

(Company Registration No. 199206445M)

**UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2017 (“1Q2018”).**

**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) %
		1Q2018 S\$'000	1Q2017 S\$'000 (Restated)	
	<b>Note 8(a)</b>			
<b>Revenue</b>	(i)	<b>32,482</b>	19,593	65.8
Cost of sales		<b>(31,404)</b>	(18,779)	67.2
<b>Gross profit</b>	(ii)	<b>1,078</b>	814	32.4
<b>Gross profit margin</b>	(ii)	<b>3.3</b> %	4.2 %	
Other income - net	(iii)	<b>669</b>	908	(26.3)
Distribution expenses	(iv)	<b>(371)</b>	(285)	30.2
Administrative expenses	(v)	<b>(1,199)</b>	(1,260)	(4.8)
Finance costs	(vi)	<b>(65)</b>	(30)	116.7
<b>Profit before income tax</b>		<b>112</b>	147	(23.8)
Income tax expense		<b>(5)</b>	-	nm
<b>Profit after income tax</b>	(vii)	<b>107</b>	147	(27.2)
Other comprehensive income, net of income tax:				
Foreign currency translation difference	(viii)	<b>75</b>	23	226.1
<b>Total comprehensive income for the period attributable to the owners of the company</b>		<b>182</b>	170	7.1

nm = not meaningful

Restatement:

The statement of comprehensive income in the previously reported period 1Q2017 had been restated as follows:

**30 September 2016**

	As previously reported	Group	
		Adjustment	As restated
<b>Revenue</b>	19,887	(294)	19,593
Other income - net	614	294	908
<b>Total comprehensive income for the period attributable to the owners of the company</b>	<b>170</b>	-	<b>170</b>

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

	Group		Inc/(Dec) %
	1Q2018 S\$'000	1Q2017 S\$'000 (Restated)	
<b>1 Profit before income tax is arrived at after charging the following:</b>			
Depreciation of property, plant and equipment	155	214	(27.6)
Operating lease expenses	763	852	(10.5)
Interest expense	65	30	116.7
<b>2 Other income/ (expenses) - net comprises principally of the following:</b>			
Rental income	85	123	(30.9)
Interest income	1	6	(83.3)
Insurance claim	638	707	(9.8)
Government grant	-	6	(100.0)
Investment loss on future contracts - realised	-	(32)	(100.0)
Investment gain on future contracts - unrealised	-	52	(100.0)
Foreign currency exchange gain - realised	15	25	(40.0)
Foreign currency exchange (loss)/ gain - unrealised	(80)	14	nm
Gain on disposal of plant and equipment	-	7	(100.0)
Bad debts recovered	8	-	nm
Miscellaneous	2	-	nm

nm = not meaningful

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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 30-Sep-17 S\$'000	Audited 30-Jun-17 S\$'000	Unaudited 30-Sep-17 S\$'000	Audited 30-Jun-16 S\$'000
<b>ASSETS</b>	<b>Note 8(b)</b>				
<b>Non-Current Assets</b>					
Property, plant and equipment	(i)	2,107	2,146	8	9
Subsidiaries		-	-	700	700
Restricted cash held in trust	(ii)	330	326	-	-
Trade and other receivables		-	-	9,324	9,325
		<u>2,437</u>	<u>2,472</u>	<u>10,032</u>	<u>10,034</u>
<b>Current Assets</b>					
Inventories	(iii)	3,522	3,678	-	-
Trade receivables	(iv)	10,131	8,784	-	-
Other receivables	(v)	7,629	6,356	727	585
Cash and cash equivalents		2,630	3,742	168	180
		<u>23,912</u>	<u>22,560</u>	<u>895</u>	<u>765</u>
<b>Total Assets</b>		<b><u>26,349</u></b>	<b><u>25,032</u></b>	<b><u>10,927</u></b>	<b><u>10,799</u></b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share Capital		177,081	176,346	177,081	176,346
Other reserves	(vi)	345	270	-	-
Accumulated losses		(165,851)	(165,958)	(169,014)	(168,657)
<b>Total Equity</b>		<b><u>11,575</u></b>	<b><u>10,658</u></b>	<b><u>8,067</u></b>	<b><u>7,689</u></b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Trade and other payables	(vii)	34	34	-	-
Provisions		78	78	-	-
Finance lease liabilities		71	81	-	-
Non-convertible bond	(viii)	1,000	1,000	1,000	1,000
		<u>1,183</u>	<u>1,193</u>	<u>1,000</u>	<u>1,000</u>
<b>Current Liabilities</b>					
Trade and other payables	(vii)	12,431	12,021	860	1,110
Provisions		82	82	-	-
Finance lease liabilities		41	41	-	-
Non-convertible bond	(viii)	1,000	1,000	1,000	1,000
Income tax payable		37	37	-	-
		<u>13,591</u>	<u>13,181</u>	<u>1,860</u>	<u>2,110</u>
<b>Total Liabilities</b>		<b><u>14,774</u></b>	<b><u>14,374</u></b>	<b><u>2,860</u></b>	<b><u>3,110</u></b>
<b>Total Equity and Liabilities</b>		<b><u>26,349</u></b>	<b><u>25,032</u></b>	<b><u>10,927</u></b>	<b><u>10,799</u></b>

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

Bond issued	As at	As at
	30 Sep-17	30 Jun-17
<u>Secured</u>	<u>S\$'000</u>	<u>S\$'000</u>
Current	1,000	1,000
Non-current	1,000	1,000
Total	<u>2,000</u>	<u>2,000</u>

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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	
	1Q2018 S\$'000	1Q2017 S\$'000
<b>Cash flow from operating activities</b>		
Profit before income tax	112	147
Adjustments for:		
Depreciation of property, plant and equipment	155	214
Gain on disposal of property, plant and equipment	-	(7)
Interest expense	65	30
Interest income	(1)	(6)
Gain on future contracts - unrealised	-	(52)
Loss/ (Gain) on foreign currency exchange - unrealised	80	(14)
Operating cash flow before working capital changes	<u>411</u>	<u>312</u>
<b>Changes in operating assets and liabilities</b>		
Inventories	156	(53)
Trade and other receivables	(2,610)	(7,750)
Restricted cash held in trust	(4)	(4)
Trade and other payables	410	7,848
<b>Cash (used in)/ generated from operating activities</b>	<u>(1,637)</u>	<u>353</u>
Interest paid	(65)	(30)
Interest received	1	6
Income tax paid	(5)	-
<b>Net cash flow (used in)/ from operating activities</b>	<u>(1,706)</u>	<u>329</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(131)	(71)
Proceeds from sale of property, plant and equipment	-	7
<b>Net cash (used in) investing activities</b>	<u>(131)</u>	<u>(64)</u>
<b>Cash flows from financing activities</b>		
Repayment of finance lease liabilities	(10)	(10)
Proceeds from shares issuances from warrants exercise	735	-
<b>Net cash generated from/ (used in) financing activities</b>	<u>725</u>	<u>(10)</u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<u>(1,112)</u>	<u>255</u>
<b>Cash and cash equivalents at beginning of financial period</b>	<u>3,742</u>	<u>3,029</u>
<b>Cash and cash equivalents at end of financial period</b>	<u><u>2,630</u></u>	<u><u>3,284</u></u>



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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 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.**

	Number of shares '000	Amount S\$ '000
Ordinary shares issued		
As at 1 July 2017	4,218,558	176,346
Conversion of 183,767,805 warrants at \$0.004 each	183,768	735
As at 30 September 2017	4,402,326	177,081

During 1Q2018, a total of 183,767,805 warrants were exercised and converted into 183,767,805 shares. The total proceeds from the warrants exercise were S\$735,000.

There were 1,222,418,500 and 1,406,186,305 outstanding warrants as at 30 September 2017 and 30 June 2017 respectively. If converted, these warrants potentially represent an increase of 28.8% in ordinary shares, which will increase the total share capital of the company to 5,624,745,221 ordinary shares.

Subsequently, additional 99,657,508 warrants were exercised and converted into 99,657,508 shares before the expiry date of 5 October 2017, resulting in additional proceeds of S\$399,000. As of 5 October 2017, the total number of issued shares and the total share capital stood at 4,501,984,229 and S\$177,480,000 respectively. The remaining 1,222,418,500 warrants which were not converted expired on the same day.

**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 2017 and 30 June 2017 was 4,402,326,721 and 4,218,558,916 respectively.

**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 issued during the quarter and as at 30 September 2017.

**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 issued during the quarter and as at 30 September 2017.

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**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 2017.

**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 2017. 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	
	1Q2018 cents	1Q2017 cents
<b>Earnings per share for the Group attributable to equity holders of the Company</b>		
i) Basic	0.0025	0.0035
ii) On a fully diluted basis	0.0020	0.0026

The earnings per share for continuing business in 1Q2017 and 1Q2016 was calculated based on the weighted average number of ordinary shares of 4,237,856,267 and 4,218,558,916 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-17 Cents	30-Jun-16 Cents	30-Sep-17 Cents	30-Jun-16 Cents
<b>NAV per share based on issued share capital as at the end of the period</b>	0.2629	0.2362	0.1832	0.2219

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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 2017 ("1Q2018"), the Group's revenue increased by 65.3% quarter-on-quarter ("qoq") to S\$32.4 million.

**Sales by segments:**

	<b>1Q2018</b>	<b>1Q2017</b>	<b>Variance</b>
	<b>S\$' million</b>	<b>S\$' million</b>	<b>%</b>
E-Waste management	7.8	6.3	23.8
Supply chain management	24.6	13.4	83.6
	<u>32.4</u>	<u>19.7</u>	64.5
Intersegment	-	(0.1)	(100.0)
<b>Group</b>	<b><u>32.4</u></b>	<b><u>19.6</u></b>	65.3

Revenue from E-Waste Management ("EWM") segment increased by 23.8% qoq and revenue from Supply Chain Management ("SCM") segment increased by 83.6% qoq. The increase in revenue under the SCM segment between the two comparative quarters was largely due to the injection of \$2m raised from the bond issue in December 2016. This new fund was used to expand the trading volume of standardized exchange-traded metal products.

**Sales by geographical locations:**

	<b>1Q2018</b>	<b>1Q2017</b>	<b>Variance</b>
	<b>S\$' million</b>	<b>S\$' million</b>	<b>%</b>
US Operations	4.2	4.9	(14.3)
Asia Operations*	28.2	14.8	90.5
	<u>32.4</u>	<u>19.7</u>	64.5
Intersegment	-	(0.1)	(100.0)
<b>Group</b>	<b><u>32.4</u></b>	<b><u>19.6</u></b>	65.3

\*Asia operations cover Singapore operations, China operations and Malaysia operations.

Revenue for the US operations which is EWM in nature decreased by 14.3% in 1Q2018 due to process upgrading work carried out at one of the US facilities which caused a reduction in production output. The increase in revenue of the Asia operations of 90.5% qoq in 1Q2018 was mainly due to the increase in trading volume of standardized exchange-traded metal products.

**(ii) Gross Profit**

**Gross profit by segments:**

	<b>1Q2018</b>	<b>1Q2017</b>	<b>Variance</b>
	<b>S\$' 000</b>	<b>S\$' 000</b>	<b>%</b>
E-Waste management	1,032	705	46.4
Supply chain management	46	109	(57.8)
	<u>1,078</u>	<u>814</u>	32.4

In 1Q2018, gross profit from the EWM segment increased by 46.4% due to improved EWM production efficiencies. The reduction in the SCM segment by 57.8% was in connection with hedging.



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**Gross profit by geographical locations:**

	1Q2018 S\$' 000	1Q2017 S\$' 000	Variance %
US Operations	472	421	12.1
Asia Operations*	606	393	54.2
<b>Group</b>	<b>1,078</b>	<b>814</b>	32.4

The increase in gross profit margin was mainly due to improved business sentiment in the Asia operations.

**(iii) Net Other Income**

Net Other Income decreased to S\$669,000 in 1Q2018 from S\$908,000 in 1Q2017, largely due to a lower rental income, lower insurance claims and higher unrealized foreign exchange losses in 1Q2018.

**(iv) Distribution expenses**

Expenses increased by 30.2% to S\$371,000 in 1Q2018, due to increased marketing costs in US operations.

**(v) Administrative expenses**

Administrative expenses decreased by 4.8% to S\$1,199,000 in 1Q2018 due to cost control.

**(vi) Finance expenses**

Finance expenses increased by 116.7% to S\$65,000 in 1Q2018 largely due to interest on convertible bonds.

**(vii) Profit after income tax**

As a result of the above, the Group reported profit after income tax of S\$107,000 in 1Q2018 as compared to S\$147,000 in 1Q2017.

**(viii) Foreign currency translation difference**

Foreign currency translation difference increased by 226.1% to S\$75,000 in 1Q2018, mainly due to translation effects of US currency denominated reserves and capital of the US operations.

**(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\$39,000 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)** Inventories decreased by S\$156,000 to S\$3.5 million as at 30 September 2017.
- (iv)** Trade receivables increased as at 30 September 2017 by S\$1.3 million as compared to 30 June 2017 in line with the increase in revenue in 1Q2018, mainly due to higher receivables from SCM segment in China.
- (v)** Other receivables for the Group as at 30 September 2017 increased by S\$1.3 million as compared to 30 June 2017, due to deposits paid and insurance claim receivable.
- (vi)** Other reserves comprised S\$345,000 in foreign exchange translation reserve.
- (vii)** Trade and other payables as at 30 September 2017 increased by S\$410,000.
- (viii)** Non-convertible bond pertained to S\$2.0 million bond issued through crowdfunding platform.

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**Cash flow statement**

Net cash used in operating activities of the Group in 1Q2018 was S\$1.7 million mainly due to the increase in receivables.

Net cash used in investing activities of the Group in 1Q2018 was S\$131,000. The main contributing factor was the acquisition of plant and equipment.

Net cash generated from financing activities of the Group in 1Q2018 was S\$725,000. The main contributor was proceeds from share issuance from the warrant exercise, offset by finance lease repayments.

As a result of the above, the Group's cash and cash equivalents as of 30 September 2017 decreased by S\$1.1million.

**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 year ended 30 June 2017.

**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 ended 1Q2018 profitable, continuing the stable performance from FY2017. The improvements in results are attributable to the operational restructuring and diversification effort over the last two years.

The Company will be returning 50% of the \$2m raised from the Bond Issue to Note-holders in December 2017 in accordance with the terms of the Bond Issue. This will have a negative impact on the trading volume of standardized exchange-traded metal products commencing from 2QFY2018. The Company has been actively looking for new funds to cover this shortfall as well as to finance new projects. Higher commodity prices will also mean more working capital will be needed to trade.

*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.*

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**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 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. There was no IPT transaction for the period under review.

**14. Use of proceeds from Allotment of Shares Pursuant to the Exercise of Warrants amounting S\$735,000**

As at 30 September 2017, the use of net proceeds from the exercise of warrants are as follows:

<u>Use of net proceeds</u>	<b>Amount allocated S\$ '000</b>	<b>Percentage of proceeds</b>	<b>Amount utilised S\$ '000</b>	<b>Balance S\$ '000</b>
General working capital	588	80%	588	-
To fund general corporate activities including, but not limited to, acquisitions, joint ventures and/or for strategic alliances	147	20%	42	105
<b>Total</b>	<b>735</b>	<b>100%</b>	<b>630</b>	<b>105</b>

The proceeds from the rights cum warrants issue had been utilised in accordance with the purposes set out in the Company's announcement of 12 February 2016.

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**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 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 2017 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 November 2017**

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