

(Company Registration No. 199206445M)

UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2018 (“3Q2018”) AND 9 MONTHS ENDED 31 MARCH 2018 (“9M2018”).

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			Group		
	3Q2018 S\$'000	3Q2017 S\$'000	Inc/(Dec) %	9M2018 S\$'000	9M2017 S\$'000 (Restated)	Inc/(Dec) %
	<i>Note 8(a)</i>					
Revenue	(i) 23,125	29,346	(21.2)	80,110	79,228	1.1
Cost of sales	(23,485)	(28,234)	(16.8)	(77,645)	(76,199)	1.9
Gross (loss)/ profit	(ii) (360)	1,112	nm	2,465	3,029	(18.6)
Gross margin	(ii) (1.6) %	3.8 %		3.1 %	3.8 %	
Distribution expenses	(iii) (306)	(296)	3.4	(1,019)	(900)	13.2
Administrative expenses	(iv) (1,107)	(1,310)	(15.5)	(3,495)	(3,817)	(8.4)
Finance costs	(v) (52)	(36)	44.4	(163)	(56)	191.1
Operating loss before income tax	(1,825)	(530)	244.3	(2,212)	(1,744)	26.8
Other (expenses)/ income - net	(vi) (226)	293	nm	326	1,781	(81.7)
(Loss)/ Profit before income tax	(2,051)	(237)	765.4	(1,886)	37	nm
Income tax expense	(9)	(6)	50.0	(17)	(8)	112.5
(Loss)/ Profit after income tax	(vii) (2,060)	(243)	747.7	(1,903)	29	nm
Other comprehensive (expenses)/ income, net of income tax:						
Foreign currency translation difference	(viii) (44)	(146)	(69.9)	(125)	17	nm
Total comprehensive (loss)/ income, for the period attributable to the owners of the company	(2,104)	(389)	440.9	(2,028)	46	nm

nm = not meaningful

Restatement:

The statement of comprehensive income in the previously reported period 9M2017 had been restated as follows:

31 March 2018

	Group		
	As previously reported	Adjustment	As restated
Revenue	79,522	(294)	79,228
Other income - net	1,487	294	1,781
Total comprehensive income for the period attributable to the owners of the company	46	-	46

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

	Group			Group		
	3Q2018 S\$'000	3Q2017 S\$'000	Inc/(Dec) %	9M2018 S\$'000	9M2017 S\$'000 (Restated)	Inc/(Dec) %
1 Profit before income tax is arrived at after charging the following:						
Depreciation of property, plant and equipment	167	208	(19.7)	450	643	(30.0)
Operating lease expenses	828	853	(2.9)	2,632	2,528	4.1
Interest expense	52	36	44.4	163	56	191.1
2 Other income/ (expenses) - net comprises principally of the following:						
Rental income	60	83	(27.7)	210	327	(35.8)
Interest income	1	10	(90.0)	3	26	(88.5)
Insurance claim	-	349	(100.0)	650	1,367	(52.5)
Government grant	4	55	(92.7)	10	66	(84.9)
Foreign currency exchange gain/ (loss) - realised	27	(118)	nm	46	(104)	nm
Foreign currency exchange (loss)/ gain - unrealised	(160)	(90)	77.8	(340)	88	nm
Gain on disposal of plant and equipment	-	-	nm	-	7	(100.0)
Loss on disposal of plant and equipment	(17)	-	nm	(17)	-	nm
Reinstatement expenses for leased premises	(180)	-	nm	(180)	-	nm
Fire related cost	3	-	nm	(135)	-	nm
Bad debts recovered	-	4	(100.0)	17	4	325.0
Miscellaneous	36	-	nm	62	-	nm

nm = not meaningful

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

		Group		Company	
		Unaudited 31-Mar-18 S\$'000	Audited 30-Jun-17 S\$'000	Unaudited 31-Mar-18 S\$'000	Audited 30-Jun-17 S\$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	(i)	2,025	2,146	6	9
Subsidiaries		-	-	700	700
Restricted cash held in trust	(ii)	321	326	-	-
Trade and other receivables		-	-	8,936	9,325
		<u>2,346</u>	<u>2,472</u>	<u>9,642</u>	<u>10,034</u>
Current Assets					
Inventories	(iii)	3,530	3,678	-	-
Trade receivables	(iv)	4,995	8,784	-	-
Other receivables	(v)	8,889	6,356	203	585
Cash and cash equivalents		1,391	3,742	49	180
		<u>18,805</u>	<u>22,560</u>	<u>252</u>	<u>765</u>
Total Assets		<u>21,151</u>	<u>25,032</u>	<u>9,894</u>	<u>10,799</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share Capital		177,480	176,346	177,480	176,346
Other reserves	(vi)	145	270	-	-
Accumulated losses		(167,861)	(165,958)	(170,334)	(168,657)
Total Equity		<u>9,764</u>	<u>10,658</u>	<u>7,146</u>	<u>7,689</u>
LIABILITIES					
Non-Current Liabilities					
Trade and other payables	(vii)	33	34	-	-
Provisions		78	78	-	-
Finance lease liabilities		61	81	-	-
Non-convertible bond	(viii)	-	1,000	-	1,000
		<u>172</u>	<u>1,193</u>	<u>-</u>	<u>1,000</u>
Current Liabilities					
Trade and other payables	(vii)	9,086	12,021	1,748	1,110
Provisions		82	82	-	-
Finance lease liabilities		41	41	-	-
Borrowings	(viii)	2,000	1,000	1,000	1,000
Income tax payable		6	37	-	-
		<u>11,215</u>	<u>13,181</u>	<u>2,748</u>	<u>2,110</u>
Total Liabilities		<u>11,387</u>	<u>14,374</u>	<u>2,748</u>	<u>3,110</u>
Total Equity and Liabilities		<u>21,151</u>	<u>25,032</u>	<u>9,894</u>	<u>10,799</u>

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

	As at 31 Mar-18		As at 30 Jun-17	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Current				
Convertible bond	1,000	-	1,000	-
Loan from controlling shareholder	-	1,000	-	-
Non-current				
Convertible bond	-	-	1,000	-
Total	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>	<u>-</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		Group	
	3Q2018 S\$'000	3Q2017 S\$'000	9M2018 S\$'000	9M2017 S\$'000
Cash flow from operating activities				
(Loss)/ Profit before income tax	(2,051)	(237)	(1,886)	37
Adjustments for:				
Depreciation of property, plant and equipment	167	208	450	643
Gain/ (Loss) on disposal of property, plant and equipment	17	-	17	(7)
Interest expense	52	36	163	56
Interest income	(1)	(10)	(3)	(26)
Loss on future contracts - unrealised	-	18	-	2
Loss/ (Gain) on foreign currency exchange - unrealised	160	90	340	(88)
Operating cash flow before working capital changes	(1,656)	105	(919)	617
Changes in operating assets and liabilities				
Inventories	(106)	1,589	148	(1,015)
Trade and other receivables	(232)	10,809	813	(2,245)
Restricted cash held in trust	-	11	-	(13)
Trade and other payables	(19)	(11,324)	(2,935)	996
Cash (used in)/ generated from operations	(2,013)	1,190	(2,893)	(1,660)
Interest paid	(52)	(36)	(163)	(56)
Interest received	1	10	3	26
Income tax paid	(40)	(4)	(48)	(8)
Net cash (used in)/ generated from operating activities	(2,104)	1,160	(3,101)	(1,698)
Cash flows from investing activities				
Acquisition of property, plant and equipment	(207)	(87)	(404)	(308)
Proceeds from sale of property, plant and equipment	40	-	40	7
Proceeds from divestment of other financial assets	-	410	-	410
Net cash (used in)/ generated from investing activities	(167)	323	(364)	109
Cash flows from financing activities				
Repayment of finance lease liabilities	-	(11)	(20)	(31)
Proceeds from short term loan from controlling shareholder	1,000	-	1,000	-
(Repayment of)/ Proceeds from non-convertible bond	-	-	(1,000)	2,000
Proceeds from shares issuances from warrants exercise	-	-	1,134	-
Net cash generated from/ (used in) financing activities	1,000	(11)	1,114	1,969
Net (decrease)/ increase in cash and cash equivalents	(1,271)	1,472	(2,351)	380
Cash and cash equivalents at beginning of financial period	2,662	1,937	3,742	3,029
Cash and cash equivalents at end of financial period	1,391	3,409	1,391	3,409

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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.

There were no changes in the Company's share capital during 3Q2018.

There were no outstanding warrants as at 31 March 2018 (30 June 2017: 1,406,186,305 outstanding warrants). As of 31 March 2018, the total number of issued shares excluding treasury shares and subsidiary holdings, and the total share capital stood at 4,501,984,229 and S\$177,480,000 respectively.

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

The total number of ordinary shares issued, excluding treasury shares and subsidiary holdings as at 31 March 2018 and 30 June 2017 were 4,501,984,229 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 and subsidiary holdings during the quarter and as at 31 March 2018.

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 during the quarter and as at 31 March 2018.

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 financial year ended 30 June 2017.

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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 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		Group	
	3Q2018 Cents	3Q2017 Cents	9M2018 Cents	9M2017 Cents
Loss per share for the Group attributable to equity holders of the Company				
i) Basic	(0.0458)	(0.0058)	(0.0431)	0.0007
ii) On a fully diluted basis	(0.0458)	(0.0043)	(0.0431)	0.0005

The earnings per share for continuing business in 3Q2018 and 9M2018 were calculated based on the weighted average number of ordinary shares of 4,501,984,229 and 4,411,493,299 respectively.

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

- (a) Current financial period reported on; and
- (b) Immediately preceding financial year.

	Group		Company	
	31-Mar-18 Cents	30-Jun-17 Cents	31-Mar-18 Cents	30-Jun-17 Cents
NAV per share based on issued share capital as at the end of the period	0.2169	0.2526	0.1587	0.1823

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 3Q2018, the Group's revenue decreased by 21.2% quarter-on-quarter ("qoq") to S\$23.1 million.

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Sales by segments:

	3Q2018	3Q2017	Variance	9M2018	9M2017	Variance
	S\$' million	S\$' million	%	S\$' million	S\$' million	%
E-Waste management	6.9	8.4	(17.9)	22.4	22.0	1.8
Supply chain management	16.2	20.9	(22.5)	57.7	57.2	0.9
Group	23.1	29.3	(21.2)	80.1	79.2	1.1

Revenue from the E-Waste Management (“EWM”) segment and Supply Chain Management (“SCM”) segment decreased by 17.9% qoq and 22.5% qoq respectively. The decrease in revenue under the EWM segment was due to the reduced trading volume of the Singapore EWM operations; while the Group had reduced its SCM trading in response to a significant rise in metal prices during the quarter.

Sales by geographical locations:

	3Q2018	3Q2017	Variance	9M2018	9M2017	Variance
	S\$' million	S\$' million	%	S\$' million	S\$' million	%
US Operations	4.2	4.1	2.4	13.4	14.3	(6.3)
Asia Operations*	18.9	25.2	(25.0)	66.7	65.6	1.7
	23.1	29.3	(21.2)	80.1	79.9	0.3
Intersegment	-	-	nm	-	(0.7)	(100.0)
Group	23.1	29.3	(21.2)	80.1	79.2	1.1

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

Revenue for the US operations which is EWM in nature increased by 2.4% in 3Q2018. The decrease in revenue of the Asia operations of 25.0% qoq in 3Q2018 was mainly due to the reduced trading volume of standardized exchange-traded metal products under SCM.

(ii) Gross (Loss)/ Profit

Gross (loss)/ profit by segments:

	3Q2018	3Q2017	Variance	9M2018	9M2017	Variance
	S\$' 000	S\$' 000	%	S\$' 000	S\$' 000	%
E-Waste management	356	785	(54.6)	2,368	2,400	(1.3)
Supply chain management	(716)	327	nm	97	629	(84.6)
	(360)	1,112	nm	2,465	3,029	(18.6)

In 3Q2018, gross profit from the EWM segment decreased by 54.6% due to the reduced trading volume in the Singapore EWM operations and increase in payroll and property tax in the US operations. The SCM segment made gross loss of S\$716,000 due to unexpected price volatility in metal prices during the quarter.

Gross (loss)/ profit by geographical locations:

	3Q2018	3Q2017	Variance	9M2018	9M2017	Variance
	S\$' 000	S\$' 000	%	S\$' 000	S\$' 000	%
US Operations	234	367	(36.3)	1,446	1,424	1.6
Asia Operations*	(594)	745	nm	1,019	1,605	(36.5)
Group	(360)	1,112	nm	2,465	3,029	(18.6)

The US operations which was primarily EWM in nature saw a decrease in gross margin of 36.3% mainly due to the increase in payroll and rental expenses. The Asia operations saw a gross loss of S\$594,000 mainly from the SCM segment, due to unexpected price volatility in metal prices during the quarter.

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(iii) Distribution expenses

Expenses increased by 3.4% to S\$306,000 in 3Q2018, due to increased marketing costs in the US operations.

(iv) Administrative expenses

Administrative expenses decreased by 15.5% to S\$1,107,000 in 3Q2018, primarily due to reduced tenancy expenses for the Singapore premises following a new lease which took effect on 26 November 2017.

(v) Finance expenses

Finance expenses increased by 44.4% to S\$52,000 in 3Q2018 largely due to interest on convertible bonds and short term loans.

(vi) Net Other (Expenses)/ Income

Net Other Expenses was S\$226,000 in 3Q2018, largely due to reinstatement work expenses for leased premises and unrealized foreign exchange losses in 3Q2018.

(vii) Loss after income tax

As a result of the above, the Group reported a loss after income tax of S\$2,060,000 in 3Q2018 as compared to S\$243,000 in 3Q2017.

(viii) Foreign currency translation difference

Foreign currency translation difference decreased by 69.9% to S\$44,000 in 3Q2018, 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.

Statement of financial position

- (i)** Property, plant and equipment decreased by S\$121,000 mainly due to depreciation, offset by new acquisitions.
- (ii)** Restricted cash held in trust for regulatory obligations decreased due to interest earned offset by effects of foreign exchange.
- (iii)** Inventories decreased by S\$148,000 to S\$3.5 million as at 31 March 2018.
- (iv)** Trade receivables decreased as at 31 March 2018 by S\$3.8 million as compared to 30 June 2017 in line with the revenue decrease in the SCM segment in 3Q2018.
- (v)** Other receivables for the Group as at 31 March 2018 increased by S\$2.5 million as compared to 30 June 2017, due to the deposits paid.
- (vi)** Other reserves comprised S\$145,000 in foreign exchange translation reserve.
- (vii)** Trade and other payables as at 31 March 2018 decreased by S\$2.9 million, due to the reduction in advance payments.
- (viii)** Borrowings include a short term loan of S\$1.0 million from a controlling shareholder, and a non-convertible S\$1.0 million bond issued through crowdfunding platform.

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Cash flow statement

Net cash used in the operating activities of the Group in 3Q2018 was S\$2,104,000 mainly due to increase in inventories and receivables, and cash outflow from other expenses.

Net cash used in the investing activities of the Group in 3Q2018 was S\$167,000, largely due to the acquisition of plant and equipment offset by proceeds from disposal.

Net cash generated from financing activities of the Group in 3Q2018 was S\$1,000,000 due to a short term loan from a controlling shareholder.

As a result of the above, the Group's cash and cash equivalents as of 31 March 2018 decreased by S\$1,271,000.

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 period ended 31 December 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.

On 26 April 2018, the Company made an announcement on its subsidiary in US, Metech Recycling Inc. ("MRI") entering into a Memorandum of Understanding ("MOU") with TES USA, a subsidiary of TES-AMM (Singapore) Pte Ltd ("TES-AMM"), to collaborate on the recycling of Lithium-ion batteries in US. The technology for the recycling will be provided by TES-AMM. The MOU is in line with the Company's intention of harnessing new technology for its EWM business which will be done primarily through partnerships with technology partners and research organisations. Following the MOU, the Company expects to redirect more resources into building up its technology and EWM business.

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.

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(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 any general mandate from its shareholders for IPTs. There was no IPT transaction for the period under review.

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 31 March 2018 to be false or misleading in any material aspect.

15. 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 2018

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