

(Company Registration No. 199206445M)

UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2016
("1Q2017").

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.

		Group		Inc/(Dec) %
		1Q2017 S\$'000	1Q2016 S\$'000	
	<i>Note 8(a)</i>			
Revenue	(i)	19,887	11,634	70.9
Cost of sales		(18,807)	<u>(12,383)</u>	51.9
Gross profit/(loss)	(ii)	1,080	<u>(749)</u>	nm
Gross profit/(loss) margin	(ii)	5.4 %	(6.4) %	nm
Other income - net	(iii)	614	1,039	(40.9)
Distribution expenses	(iv)	(285)	(288)	(1.0)
Administrative expenses	(v)	(1,232)	(1,272)	(3.1)
Finance costs		(30)	<u>(42)</u>	(28.6)
Profit/(Loss) before income tax		147	<u>(1,312)</u>	nm
Income tax expense		-	<u>(5)</u>	nm
Profit/(Loss) after income tax	(vi)	147	<u><u>(1,317)</u></u>	nm
Other comprehensive profit/(loss), net of income tax:				
Foreign currency translation difference		23	<u>(46)</u>	nm
Total comprehensive profit/(loss) for the period		170	<u><u>(1,363)</u></u>	nm
attributable to the owners of the company				

nm = not meaningful

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

	Group		Inc/(Dec) %
	1Q2017 S\$'000	1Q2016 S\$'000	
1.1 Profit/(Loss) before income tax is arrived at after charging the following:			
Depreciation of property, plant and equipment	214	235	(8.9)
Operating lease expenses	852	778	9.5
Interest expense	30	42	(28.6)
1.2 Other income - net comprises principally the following:			
Rental income	123	50	nm
Interest income	6	-	nm
Insurance claim	413	906	(54.4)
Government grant	6	6	-
Loss on future contracts - realised	(32)	(231)	(86.1)
Gain on future contracts - unrealised	52	137	(62.0)
Foreign currency exchange gain - realised	25	145	(82.8)
Foreign currency exchange gain - unrealised	14	27	(48.1)
Gain/(Loss) on disposal of plant and equipment	7	(1)	nm

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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
		30-Sep-16 S\$'000	30-Jun-16 S\$'000	30-Sep-16 S\$'000	30-Jun-16 S\$'000
ASSETS	Note 8(b)				
Non-Current Assets					
Property, plant and equipment	(i)	2,072	2,215	12	13
Subsidiaries		-	-	800	800
Restricted cash held in trust	(ii)	330	326	-	-
Trade and other receivables		-	-	7,963	8,603
Other financial asset	(iii)	511	511	511	511
		<u>2,913</u>	<u>3,052</u>	<u>9,286</u>	<u>9,927</u>
Current Assets					
Inventories	(iv)	2,859	2,806	-	-
Trade receivables	(v)	12,351	4,826	-	-
Other receivables	(vi)	3,068	2,754	640	651
Cash and cash equivalents		3,284	3,029	208	116
		<u>21,562</u>	<u>13,415</u>	<u>848</u>	<u>767</u>
Total Assets		24,475	16,467	10,134	10,694
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share Capital		176,346	176,346	176,346	176,346
Other reserves	(vii)	304	281	-	-
Accumulated losses		(166,684)	(166,831)	(166,985)	(166,477)
Total Equity		9,966	9,796	9,361	9,869
LIABILITIES					
Non-Current Liabilities					
Finance lease liabilities		122	122	-	-
Current Liabilities					
Trade and other payables	(viii)	14,356	6,508	773	825
Finance lease liabilities		31	41	-	-
		<u>14,387</u>	<u>6,549</u>	<u>773</u>	<u>825</u>
Total Liabilities		14,509	6,671	773	825
Total Equity and Liabilities		24,475	16,467	10,134	10,694

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

The Group had no significant external debt and borrowing as of 30 September 2016 and 30 June 2016.

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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	
	1Q2017 S\$'000	1Q2016 S\$'000
Cash flows from operating activities		
Profit/(Loss) before income tax	147	(1,312)
Adjustments for:		
Reversal of inventory written down	-	(253)
Depreciation and amortisation	214	235
(Gain)/Loss on disposal of property, plant and equipment	(7)	1
Interest expense	30	42
Interest income	(6)	-
Gain on future contracts - unrealised	(52)	(137)
Gain on foreign currency exchange - unrealised	(14)	(27)
Operating cash flows before changes in working capital	<u>312</u>	<u>(1,451)</u>
Before working capital changes:		
Inventories	(53)	(97)
Trade and other receivables	(7,750)	877
Restricted cash held in trust	(4)	(27)
Trade and other payables	<u>7,848</u>	<u>(1,169)</u>
Cash generated from/(used in) operating activities	353	(1,867)
Interest paid	(30)	(42)
Interest received	6	-
Income tax paid	-	-
Net cash generated from/(used in) operating activities	<u>329</u>	<u>(1,909)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(71)	(26)
Proceeds from sale of property, plant and equipment	7	1
Acquisition of other financial asset	-	(128)
Net cash used in investing activities	<u>(64)</u>	<u>(153)</u>
Cash flows from financing activities		
Advances received pertaining to the rights cum warrants subscription	-	3,350
Repayments of finance lease liability	(10)	(17)
Proceed from exercise of warrants	-	-
Net cash (used in)/generated from financing activities	<u>(10)</u>	<u>3,333</u>
Net change in cash	255	1,271
Cash at beginning	3,029	966
Effect of currency translation on cash and cash equivalent	-	-
Cash at end	<u>3,284</u>	<u>2,237</u>

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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	Warrant Reserve S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
Group					
At 1 July 2016	176,346	281	-	(166,831)	9,796
Total comprehensive profit for the period					
Foreign currency translation	-	23	-	-	23
Profit for the period	-	-	-	147	147
Total comprehensive profit for the period	-	23	-	147	170
At 30 September 2016	176,346	304	-	(166,684)	9,966
At 1 July 2015	172,335	374	-	(159,734)	12,975
Total comprehensive loss for the period					
Foreign currency translation	-	(46)	-	-	(46)
Loss for the period	-	-	-	(1,317)	(1,317)
Total comprehensive loss for the period	-	(46)	-	(1,317)	(1,363)
At 30 September 2015	172,335	328	-	(161,051)	11,612
Company					
At 1 July 2016	176,346	-	-	(166,477)	9,869
Total comprehensive loss for the period					
Loss for the period	-	-	-	(508)	(508)
Total comprehensive loss for the period	-	-	-	(508)	(508)
At 30 September 2016	176,346	-	-	(166,985)	9,361
At 1 July 2015	172,335	-	-	(155,780)	16,555
Total comprehensive loss for the period					
Loss for the period	-	-	-	(525)	(525)
Total comprehensive loss for the period	-	-	-	(525)	(525)
At 30 September 2015	172,335	-	-	(156,305)	16,030

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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 2016.

There were 1,406,186,305 outstanding warrants as at 30 September 2016. If converted, these warrants potentially represent an increase of 33.3% in ordinary shares, which will increase the total share capital of the company 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.

The number of ordinary shares issued as at 30 September 2016 and 30 June 2016 stood at 4,218,558,916.

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 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 to the financial statements in the current reporting period as with the audited financial statements for the year ended 30 June 2016.

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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 2016. 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:-

	1Q2017	Group	1Q2016
	cents		cents
Earning/(Loss) per share for the Group attributable to equity holders of the Company			
i) Basic	0.0035		(0.0468)
ii) On a fully diluted basis	0.0026		(0.0468)

The earnings per share for continuing business in 1Q2017 was calculated based on the weighted average number of ordinary shares of 4,218,558,916 and 5,624,745,221 respectively.

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	
	30-Sep-16	30-Jun-16	30-Sep-16	30-Jun-16
	Cents	Cents	Cents	Cents
NAV per share based on issued share capital as at the end of the period	0.2362	0.2322	0.2219	0.2339

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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 2016 ("1Q2017"), the Group's revenue increased by 71.6% quarter-on-quarter ("qoq") to S\$19.9 million.

	1Q2017	1Q2016	Variance
	S\$' million	S\$' million	%
E-Waste management (EWM)	6.5	5.8	12.1
Supply chain management (SCM)	13.4	5.8	131.0
	<u>19.9</u>	<u>11.6</u>	71.6

Revenue from both EWM segment and SCM segment increased by 12.1% and 131.0% respectively qoq. The increase in revenue under the SCM segment was largely due to the expansion in the trading of standardized exchange-traded metal products.

Sales by country:

	1Q2017	1Q2016	Variance
	S\$' million	S\$' million	%
US Operations	4.9	4.5	8.9
Singapore Operations	2.4	8.0	(70.0)
China Operations	12.5	-	nm
Malaysia Operations	0.2	-	nm
	<u>20.0</u>	<u>12.5</u>	60.0
Inter-segment	(0.1)	(0.9)	(88.9)
Group	<u>19.9</u>	<u>11.6</u>	71.6

(i)(a) Revenue from US operations increased by 8.9 % qoq.

The US EWM business increased its revenue in 1Q2017 by 8.9% mainly due to the signing of the offtake agreement on 3 May 2016, which provided a pre-agreed price and hence a hedge against metal price fluctuation.

(i)(b) Revenue from Singapore operations decreased by 70.0% qoq.

The decrease of S\$5.6 million in revenue in 1Q2017 as compared to 1Q2016 was mainly due to the Group consolidating all trading of standardized exchange-traded metal products under China operations.

(i)(c) Revenue from China operations

The China subsidiary trades in standardized exchange-traded metal products which contributed S\$12.5 million to the Group's revenue in 1Q2017.

(i)(d) Revenue from Malaysia operations

The Malaysia subsidiary trades in EWM which contributed S\$0.2 million to the Group's revenue in 1Q2017.

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(ii) Gross Profit

	1Q2017	1Q2016	Variance
	S\$' 000	S\$' 000	%
US Operations	421	(656)	nm
Singapore Operations	498	(93)	nm
China Operations	109	-	nm
Malaysia Operations	52	-	nm
Group	1,080	(749)	nm

After undergoing operational restructuring and diversification over the last two years amidst the commodity rout, the Group has showed significant improvements in terms of revenue and profit.

All four operating segments generated positive profit margin in 1Q2017.

(iii) Net Other Income

Net Other Income decreased to S\$614,000 in 1Q2017 as compared to S\$1,039,000 in 1Q2016. The drop was largely due to a lower insurance claim which was partially offset by an increase in rental income in 1Q2017.

(iv) Distribution expenses

Expenses decreased by 1.0% to S\$285,000 in 1Q2017.

(v) Administrative expenses

Administrative expenses decreased by 3.1% to S\$1,232,000 in 1Q2017 as compared to 1Q2016. The decrease in 1Q2017 was mainly due to on-going operational restructuring.

(vi) Profit/(Loss) after income tax

As a result of the above, the Group reported profit after income tax of S\$147,000 in 1Q2017 as compared to a loss of S\$1.3 million in 1Q2016.

(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\$143,000 mainly due to depreciation.
- (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 slightly by S\$53,000 to S\$2.9 million as at 30 September 2016, which is attributable to increase in inventory level in the Singapore operations offset by decrease in inventory level in the US operations.
- (v)** Trade receivables increased as at 30 September 2016 by S\$7.5 million as compared to 30 June 2016 in line with the increase in revenue in 1Q2017.
- (vi)** Other receivables for the Group as at 30 September 2016 increased by S\$314,000 as compared to 30 June 2016 mainly due to deposit placed with vendors.
- (vii)** Other reserves comprised S\$304,000 in foreign exchange translation reserve.

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(viii) Trade and other payables as at 30 September 2016 increased by S\$7.8 million mainly due to trade advances received for trading in standardized exchange-traded metal products.

Cash flow statement

Net cash generated from operating activities of the Group in 1Q2017 was S\$329,000.

Net cash used in investing activities of the Group in 1Q2017 was S\$64,000. The main contributing factor was for the acquisition of plant and equipment (S\$71,000) and proceeds of S\$7,000 from the disposal of property, plant and equipment.

Net cash used in financing activities of the Group in 1Q2017 was S\$10,000. The main contributing factor was repayment of financial liability.

As a result of the above, the Group's cash and cash equivalents as of 30 September 2016 increased by S\$255,000.

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

Not applicable.

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.

In 1Q2017, the Group's SCM business as compared to its EWM business generated a 131% increase in revenue over the same quarter a year ago, bringing its revenue share from 50% to 67% of total revenue quarter-on-quarter. Geographically, Asia's share of the revenue increased from 64% to 76% at the same time, mainly a result of our SCM business which is concentrated in China. The Group is exploring raising \$2m through a bond issue via a crowdfunding platform to scale up our SCM business.

The Group ended 1Q2017 profitable after eight consecutive quarterly losses. The Group also generated positive operating cash flow in 1Q 2017. These improvements in results are attributable to the operational restructuring and diversification effort over the last two years amidst the commodity rout.

Together with the offtake agreement and stabilizing metal prices, the Group remains cautiously optimistic and confident over the next 12 months, barring any unforeseen circumstances.

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

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(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 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. 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 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 30 September 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

10 November 2016



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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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