



(Company Registration No. 199206445M)

## UNAUDITED THIRD QUARTER AND NINE MONTHS PERIOD FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2013

### PART 1 INFORMATION REQUIRED FOR ANNOUNCEMENTS FOR QUARTERLY AND NINE MONTHS PERIOD 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		
		3Q FY2013	3Q FY2012	+ /(-)	9 months ended 31.03.13	9 months ended 31.03.12	+ /(-)
Note 8(a)		\$'000	\$'000	%	\$'000	\$'000	%
<b>Continuing Operations</b>							
Revenue	(i)	7,783	6,780	14.8	21,631	17,594	22.9
Cost of sales		(6,020)	(5,122)	17.5	(16,719)	(13,715)	21.9
<b>Gross profit</b>		<u>1,763</u>	<u>1,658</u>	6.3	<u>4,912</u>	<u>3,879</u>	26.6
<b>Gross margin %</b>	(ii)	22.7%	24.5%	(7.3)	22.7%	22.0%	3.2
Other income	(iii)	269	333	(19.2)	1,456	362	302.2
Distribution expenses	(iv)	(466)	(644)	(27.6)	(1,473)	(1,801)	(18.2)
Administrative expenses	(v)	(432)	(1,165)	(62.9)	(3,283)	(2,933)	11.9
Results from operating activities		<u>1,134</u>	<u>182</u>	523.1	<u>1,612</u>	<u>(493)</u>	427.0
Finance expenses		(8)	(17)	(52.9)	(33)	(156)	(78.8)
<b>Profit/(loss) before income tax</b>		<u>1,126</u>	<u>165</u>	582.4	<u>1,579</u>	<u>(649)</u>	343.3
Tax benefits/ (expense)		67	(5)	1,440.0	67	5	1,240.0
<b>Profit/(loss) from continuing operations</b>	(vi)	<u>1,193</u>	<u>160</u>	645.6	<u>1,646</u>	<u>(644)</u>	355.6
<b>Discontinued Operations</b>							
Profit/(loss) from discontinued operations		-	(69)	N.M.	1,444	(1,016)	242.1
<b>Profit/(loss) for the period</b>	(vi)	<u>1,193</u>	<u>91</u>	1,211.0	<u>3,090</u>	<u>(1,660)</u>	286.1

#### Footnotes:

Continuing Operations relate to the Group's United States ("US") operations, Singapore operations and the newly acquired China operations in 2Q FY2013.

Discontinuing Operations relate to the United Kingdom ("UK") and Czech Republic ("CZ") operations which controlling interests are divested in 2Q FY2013.

The comparatives for the prior periods under continuing operations and discontinuing operations are presented accordingly as above.



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**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. (cont'd)**

Continuing and discontinued operations	Group			Group		
	3Q FY2013	3Q FY2012	+ / (-)	9 months ended 31.03.13	9 months ended 31.03.12	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Other comprehensive income</b>						
Currency translation differences	181	316	(42.7)	(1,772)	1,251	(241.6)
Net fair value change on cash flow hedge	-	3	N.M.	-	(5)	N.M.
<b>Total comprehensive income for the period</b>	<b>1,374</b>	<b>410</b>	<b>235.1</b>	<b>1,318</b>	<b>(414)</b>	<b>418.4</b>
<b>Attributable to</b>						
<b>Equity holders of the company</b>	1,374	410		1,318	(414)	
<b>Minority interest</b>	-	-		-	-	
	<b>1,374</b>	<b>410</b>		<b>1,318</b>	<b>(414)</b>	

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

Continuing Operations	Group			Group		
	3Q FY2013	3Q FY2012	+ / (-)	9 months ended 31.03.13	9 months ended 31.03.12	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Profit/(Loss) before income tax</b>						
Depreciation and amortization	410	145	182.8	795	450	76.7
Operating lease expense	724	467	55.0	2,195	1,966	11.6
Exchange (gain)/loss	48	(82)	(158.5)	61	185	(67.0)
Interest expenses on borrowing	8	17	(52.9)	33	156	(78.8)
(Written back)/Allowance for impaired and aged receivables	(500)	7	(7,242.9)	(15)	7	(314.3)
<b>Other income</b>						
comprises principally the following:						
Rental income	259	326	(20.6)	769	326	135.9
Commodity trading (loss)/gain	10	-	N.M.	235	-	N.M.
Gain on acquisition on waste treatment plant	-	-	N.M.	293	-	N.M.



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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.

	Note 8(b)	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		31-Mar-13	30-Jun-12	31-Mar-13	30-Jun-12
		\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>					
Inventories		674	738	-	-
Trade and other receivables	(i)	6,727	7,810	955	2,785
Cash and cash equivalents		1,668	6,721	184	6,628
Available for sale financial assets*	(ii)	-	-	-	-
		<u>9,069</u>	<u>15,269</u>	<u>1,139</u>	<u>9,413</u>
<b>Non-current assets</b>					
Property, plant and equipment		5,368	5,939	-	3
Investment in Subsidiaries		-	-	4,000	-
Restricted cash-held in trust	(iii)	547	560	-	-
Service Concession Receivables	(iv)	4,349	-	-	-
Amount due from subsidiaries		-	-	6,070	3,562
		<u>10,264</u>	<u>6,499</u>	<u>10,070</u>	<u>3,565</u>
<b>Total assets</b>		<b><u>19,333</u></b>	<b><u>21,768</u></b>	<b><u>11,209</u></b>	<b><u>12,978</u></b>
<b>Current liabilities</b>					
Loans and borrowings	(v)	-	2,600	-	2,600
Trade and other payables	(vi)	6,679	10,468	671	1,840
		<u>6,679</u>	<u>13,068</u>	<u>671</u>	<u>4,440</u>
<b>Non-current liabilities</b>					
Trade and other payables	(vi)	-	164	-	-
		<u>-</u>	<u>164</u>	<u>-</u>	<u>-</u>
<b>Equity attributable to equity holders of the</b>					
Share capital	(vii)	161,363	158,563	161,363	158,563
Reserves	(viii)	1,058	2,830	2,447	2,447
Accumulated losses		(149,767)	(152,857)	(153,272)	(152,472)
<b>Total equity</b>		<u>12,654</u>	<u>8,536</u>	<u>10,538</u>	<u>8,538</u>
<b>Total liabilities and equity</b>		<b><u>19,333</u></b>	<b><u>21,768</u></b>	<b><u>11,209</u></b>	<b><u>12,978</u></b>

\*Amount less than S\$1,000



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

	<b>As at 31-Mar-13</b>	<b>As at 30-Jun-12</b>
<b>Amount repayable in one year</b>	<b>\$'000</b>	<b>\$'000</b>
Unsecured loans and borrowings	-	2,600
	<hr/>	<hr/>
	-	<b>2,600</b>
	<hr/>	<hr/>
<b>Amount repayable after one year</b>		
Unsecured loans and borrowings	-	-
	<hr/>	<hr/>
	-	-
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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	
	3Q FY2013	3Q FY2012	9 months ended 31.03.13	9 months ended 31.03.12
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
Profit/ (Loss) for the period	1,193	91	3,090	(1,660)
<i>Adjustments:</i>				
Depreciation and amortization	410	145	795	450
(Writeback)/Provision for impairment	(500)	7	(15)	7
Gain on disposal of non-current assets	-	-	(1)	-
Gain on disposal of discontinued operations	437	69	(1,444)	1,016
(Reversal of) / Impairment loss on doubtful receivables	-	-	-	7
Plant and equipment written off	-	-	-	4
Gain on acquisition waste treatment plant	-	-	(293)	-
Unrealised exchange loss/(gain)	38	264	30	346
Unrealised loss/(gain) on investment on future contracts	-	-	(225)	-
Interest expense	8	17	33	156
Income tax expense	(67)	5	(67)	5
	1,519	598	1,903	331
<b>Changes in working capital</b>				
Trade and other receivables	582	1,135	1,574	433
Inventories	264	(897)	60	(874)
Cash encumbered (Restricted cash)	(6)	-	13	-
Trade and other payables	(1,953)	(84)	(4,882)	1,158
Cash generated from / (used in) operations	406	752	(1,332)	1,048
Interest paid	(8)	(17)	(33)	(156)
Income tax paid	(25)	-	(44)	-
<b>Cash flows (used in)/from operating activities</b>	<b>373</b>	<b>735</b>	<b>(1,409)</b>	<b>892</b>



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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. (cont'd)**

	GROUP		GROUP	
	3Q FY2013	3Q FY2012	9 months ended 31.03.13	9 months ended 31.03.12
	\$'000	\$'000	\$'000	\$'000
<b>Investing activities</b>				
Purchase of plant and equipment	(3)	-	(51)	(198)
Acquisition cost of investment	(840)	-	(1,010)	-
Proceeds from disposal of Europe operations	- *	-	-*	-
Proceeds from sale of property, plant and equipment	-	-	16	-
<b>Cash flows used in investing activities</b>	<b>(843)</b>	<b>-</b>	<b>(1,045)</b>	<b>(198)</b>
<b>Financing activities</b>				
Repayment of borrowings	-	(400)	(2,600)	(2,724)
Proceeds from borrowings	-	-	-	1,000
Payment of deferred payment creditor	-	-	-	(14)
<b>Cash flows used in financing activities</b>	<b>-</b>	<b>(400)</b>	<b>(2,600)</b>	<b>(1,738)</b>
Net (decrease)/increase in cash and cash equivalents	(470)	335	(5,054)	(1,044)
Cash and cash equivalents at beginning of period	2,142	520	6,721	1,918
Effect of exchange rate fluctuation on cash held	(4)	24	1	5
<b>Cash and cash equivalents at end of period</b>	<b>1,668</b>	<b>879</b>	<b>1,668</b>	<b>879</b>

\*Amount less than S\$1,000

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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.

Group	Share Capital \$'000	Currency Translation Reserve \$'000	Hedging Reserve \$'000	Warrant Reserve \$'000	Share Option Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
<b>At 1 January 2012</b>	152,854	1,004	(89)	-	1,403	(139,548)	15,624
<b>Total comprehensive income for the period</b>							
Foreign currency translation	-	316	-	-	-	-	316
Net fair value change on cash flow hedge	-	-	3	-	-	-	3
Profit for the period	-	-	-	-	-	91	91
Total comprehensive income for the period	-	316	3	-	-	91	410
<b>At 31 March 2012</b>	152,854	1,320	(86)	-	1,403	(139,457)	16,034
<b>At 1 January 2013</b>	161,363	(1,570)	-	2,447	-	(150,960)	11,280
<b>Total comprehensive income for the period</b>							
Foreign currency translation	-	181	-	-	-	-	181
Profit for the period	-	-	-	-	-	1,193	1,193
Total comprehensive income for the period	-	181	-	-	-	1,193	1,374
Issue of share capital	-	-	-	-	-	-	-
<b>At 31 March 2013</b>	161,363	(1,389)	-	2,447	-	(149,767)	12,654



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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	Currency Translation Reserve	Warrant Reserve	Share Option Reserve	Accumulated Losses	Total Equity
Company	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2012</b>	152,854	1,670	-	1,403	(123,720)	32,207
<b>Total comprehensive income for the period</b>						
Foreign currency translation	-	324	-	-	-	324
Loss for the period	-	-	-	-	(437)	(437)
Total comprehensive income for the period	-	324	-	-	(437)	(113)
<b>At 31 March 2012</b>	152,854	1,994	-	1,403	(124,157)	32,094
<b>At 1 January 2013</b>	161,363	-	2,447	-	(153,549)	10,261
<b>Total comprehensive income for the period</b>						
Foreign currency translation	-	-	-	-	-	-
Profit for the period	-	-	-	-	277	277
Total comprehensive income for the period	-	-	-	-	277	277
Issue of share capital	-	-	-	-	-	-
<b>At 31 March 2013</b>	161,363	-	2,447	-	(153,272)	10,538



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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.**

Since 1 July 2012, the Company has issued an aggregate of 23,000 shares and the details as follows:

- (a) The Company issued 23,000 shares pursuant to the conversion of warrants for a consideration of S\$460.
- (b) There are 827,323,380 ordinary shares that may be issued on conversion of all outstanding warrants as at 31 March 2013. (31 March 2012: Nil)

**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 2013, the number of issued ordinary shares (excluding treasury shares) was 1,819,421,642 (31 March 2012: 8,273,463,905).

**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.**

During the quarter ended 31 March 2013 and as at 31 March 2013, the Company did not have any dealings in treasury shares.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have 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 has 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 2012.

**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 has 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 2012, where applicable. The application of these standards has no significant impact on the Group.

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**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:-**

Profit/(Loss) per share for results from the Group attributable to equity holders of the Company - Basic and Diluted (Note A)	Group		Group	
	3Q FY2013	3Q FY2012	9 months ended 31.03.13	9 months ended 31.03.12
	Cents	Cents	Cents	Cents
- Continuing operations	0.0656	0.0019	0.0941	(0.0078)
- Discontinuing operations	-	(0.0008)	0.0825	(0.0123)
Total	0.0656	0.0011	0.1766	(0.0201)

- i) Basic and diluted earnings per share were calculated based on the weighted average number of ordinary shares of 1,819,407,775 and 1,749,674,239 for the quarter ended 31 March 2013 and nine months ended 31 March 2013.
- ii) The group's basic and fully diluted earnings/(loss) per ordinary share for the quarter ended 31 March 2012 are calculated based on the weighted average number of ordinary shares in issue during the year of 8,273,434,950 shares.

Note A: For the quarters ended 31 March 2013 and 2012, the diluted loss per share is the same amount as the basic loss per share because the share options were non-dilutive and thus disregarded in the computation of diluted loss per share.

**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.

Net asset value per ordinary share based on issued share capital as at the end of the period	Group		Company	
	31-Mar-13	30-Jun-12	31-Mar-13	30-Jun-12
	Cents	Cents	Cents	Cents
	0.695	0.516	0.579	0.516



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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**

Extract from Page 1 - Part 1(a)(i)

		Group			Group		
		3Q FY2013	3Q FY2012	+ / (-)	9 months ended 31.03.13	9 months ended 31.03.12	+ / (-)
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Continuing Operations</b>							
<b>Revenue</b>	(i)	7,783	6,780	14.8	21,631	17,594	22.9
Cost of sales		(6,020)	(5,122)	17.5	(16,719)	(13,715)	21.9
<b>Gross profit</b>		<u>1,763</u>	<u>1,658</u>	6.3	<u>4,912</u>	<u>3,879</u>	26.6
<b>Gross margin %</b>	(ii)	<b>22.7%</b>	<b>24.5%</b>	(7.3)	<b>22.7%</b>	<b>22.0%</b>	3.2

- (i) For the quarter ended 31 March 2013 ("3Q FY2013"), the Group's revenue from continuing operations was S\$7.8 million, a 15% increase compared with the S\$6.8 million revenue for the corresponding period of the previous financial year ("3Q FY2012"). For the nine months ended 31 March 2013 ("9M FY2013"), the Group's revenue from continuing operations was S\$21.6 million, a 23% increase compared with S\$17.6 million for the corresponding period of the previous financial year ("9M FY2012"). The United States of America ("US") operations continued to account for 90% of the Group's continuing operations' revenue in 3Q FY2013. Revenue in 2Q FY2013 has improved compared to the corresponding quarter of the previous financial year, and the Group continued this in this quarter 3Q FY2013 by reporting a 15% increase compared to 3Q FY2012. The increase is mainly due to higher volume of electronic end-of-life ("EoL") materials received from the anchored clients in the operations of the Group in the United States of America, and incremental EoL volumes from newly acquired enterprise accounts. Overall 2Q and 3Q FY2013 revenue have strengthened compared to the corresponding periods from the previous financial year. This is mainly due to the increase in volume in waste materials processed and a better product mix of electronic materials received, consisting of higher quality of electronic components that are able to impact higher recovery values for the operations.
- (ii) Gross margin moderated from 24.5% in 3Q FY2012 to 22.7% in 3Q FY2013, and slightly increased from 22% in 9M FY2012 to 22.7% in 9M FY2013. The margin variation and moderation is due to the slightly lower yield achieved from the previous metals recovered from the processed electronic waste. Automation in plants and reorganization in production processes will continue to focus on gross margin improvements in future periods.
- (iii) Other income in 3Q FY2013 was S\$269,000 compared to S\$333,000 in 3Q FY2012, and S\$1,456,000 in 9M FY2013 compared to S\$362,000 in 9M FY2012. Other income in both 3Q FY2013 and 3Q FY2012 mainly pertains to rental income from the Company's sub-letting of the premises at 65 Tech Park. The sublet rental income in 3Q FY2012 pertains to the sublet income for both 2Q and 3Q FY2012 as the lease commenced in Q2 FY2012. The difference noted between 9M FY2013 and 9M FY2012 was due to the sub-let rental income that commenced only in 3Q FY2012 for the premises at 65 Tech Park. In addition, there was an S\$235,000 net gain on commodity hedging under other income in 9M FY2013. Together with the recognition on accounting of goodwill gain of S\$293,000 from the recent acquisition of the waste treatment plant in Jiangsu Province, China, in October 2012 accounts for the increase in other income in 9M FY2013 compared to 9M FY2012.



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- (iv) Distribution expenses decreased by 28% in 3Q FY2013 compared to 3Q FY2012, and by 18% for 9M FY2013 compared to 9M FY2012. This is due to the lower municipal collection activities in 3Q FY2013 compared to 3Q FY2012. Municipal collection activities mean the coordination by the Company of events for the collection of municipal waste which usually consists mainly of EoL consumer electronics. In coordinating such collection events, the Company deploys its own logistic resources to collect the municipal waste. Secondly, there are re-designations of logistics costs to cost of sales in FY2013 compared to FY2012.
- (v) Administrative expenses decreased by 63% from S\$1,165,000 in 3Q FY2012 to S\$432,000 in 3Q FY2013. 66% of the decrease is mainly due to the write back of an allowance for impairment made for aged receivables. The impairment was made on the receivables from an external vendor pertaining to a project involving non-ferrous materials, as the vendor has difficulties repaying the company and the receivables are more than 6 months. In 3Q FY2013, the company managed to recover these receivables fully and there was accordingly a write-back.

There is an 12% increase in administrative expenses in 9M FY2013 compared to 9M FY2012, which is mainly due to the operating lease expenses from the main lessor on the premises at 65 Tech Park and the administrative expenses incurred to support the US operations.

- (vi) For 3Q FY2013 and 9M FY2013, the Group net profits from continuing and discontinued operations were S\$1,193,000 and S\$3,090,000 respectively, compared to a gain of S\$91,000 in 3Q FY2012 and a loss of S\$1,660,000 for 9M FY2012.

The Group's 3Q FY2013 and 9M FY2013 profitability came from the increased in revenue from the US operations and a corresponding increase in gross margin which improved the profit from continuing operations reported in 3Q FY2013 and 9M FY2013. This coupled with the net gain recorded from the discontinued operations of the UK and CZ operations S\$1,444,000 in 9M FY2013, have resulted in the reported profits in 3Q FY2013 and 9M FY2013, continuing the trend from 2Q FY2013.

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

- (i) Trade and other receivable decreased from S\$7.8 million at 30 June 2012 to S\$6.7 million as at 31 March 2013. The trade receivables pertain mainly to the US operations and 95% of the trade receivables are current as at 31 March 2013.
- (ii) Available for sales financial assets pertains to the 19% shareholdings of the UK and CZ operations after the disposal of the controlling interests in 2Q FY2013.
- (iii) Restricted cash-held in trust has been classified as non-current due to regulatory obligations imposed on the fund held for reinstatement costs for the facility in California.
- (iv) Service concession receivables amounting to S\$4.3 million as at 31 March 2013 pertains to mainly the concession receivables and rights of S\$4.3 million arising from the Build-Operate-Transfer ("BOT") arrangement with the provincial municipal authority on the newly acquired waste treatment plant in Jiangsu Province, China.
- (v) Borrowings were nil as at 31 March 2013, as the Group has repaid S\$2.6 million in unsecured loan borrowings in 1H FY2013 from its cash flows from operating activities.
- (vi) Trade and other payables have decreased by S\$3.8 million in 9M FY2013 as the Group generally reduced its liabilities in 9M FY2013 following the completion of the rights issue in May 2012 which raised proceeds for working capital purposes.
- (vii) Share capital has increased by S\$2.8 million due to the allotment of shares for part consideration on the acquisition of the waste treatment plant in Jiangsu Province, China.



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- (viii) The other reserves consist mainly of the S\$2.45 million in warrants reserves and an S\$1.4 million in foreign exchange translation loss arising mainly from the subsidiaries in US.

**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.



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**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 global economy continues to have its uncertainties and challenges of growth. The US federal government spending cutbacks forced by sequestration, the deep budget cuts that went into effect on 1<sup>st</sup> March 2013, has impacted the public spending. However, the Group's anchor theater, US operation, which makes up more than three quarters of its recycling volume of end-of-life electronic waste ("e-Waste"), comes from the commercial sector. This should lessen the sequestration impact to the Group's US operation in the short to medium term.

A positive trend in the US is the acceleration of infrastructure deployment of 4G networks across the nation by the major telco providers. As the end-of-life telecommunication equipment is being replaced by the 4G networks, the Group's US operation has experienced an upward surge in e-Waste volume from the telco customers. Such e-Waste has higher recovery value, thus contributing higher percentage of revenue and profit margin to the Group's financial metrics.

The other trend that the Group is monitoring closely is the price fluctuation of precious metals that began in April 2013. The Group is taking proactive measures to contain the impact of precious metals' downward pricing trend persists.

The Group will be streamlining its portfolio of businesses to focus on end-of-life e-Waste recycling. Leading independent research firms like IDC and Gartner have identified e-Waste recycling as an emerging industry. The e-Waste recycling market size is increasing as various government initiatives and regulations have generated greater awareness among commercial sector to be socially responsible and to reduce their environmental footprints.

To tap into the emerging e-Waste recycling industry, the Group will focus its organic growth strategy by maintaining the re-organisation momentum of its US operation that started nine months ago. It has thus far yield positive outcomes in three key areas: expansion of enterprise customers, increased operational efficiency and improved margin contribution. The US operation has become the key contributor to the Group's performance. Given that the Group is in a better financial position from its sequential profitability and improved liquidity in the nine months of FY2013, it has prudently reinvested in the US operation by: deploying mechanisation to reduce the high manpower cost; developing human capital to build excellent sales and operation teams; revamping systems and processes to enhance competitive advantages. These efforts will strengthen the competency of the US operation, which will continue to support the Group's growth objectives.

The Group will also diligently assess business opportunities for inorganic growth. This includes viable acquisition targets that will add downstream and upstream businesses to the value chain of the Group's e-Waste recycling competency. The expanded expertise will increase the addressable market. It will also enable the Group to provide comprehensive and competitive recycling services to the enterprise customers.

The Group will further leverage its e-Waste recycling knowledge and customer base of its US operation to enter into new markets in Asia. These multi-pronged growth strategies will bring broader and more diverse revenue streams to the Group, which are integral to its commitment to increase its shareholders' value.

Barring unforeseen circumstances, the Group believes that it will be able to maintain its current profitability for its continuing operations.

*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. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.*



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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 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 has not obtained a general mandate from its shareholders.

**14. Use of proceeds from Rights cum Warrants issuance**

***(a) Use of Proceeds from Rights cum Warrants Issuance***

The Company has utilised approximately S\$484,500 from 1 January 2013 to 31 March 2013 from the Rights cum Warrant issue proceeds as follows:

- (i) S\$484,500 has been further utilised for the expansion of business in the US and other operations.

The use of the proceeds from the rights cum warrants issue stated above is in accordance with the use of proceeds allocations stated in the Offer Information Statement.

***(b) Use of Proceeds from shares placement completed on 11 April 2013***

The Company completed a shares placement on 11 April 2013, and the net proceeds from the placement shares amount to S\$7,054,800.

The Company has utilized approximately S\$500,000 for the general working purposes to support current operations from 12 April 2013 to 30 April 2013 from the placement shares issuance.

The use of proceeds stated above is in accordance with stated purposes of the placement.



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**15. Statement by Directors**

**Negative confirmation pursuant to Rule 705(5)**

We, Song Tang Yih and Andrew Eng, being two Directors of Metech International Limited (the "Company") do hereby confirm on behalf of the Directors of the Company 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 quarter ended 31 March 2013 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

**Song Tang Yih**  
**Executive Chairman**  
**8 May 2013**

**Andrew Eng**  
**Executive Director and President**