

(Company Registration No. 199206445M)

**UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2018
("1Q2019").**

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	Group		Inc/(Dec) %
		1Q2019 S\$'000	1Q2018 S\$'000	
	<i>Note 8(a)</i>			
Revenue	(i)	24,465	24,638	(0.7)
Cost of sales		(23,950)	(24,592)	(2.6)
Gross profit		515	46	1,019.6
Gross profit margin		2.1 %	0.2 %	
Other expenses - net		(16)	(43)	(62.8)
Distribution expenses		(4)	(7)	(42.9)
Administrative expenses		(415)	(697)	(40.5)
Finance costs		(38)	(64)	(40.6)
Profit/(Loss) before income tax	(ii)	42	(765)	nm
Income tax expense		-	-	nm
Profit/(Loss) from continuing operations		42	(765)	nm
(Loss)/Profit from discontinued operations	(A)	(1,826)	872	nm
(Loss)/Profit after income tax		(1,784)	107	nm
Other comprehensive expenses, net of income tax:				
Foreign currency translation difference	(iii)	202	75	169.3
Total comprehensive income, for the period attributable to the owners of the company		(1,582)	182	nm

nm = not meaningful

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

	Group		Inc/(Dec) %
	1Q2019 S\$'000	1Q2018 S\$'000	
1 Profit before income tax is arrived at after charging the following:			
Depreciation of property, plant and equipment	1	1	-
Interest expense	38	64	(40.6)
2 Other expenses - net comprises principally of the following:			
Rental income	-	38	(100.0)
Interest income	19	-	nm
Foreign currency exchange loss - realised	(47)	(4)	1,075.0
Foreign currency exchange gain/(loss) - unrealised	10	(76)	nm
Miscellaneous	2	(1)	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	Audited	Unaudited	Audited
		30-Sep-18 S\$'000	30-Jun-18 S\$'000	30-Sep-18 S\$'000	30-Jun-18 S\$'000
ASSETS	Note 8(b)				
Non-Current Assets					
Property, plant and equipment	(i)	4	1,917	4	5
Subsidiaries		-	-	-	-
Restricted cash held in trust		-	335	-	-
Trade and other receivables		-	201	3,952	4,066
		<u>4</u>	<u>2,453</u>	<u>3,956</u>	<u>4,071</u>
Current Assets					
Inventories		-	3,185	-	-
Trade receivables	(ii)	4,378	4,666	-	-
Other receivables	(iii)	1,195	3,266	118	340
Cash and cash equivalents		3,303	2,909	33	97
		<u>8,876</u>	<u>14,026</u>	<u>151</u>	<u>437</u>
Assets in subsidiaries classified as held for sale	(B)	8,088	-	-	-
Total Assets		<u>16,968</u>	<u>16,479</u>	<u>4,107</u>	<u>4,508</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share Capital		177,480	177,480	177,480	177,480
Other reserves	(iv)	269	67	-	-
Accumulated losses		(175,424)	(173,640)	(175,077)	(174,649)
Total Equity		<u>2,325</u>	<u>3,907</u>	<u>2,403</u>	<u>2,831</u>
LIABILITIES					
Non-Current Liabilities					
Trade and other payables		-	34	-	-
Provisions		-	410	-	-
Finance lease liabilities		-	50	-	-
		<u>-</u>	<u>494</u>	<u>-</u>	<u>-</u>
Current Liabilities					
Trade and other payables	(v)	4,339	9,356	704	677
Provisions		-	683	-	-
Finance lease liabilities		-	32	-	-
Borrowings	(vi)	1,600	2,000	1,000	1,000
Income tax payable		-	7	-	-
		<u>5,939</u>	<u>12,078</u>	<u>1,704</u>	<u>1,677</u>
Liabilities in subsidiaries classified as held for sale	(B)	8,704	-	-	-
Total Liabilities		<u>14,643</u>	<u>12,572</u>	<u>1,704</u>	<u>1,677</u>
Total Equity and Liabilities		<u>16,968</u>	<u>16,479</u>	<u>4,107</u>	<u>4,508</u>

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

	As at 30 Sept-18		As at 30 Jun-18	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Current				
Non-Convertible bond	1,000	-	1,000	-
Loan from third party		600	-	1,000
Total	1,000	600	1,000	1,000

Disposal of E-Waste Management (EWM™) Business

(A) The post-tax loss for the quarter ended 30 September 2018 from the discontinued EWM operations is presented below:

	Group		Inc/(Dec) %
	1Q2019 S\$'000	1Q2018 S\$'000	
Revenue	6,848	7,844	(12.7)
Cost of sales	<u>(7,747)</u>	<u>(6,812)</u>	13.7
Gross (loss)/profit	(899)	1,032	nm
Gross profit margin	(13.1) %	13.2 %	
Other income - net	89	726	(87.7)
Distribution expenses	(267)	(364)	(26.6)
Administrative expenses	(667)	(516)	29.3
Finance costs	(78)	(1)	7,700.0
(Loss)/Profit before income tax	(1,822)	877	nm
Income tax expense	(4)	(5)	(20.0)
(Loss)/Profit from continuing operations	(1,826)	872	nm

nm = not meaningful

	Group		Inc/(Dec) %
	1Q2019 S\$'000	1Q2018 S\$'000	
1 Profit before income tax is arrived at after charging the following:			
Depreciation of property, plant and equipment	150	154	(2.6)
Operating lease expenses	855	763	12.1
Interest expense	78	1	7,700.0
2 Other income - net comprises principally of the following:			
Rental income	66	61	8.2
Interest income	1	1	-
Insurance claim	13	638	(98.0)
Foreign currency exchange loss - realised	(37)	19	nm
Foreign currency exchange gain/(loss) - unrealised	3	(4)	nm
Reversal of impairment on trade and other receivables	-	8	(100.0)
Payables written off	39	-	nm
Government grant	3	-	nm
Miscellaneous	1	3	(66.7)

nm = not meaningful

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(B) The major classes of assets and liabilities for the business held for sale as at 30 September 2018 are stated at the lower of cost and recoverable amount and were as follows:

	S\$'000
ASSETS	
Property, plant and equipment	1,833
Restricted cash held in trust	336
Inventories	1,568
Trade and other receivables	3,295
Cash and bank balances	1,056
Assets in subsidiaries classified as held for sale	<u>8,088</u>
LIABILITIES	
Trade and other payables	7,530
Provisions	1,094
Finance lease liabilities	73
Income tax payable	7
Liabilities in subsidiaries classified as held for sale	<u>8,704</u>
Net liabilities in subsidiaries classified as held for sale	<u>(616)</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	
	1Q2019 S\$'000	1Q2018 S\$'000
Cash flow from operating activities		
Profit/(Loss) before income tax		
From continuing operations	42	(765)
From discontinued operations	(1,822)	877
Adjustments for:		
Depreciation of property, plant and equipment	151	155
Interest expense	117	65
Interest income	(20)	(1)
Payables written off	(39)	-
(Gain)/Loss on foreign currency exchange - unrealised	(13)	80
Operating cash flow before working capital changes	(1,584)	411
Changes in operating assets and liabilities		
Inventories	1,617	156
Trade and other receivables	(519)	(2,610)
Restricted cash held in trust	(1)	(4)
Trade and other payables	2,520	410
Cash generated from/(used in) operations	2,033	(1,637)
Interest paid	(117)	(64)
Interest received	20	-
Income tax paid	(4)	(5)
Net cash generated from/(used in) operating activities	1,932	(1,706)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(72)	(131)
Net cash used in investing activities	(72)	(131)
Cash flows from financing activities		
Repayment of finance lease liabilities	(10)	(10)
Repayment of short term loan from third party	(400)	-
Proceeds from shares issuances and warrants exercise	-	735
Net cash (used in)/generated from financing activities	(410)	725
Net increase in cash and cash equivalents	1,450	(1,112)
Cash and cash equivalents at beginning of financial period	2,909	3,742
Cash and cash equivalents at end of financial period	4,359	2,630

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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	Accumulated Losses S\$'000	Total Equity S\$'000
Group				
At 1 July 2018	177,480	67	(173,640)	3,907
Loss for the financial period	-	-	(1,784)	(1,784)
Other comprehensive expenses - Foreign currency translation	-	202	-	202
Total comprehensive income for the year	-	202	(1,784)	(1,582)
At 30 September 2018	177,480	269	(175,424)	2,325
At 1 July 2017	176,346	270	(165,958)	10,658
Profit for the financial period	-	-	107	107
Other comprehensive expenses - Foreign currency translation	-	75	-	75
Total comprehensive income for the year	-	75	107	182
Allotment of shares from warrants exercise	735	-	-	735
At 30 September 2017	177,081	345	(165,851)	11,575
	Share Capital S\$'000	Currency Translation Reserve S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
Company				
At 1 July 2018	177,480	-	(174,649)	2,831
Loss for the financial period	-	-	(428)	(428)
Total comprehensive income for the year	-	-	(428)	(428)
At 30 September 2018	177,480	-	(175,077)	2,403
At 1 July 2017	176,346	-	(168,657)	7,689
Loss for the financial period	-	-	(357)	(357)
Total comprehensive income for the year	-	-	(357)	(357)
Allotment of shares from warrants exercise	735	-	-	735
At 30 September 2017	177,081	-	(169,014)	8,067

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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 1Q2019.

There were no outstanding warrants as at 30 September 2018 (30 June 2018: nil). As of 30 September 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\$177,479,971 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 30 September 2018 and 30 June 2018 were 4,501,984,229.

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 during the quarter and as at 30 September 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 30 September 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 2018.

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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 (International) ("SFRS(I)s") including improvements to SFRS and interpretations of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 July 2018. 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	
	1Q2019 Cents	1Q2018 Cents
Earnings/(Loss) per share for the Group attributable to equity holders of the Company		
i) Continuing operations	0.0009	(0.0181)
ii) Discontinued operations	(0.0406)	0.0206

The earnings per share for continuing business in 1Q2019 and 1Q2018 were calculated based on the weighted average number of ordinary shares of 4,501,984,229 and 4,237,856,267 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	
	30-Sep-18 Cents	30-Jun-18 Cents	30-Sep-18 Cents	30-Jun-18 Cents
NAV per share based on issued share capital as at the end of the period	0.0516	0.0868	0.0534	0.0629

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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) The Group's E-Waste Management ("EWM") sector has been reclassified as Discontinued Operations. Revenue from the remaining operations in 1Q2019 has decreased only marginally as compared to the same in 1Q2018. However, gross profit without EWM increased significantly to S\$515,000 contributed mainly by a shift of focus from EWM to the Supply Chain Management ("SCM") sector, with more financial resources allocated. At the same time, expenses related to SCM decreased by about 40%, attributed to a reduction of staff and office expenditure as well as lower finance costs.
- (ii) As a result, the Group reports a profit before income tax of S\$42,000 in 1Q2019 as compared to a loss of S\$765,000 in 1Q2018.
- (iii) Foreign currency translation difference increased to S\$202,000 in 1Q2019, mainly due to translation effects of US currency denominated reserves.

(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\$1,913,000 due to transfer of assets to subsidiaries held for sale.
- (ii) Trade receivables decreased as at 30 September 2018 by S\$288,000 as compared to 30 June 2018, partly due to lower revenue and settlement of balances before 30 September 2018.
- (iii) Other receivables as at 30 September 2018 decreased by S\$2.1 million as compared to 30 June 2018, mainly due to the transfer of assets to subsidiaries held for sale.
- (iv) Other reserves comprised S\$269,000 in foreign exchange translation reserve.
- (v) Trade and other payables as at 30 September 2018 decreased by S\$5.0 million, mainly due to the transfer of liabilities to subsidiaries held for sale.
- (vi) Borrowings include a non-convertible bond of S\$1.0 million and a short term loan of \$0.6 million from a third party.

Cash flow statement

- (i) Net cash generated from operating activities of the Group in 1Q2019 was S\$1.9 million which was mainly due to increase in trade and other payables and inventories.
- (ii) Net cash used in investing activities in 1Q2019 was S\$72,000 which was due to acquisition of property, plant and equipment.
- (iii) Net cash used in financing activities of the Group in 1Q2019 was S\$410,000 due to repayment of finance lease liabilities and short term loan from a third party.
- (iv) As a result of the above, the Group's cash and cash equivalents as of 30 September 2018 increased by S\$1.5 million.

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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 30 June 2018.

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 Company's proposal to dispose of the EWM business was approved by shareholders at the extraordinary general meeting of the Company held on 31 October 2018. Please refer to Company's announcement dated 9 November 2018 for further updates.

Going forward, the Company intends to focus on growing the SCM business and achieving profitability. At the same time, the Company will explore other opportunities for its longer term growth.

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.

(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.

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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. Statement by Directors

Negative confirmation pursuant to Rule 705(5)

We, Simon Eng, Chairman and Chief Executive Officer and Andrew Eng, 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 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

Andrew Eng

Chairman and Chief Executive Officer

Executive Director

12 November 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.