762)	(47.9)	(4,873)	(6,558)	(25.7)
Other comprehensive gain/(loss):							
Foreign currency translation difference		17	23	(26.1)	(79)	130	nm
Total comprehensive loss for the period attributable to the owners of the company		(1,421)	(2,739)	(48.1)	(4,952)	(6,428)	(23.0)

nm = not meaningful

(Company Registration No. 199206445M)

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

	Group			Group		
	3Q2016 S\$'000	3Q2015 S\$'000	Inc/(Dec) %	9M2016 S\$'000	9M2015 S\$'000	Inc/(Dec) %
1.1 Loss before income tax is arrived at after charging the following:						
Depreciation of property, plant and equipment	178	328	(45.7)	626	924	(32.3)
Operating lease expenses	856	569	50.4	2,415	2,063	17.1
Interest expense	16	39	(59.0)	65	80	(18.8)
1.2 Other income/(expenses)-net comprises principally the following:						
Rental income	122	39	nm	285	147	93.9
Interest income	3	-	nm	13	-	nm
Gain/(Loss) on future contract	92	(132)	nm	34	(251)	nm
Gain/(Loss) on disposal of plant and equipment	233	(454)	nm	(9)	(454)	nm
Net change in fair value on derivative financial instrument	-	-	nm	-	(217)	nm
Net change in fair value on financial assets designated at fair value through profit or loss ("FVTPL")	-	-	nm	-	(132)	nm
Gain on sale of available-for-sale ("AFS") quoted securities	-	-	nm	-	286	nm
Recoveries from insurance claim	-	-	nm	906	-	nm
Gain on sale of other financial assets	-	-	nm	-	64	nm
Miscellaneous income	62	26	nm	100	32	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	Audited	Unaudited	Audited
		31-Mar-16 S\$'000	30-Jun-15 S\$'000	31-Mar-16 S\$'000	30-Jun-15 S\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	(i)	2,547	7,441	14	16
Subsidiaries		-	-	1,200	1,200
Restricted cash held in trust	(ii)	319	315	-	-
Trade and other receivables		-	-	17,450	14,633
Other financial asset	(iii)	511	511	511	511
		<u>3,377</u>	<u>8,267</u>	<u>19,175</u>	<u>16,360</u>
Current Assets					
Inventories	(iv)	3,834	2,758	-	-
Trade receivables	(v)	3,676	5,416	-	-
Other receivables	(vi)	2,684	3,080	699	777
Other financial assets	(vii)	177	9	177	9
Cash and cash equivalents		4,333	966	58	80
		<u>14,704</u>	<u>12,229</u>	<u>934</u>	<u>866</u>
Total Assets		<u>18,081</u>	<u>20,496</u>	<u>20,109</u>	<u>17,226</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share Capital		176,346	172,335	176,346	172,335
Other reserves	(viii)	297	374	-	-
Accumulated losses		(164,607)	(159,734)	(157,066)	(155,780)
Total Equity		<u>12,036</u>	<u>12,975</u>	<u>19,280</u>	<u>16,555</u>
LIABILITIES					
Non-Current Liabilities					
Finance lease liabilities		-	66	-	-
Current Liabilities					
Trade and other payables	(ix)	6,045	7,388	829	671
Finance lease liabilities		-	67	-	-
		<u>6,045</u>	<u>7,455</u>	<u>829</u>	<u>671</u>
Total Liabilities		<u>6,045</u>	<u>7,521</u>	<u>829</u>	<u>671</u>
Total Equity and Liabilities		<u>18,081</u>	<u>20,496</u>	<u>20,109</u>	<u>17,226</u>

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

The Group had no significant external debt and borrowing as of 31 March 2016 and 30 June 2015.

(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		Group	
	3Q2016 S\$'000	3Q2015 S\$'000	9M2016 S\$'000	9M2015 S\$'000
Cash flows from operating activities				
Loss before income tax	(1,438)	(2,762)	(4,868)	(6,557)
Adjustments for:				
Reversal of inventory written down	-	-	(253)	-
Depreciation and amortisation	178	328	626	924
Property, plant and equipment written off	-	-	-	-
Allowance for impairment loss on receivables	-	-	25	-
(Gain)/Loss on disposal of property, plant and equipment	(233)	454	9	454
Interest expense	18	39	67	80
Interest income	(3)	-	(13)	-
Gain on sale of available-for-sale quoted securities	-	-	-	(286)
Gain on sale of other financial assets	-	-	-	(64)
Miscellaneous income	-	(26)	-	(32)
Net change in fair value on derivative financial instrument	-	-	-	217
Net change in fair value on financial assets designated at fair value through profit & loss ("FVTPL")	-	-	-	132
(Gain)/Loss on future contracts	(167)	132	(147)	251
Loss/(Gain) on foreign exchange	203	9	(11)	9
Operating cash flows before changes in working capital	(1,442)	(1,826)	(4,565)	(4,872)
Before working capital changes:				
Inventory	(481)	1,132	(823)	201
Trade and other receivables	1,550	(1,011)	2,269	1,866
Restricted cash held in trust	21	(4)	(4)	(22)
Trade and other payables	(1,220)	(1,033)	(1,425)	(472)
Cash used in operating activities	(1,572)	(2,742)	(4,548)	(3,299)
Interest paid	(18)	(39)	(67)	(80)
Interest received	3	-	13	-
	(1,587)	(2,781)	(4,602)	(3,379)
Cash flows from investing activities				
Acquisition of plant, property and equipment	(503)	(106)	(727)	(2,138)
Proceeds from sale of plant, property and equipment	4,890	50	4,986	50
Proceeds from sale of subsidiary	-	800	-	1,400
Proceeds from sale of AFS quoted securities	-	-	-	1,000
Acquisition of other financial asset	-	-	(168)	(511)
Net cash generated from/(used in) investing activities	4,387	744	4,091	(199)
Cash flows from financing activities				
Repayments of finance lease liability	-	-	(133)	-
Proceed from issuance of ordinary shares, net of expenses	-	1,815	-	1,815
Proceed from rights cum warrants issuance, net of expenses	-	-	4,011	-
Net cash generated from financing activities	-	1,815	3,878	1,815
Net change in cash	2,800	(222)	3,367	(1,763)
Cash at beginning	1,533	1,242	966	2,783
Effect of currency translation on cash and cash equivalent	-	-	-	-
Cash at end	4,333	1,020	4,333	1,020

(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
Group						
At 1 January 2015	170,513	424	-	2,447	(154,841)	18,543
Total comprehensive loss for the period						
Net change in fair value of available-for-sale financial asset	-	-	-	-	-	-
Foreign currency translation	-	23	-	-	-	23
Loss for the period	-	-	-	-	(2,762)	(2,762)
Total comprehensive loss for the period	-	23	-	-	(2,762)	(2,739)
Issue of share capital - share placement	1,875	-	-	-	-	1,875
Share issue expenses	(60)	-	-	-	-	(60)
At 31 March 2015	172,328	447	-	2,447	(157,603)	17,619
At 1 January 2016	176,346	280	-	-	(163,169)	13,457
Total comprehensive loss for the period						
Net change in fair value of available-for-sale financial asset	-	-	-	-	-	-
Foreign currency translation	-	17	-	-	-	17
Loss for the period	-	-	-	-	(1,438)	(1,438)
Total comprehensive loss for the period	-	17	-	-	(1,438)	(1,421)
Issue of share capital - share placement	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-
At 31 March 2016	176,346	297	-	-	(164,607)	12,036
Company						
At 1 January 2015	170,513	-	-	2,447	(157,502)	15,458
Total comprehensive loss for the period						
Net change in fair value of available-for-sale financial asset	-	-	-	-	-	-
Loss for the period	-	-	-	-	(316)	(316)
Total comprehensive loss for the period	-	-	-	-	(316)	(316)
Issue of share capital - share placement	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-
At 31 March 2015	170,513	-	-	2,447	(157,818)	15,142
At 1 January 2016	176,346	-	-	-	(156,788)	19,558
Total comprehensive loss for the period						
Net change in fair value of available-for-sale financial asset	-	-	-	-	-	-
Loss for the period	-	-	-	-	(278)	(278)
Total comprehensive loss for the period	-	-	-	-	(278)	(278)
Issue of share capital - share placement	-	-	-	-	-	-
Exercise of warrant shares	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
At 31 March 2016	176,346	-	-	-	(157,066)	19,280

(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.

	Number of shares '000	S\$ '000
Ordinary shares issued		
As at 1 July 2015	2,812,373	172,335
Right Issues of 1,406,186,305 shares	1,406,186	4,011
As at 31 March 2016	4,218,559	176,346

There were 1,406,186,305 outstanding warrants as at 31 March 2016. If converted, these warrants potentially represent an increase of 33.3% in ordinary shares, which will bring the total to 5,624,745,221 ordinary shares.

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 31 March 2016, the number of ordinary shares issued was 4,218,558,916. As at 30 June 2015, there were 2,812,372,611 ordinary shares issued.

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 31 March 2016.

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 in the current reporting period's financial statements as compared with the audited financial statements for the year ended 30 June 2015.

(Company Registration No. 199206445M)

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 ("SFRS") including improvements to SFRS and interpretations of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 July 2015. 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	
	3Q2016	3Q2015	9M2016	9M2015
	cents	cents	cents	cents
Loss per share for the Group attributable to equity holders of the Company	(0.0341)	(0.1146)	(0.1307)	(0.1620)

The earnings per share for continuing business in 3Q2015 was calculated based on the weighted average number of ordinary shares of 4,218,558,916. The Group has no dilutive equity instruments as at 31 March 2016.

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.

	Group		Company	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
	Cents	Cents	Cents	Cents
NAV based on issued share capital as at the end of the period	0.2853	0.4614	0.4570	0.5886

(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 31 March 2016 ("3Q2016"), the Group's revenue decreased by 22.1% quarter-on-quarter ("qoq") to S\$8.9 million. For the nine months ended 31 March 2016 ("9M2016"), the Group's revenue decreased by 6.1% 9M-on-9M period ("pop") to S\$30.3 million.

	3Q2016	3Q2015	Variance	9M2016	9M2015	Variance
	S\$' million	S\$' million	%	S\$' million	S\$' million	%
US Operations	4.4	5.9	(25.4)	12.7	17.9	(29.1)
Singapore Operations	2.8	5.5	(49.1)	14.6	14.4	1.4
China Operations	1.3	-	nm	2.7	-	nm
Malaysia Operations	0.3	-	nm	0.3	-	nm
Group	8.8	11.4	(22.8)	30.3	32.3	(6.2)

(i)(a) Revenue from US operations decreased by 25.4 % qoq and 29.1% pop.

The US recycling business continued to face the same challenges as in previous quarters, which affected both the revenue and margins.

(i)(b) Revenue from Singapore operations decreased by 49.1% qoq but increased by 1.4% pop.

The decrease of S\$2.7 million in revenue in 3Q2016 as compared to 3Q2015 was mainly due to the cessation of trading in standardized exchange-traded copper-related products in 3Q2016 as compared to 3Q2015.

(i)(c) Revenue from China operations

The China subsidiary was incorporated in June 2015 and has commenced operations in the trading of standardized metals which contributed S\$1.3 million to the Group's revenue in 3Q2016.

(i)(d) Revenue from Malaysia operations

The Malaysia subsidiary commenced operations in January 2016 in the trading of electronic wastes which contributed S\$0.3 million to the Group's revenue in 3Q2016.

(ii) Gross Profit

	3Q2016	3Q2015	Variance	9M2016	9M2015	Variance
	S\$' 000	S\$' 000	%	S\$' 000	S\$' 000	%
US Operations	(242)	(172)	40.7	(995)	689	(244.4)
Singapore Operations	(196)	(514)	(61.9)	(506)	(1,714)	(70.5)
China Operations	6	-	nm	(66)	-	nm
Malaysia Operations	73	-	nm	73	-	nm
Group	(359)	(686)	(47.7)	(1,494)	(1,025)	45.8

The US operations is currently undergoing a restructuring, and as a result was not able to cover its fixed costs in 3Q2016. The depressed prices of metals, in particular copper and precious metals, continued to

(Company Registration No. 199206445M)

affect revenue as well as margin. The Installation of additional equipment and semi-automation of the work processes which were completed recently were expected to improve efficiency of the US operations.

The Singapore operations had incurred a smaller loss in 3Q2016 as compared to 3Q2015 as we continue to make improvements.

(iii) Net Other Income/(Expenses)

Net Other Income increased to S\$511,000 in 3Q2016 as compared to a net other expense of S\$520,000 in 3Q2015 arising mainly from rental income and gain on disposal of property, plant and equipment in the US.

(iv) Distribution expenses

Expenses decreased by 15.5% to S\$306,000 in 3Q2016 and by 20.7% to S\$886,000 in 9M2016, mainly due to the decrease in sales in the US operations which resulted in lower distribution expenses.

(v) Administrative expenses

Administrative expenses increased by 9.6% to S\$1,266,000 in 3Q2016 as compared to 3Q2015 and a slight decrease of 1.6% to S\$3,751,000 in 9M2016 as compared to 9M2015. The increase in 3Q2016 mainly was due to the business expansion in China and Malaysia.

(vi) Loss after income tax

As a result of the above, the Group reported losses after income tax of S\$1.4 million in 3Q2016 and S\$4.9 million in 9M2016 compared to respective losses of S\$2.8 million and S\$6.6 million for the corresponding periods in the prior year.

(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 decreased by S\$4.9 million mainly due to sale of property at Gilroy USA, depreciation and write-offs of some obsolete equipment.
- (ii)** Change in the restricted cash held in trust for regulatory obligations was mainly due to unrealized gains in foreign exchange.
- (iii)** Other financial assets pertained to investment in convertible debt in a mining company.
- (iv)** Inventories increased by approximately S\$1.1 million to S\$3.8 million as at 31 March 2016 mainly due to the purchase of materials in the precious metals operations in Singapore in 9M2016.
- (v)** Trade receivables reduced as at 31 March 2016 by S\$1.7 million compared to 30 June 2015. This was mainly due to repayment and settlement of receivables in 9M2016.
- (vi)** Other receivables for the Group as at 31 March 2016 decreased by S\$0.4 million compared to 30 June 2015 mainly due to the refund of deposits placed with our vendor.
- (vii)** Other financial assets pertained to quoted equities held for trading.
- (viii)** Other reserves consisted of S\$0.3 million in foreign exchange translation reserve.
- (ix)** Trade and other payables reduced to S\$6.0 million mainly due to repayment in 3Q2016.

(Company Registration No. 199206445M)

Cash flow statement

Net cash used in operating activities of the Group in 3Q2016 was S\$1.6 million. This was due mainly to the repayment of trade payables and purchase of inventories in 3Q2016.

Net cash used in investing activities of the Group in 3Q2016 was S\$4.4 million. This was made up of S\$0.5 million for the acquisition of plant and equipment, offset by proceeds of S\$4.9 million from the disposal of property, plant and equipment.

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

As a result of the above, the Group's cash and cash equivalents as of 31 March 2016 increased by S\$2.8 million in 3Q2016.

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 on 28 August 2015.

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.

Over the last 9 months, the Group has slowly diversified its principal operations in US by growing the Asia operations. The revenue shared was about 50% each in US and Asia. The commodities market and US dollar will continue to affect the performance of the Group. Depressed metal prices affect revenue while higher US dollar increases operating and business costs in Singapore dollar terms. However, the ongoing negotiations with corporate customers and enhanced mechanization in the US will lessen the impact of these two negative factors.

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.

(Company Registration No. 199206445M)

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or is recommended for the period under review.

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.

14. Use of proceeds

(a) Use of proceeds from Right cum Warrants Issuance

The Company completed a right cum warrants issue on 5 October 2015, and the net proceeds amounted to S\$4.0 million.

Remaining net proceeds for business expansion purpose had been fully utilised in the period of 6 February 2016 to 30 April 2016.

Consequently, the proceeds from the Right cum Warrants Issuance had been fully utilised in accordance with the purposes set out in the Company's announcement of 10 July 2015.



(Company Registration No. 199206445M)

15. Statement by Directors

Negative confirmation pursuant to Rule 705(5)

We, Simon Eng, Chairman and Executive Director and Andrew Eng, Chief Executive Officer and Executive Director 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 31 March 2016 to be false or misleading in any material aspect.

16. 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 Executive Director

Andrew Eng
CEO and Executive Director

9 May 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Continuing Sponsor, Stamford Corporate Services Pte. Ltd., for compliance with the relevant rules of 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.

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