(Company Registration No. 197501110N)

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 March 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Income Statement

	Group 3rd Qtr ended 31 Mar 2014 $'000	Group 3rd Qtr ended 31 Mar 2013 $'000	Group 9 months ended 31 Mar 2014 $'000	Group 9 months ended 31 Mar 2013 $'000
Revenue	3,058	3,187	11,686	13,248
Cost of sales	(2,158)	(2,105)	(6,775)	(10,761)
Gross profit	900	1,082	4,911	2,487
Other income	823	604	2,993	1,657
Distribution expenses	(850)	(1,205)	(3,014)	(3,854)
Administrative expenses	(1,822)	(2,797)	(5,679)	(8,429)
Other expenses	(40)	(395)	(71)	(4,862)
Results from operating activities	(989)	(2,711)	(860)	(13,001)
Finance costs	(260)	(271)	(702)	(1,016)
Loss before income tax	(1,249)	(2,982)	(1,562)	(14,017)
Income tax credit	60	133	192	402
Loss for the period	(1,189)	(2,849)	(1,370)	(13,615)
Loss attributable to:				
Owners of the Company	(1,195)	(2,641)	(1,622)	(12,164)
Non-controlling interests	6	(208)	252	(1,451)
	(1,189)	(2,849)	(1,370)	(13,615)

(Company Registration No. 197501110N)

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 March 2014

Statement of Comprehensive Income

	Group 3rd Qtr ended 31 Mar 2014 $'000	Group 3rd Qtr ended 31 Mar 2013 $'000	Group 9 months ended 31 Mar 2014 $'000	Group 9 months ended 31 Mar 2013 $'000
Net loss for the period	(1,189)	(2,849)	(1,370)	(13,615)
Other comprehensive income:				
Foreign currency translation differences from foreign subsidiaries	(19)	152	(103)	(121)
Realisation of foreign currency translation on disposal of a subsidiary	-	-	165	-
Other comprehensive income for the period	(19)	152	62	(121)
Total comprehensive income for the period	(1,208)	(2,697)	(1,308)	(13,736)
Total comprehensive income attributable to:				
Owners of the Company	(1,217)	(2,501)	(1,540)	(12,268)
Non-controlling interests	9	(196)	232	(1,468)
	(1,208)	(2,697)	(1,308)	(13,736)

1(a)(ii) Notes to the Income Statement

	Group 3rd Qtr ended 31 Mar 2014 $'000	Group 3rd Qtr ended 31 Mar 2013 $'000	Group 9 months ended 31 Mar 2014 $'000	Group 9 months ended 31 Mar 2013 $'000
Loss for the period include the following (charges)/credits:				
Interest expenses:	(260)	(271)	(702)	(1,016)
- bank borrowings	(121)	(92)	(292)	(400)
- exchangeable loans and convertible loans	(115)	(159)	(351)	(530)
- finance lease liabilities	(1)	(2)	(3)	(5)
- others	(23)	(18)	(56)	(81)
Depreciation of property, plant and equipment	(50)	4	(151)	(535)
Amortisation of intangible assets	(384)	(824)	(1,152)	(2,471)
Utilisation of prepayment for rights on use of plant and machinery	(29)	(29)	(87)	(87)
Staff costs	(808)	(1,114)	(2,803)	(3,538)
Impairment loss on assets classified as held for sale	-	-	-	(4,400)
(Loss)/Gain on disposal of assets classified as held for sale	-	(217)	65	(350)
(Write-down)/Reversal of write-down on inventories	-	(1)	-	94
Provision for warranty expense	(120)	(234)	(438)	(566)
Impairment loss on trade and other receivables	-	(2)	(1)	(296)
Gain on disposal of a subsidiary (net)	-	-	826	-
Operating leases expenses	(414)	(386)	(1,204)	(1,177)
Exchange gain/(loss) - net	18	(186)	180	276
Loss on disposal of intangible assets	-	-	-	(14)
Interest income	20	47	228	179
Gain/(Loss) on disposal of property, plant and equipment	31	(4)	36	46
Impairment loss on prepayment for rights, interest in and ownership of granites	-	-	-	(703)
Income tax credit/(expense):	60	133	192	402
- current income tax	-	(1)	13	(1)
- deferred income tax	60	134	179	403

(Company Registration No. 197501110N)

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 March 2014

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.

Statements of Financial Position

	Group As at 31 Mar 2014 $'000	Group As at 30 Jun 2013 $'000	Company As at 31 Mar 2014 $'000	Company As at 30 Jun 2013 $'000
ASSETS				
Non-current assets				
Financial assets, available-for-sale	2,222	2,222	2,222	2,222
Property, plant and equipment	276	391	73	138
Intangible assets	16,557	17,709	-	-
Subsidiaries	-	-	24,821	24,821
Associates	13	13	13	13
Deferred tax assets	456	435	-	-
Trade receivables	1,288	1,689	-	-
Other non-current assets	11,751	11,407	18,077	21,230
	32,563	33,866	45,206	48,424
Current assets				
Inventories	1,654	2,674	-	-
Trade and other receivables	7,370	7,063	175	67
Other current assets	2,562	2,885	863	966
Cash and bank balances	2,782	3,203	1,761	1,570
Assets classified as held for sale	-	3,018	-	-
	14,368	18,843	2,799	2,603
Total assets	46,931	52,709	48,005	51,027
EQUITY				
Equity attributable to owners of the Company				
Share capital	146,418	146,418	146,418	146,418
Reserves	2,530	488	1,619	254
Accumulated losses	(114,183)	(111,966)	(103,341)	(104,096)
	34,765	34,940	44,696	42,576
Non-controlling interests	(8,595)	(8,827)	-	-
Total equity	26,170	26,113	44,696	42,576
LIABILITIES				
Non-current liabilities				
Other payables	671	-	327	-
Financial liabilities	8,022	8,188	44	70
Derivative instrument	761	761	-	-
Deferred tax liabilities	3,068	3,247	-	-
	12,522	12,196	371	70
Current liabilities				
Trade and other payables	7,181	11,480	2,888	8,333
Financial liabilities	661	2,226	34	32
Current tax payable	4	4	4	4
Provision for other liabilities and charges	393	690	12	12
	8,239	14,400	2,938	8,381
Total liabilities	20,761	26,596	3,309	8,451
Total equity and liabilities	46,931	52,709	48,005	51,027

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

Amount repayable in one year or less, or on demand

As at 31 March 2014 ($'000)		As at 30 June 2013 ($'000)	
Secured	Unsecured	Secured	Unsecured
204	457	813	1,413

Amount repayable after one year

As at 31 March 2014 ($'000)		As at 30 June 2013 ($'000)	
Secured	Unsecured	Secured	Unsecured
6,843	1,179	6,775	1,413

Details of collateral

As at the date of the statement of financial position, total borrowings included secured liabilities of $7,047,000 (30 June 2013: $7,588,000) for the Group. Secured bank loans amounting to $505,000 (30 June 2013: $1,247,000) are secured by security charges and debenture deeds which provide for first floating charge on certain assets of the subsidiaries and corporate guarantees given by the Company. Other finance lease liabilities of the Group amounting to $108,000 (30 June 2013: $102,000) are secured by the rights to leased motor vehicles.

On 2 April 2012, the Company entered into a convertible loan agreement with Disa Digital Safety Pte Ltd ("Disa") and Sculptor Investors pursuant to which, the Sculptor Investors agreed to grant to Disa an initial loan of an aggregate principal amount of $7,000,000 (“1st Tranche”), and a further option for a loan of an aggregate principal amount of $7,000,000 (“2nd Tranche”), both of which are convertible either into the Company’s ordinary shares (“Shares”), or new ordinary shares in the capital of Disa in the event of a trade sale or an initial public offering of Disa at the discretion of the Sculptor Investors. The Sculptor Investors may at any time after three years from the completion date of the 1st Tranche, require Disa to repay the Sculptor Investors' contributions to the 1st Tranche and 2nd Tranche (if applicable) including any outstanding interest. In the event that any balance on the 1st Tranche and 2nd Tranche (if applicable) is not converted into the Company’s shares or Disa’s shares within 5 years from the completion dates of the 1st Tranche and 2nd Tranche respectively, all outstanding balance including any outstanding interest is to be repaid in cash to the Sculptor Investors. The convertible loan bears interest at 5% per annum, repayable at the end of 5 years and is secured by the Company’s corporate guarantee.

The remaining unsecured, interest bearing loan of $1,636,000 (30 June 2013: $2,826,000) is repayable over 48 equal instalments commencing from 1 November 2013.

(Company Registration No. 197501110N)

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 March 2014

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(c)(i) Consolidated Statement of Cash Flows

	Group 3rd Qtr ended 31 Mar 2014 $'000	Group 3rd Qtr ended 31 Mar 2013 $'000	Group 9 months ended 31 Mar 2014 $'000	Group 9 months ended 31 Mar 2013 $'000
Cash flows from operating activities				
Loss for the period	(1,189)	(2,849)	(1,370)	(13,615)
Adjustments for:				
- Income tax credit	(60)	(133)	(192)	(402)
- Depreciation of property, plant and equipment	50	(4)	151	535
- Loss on disposal of intangible assets	-	-	-	14
- Amortisation of intangible assets	384	824	1,152	2,471
- Utilisation of prepayment for rights on use of plant and machinery	29	29	87	87
- Gain on disposal of a subsidiary (Note B)	-	-	(826)	-
- (Gain)/Loss on disposal of property, plant and equipment	(31)	4	(36)	(46)
- Interest expenses	260	271	702	1,016
- Interest income	(20)	(47)	(228)	(179)
- Impairment loss on assets classified as held for sale	-	-	-	4,400
- Loss/(Gain) on disposal of assets classified as held for sale	-	217	(65)	350
- Write-down/(Reversal of write-down) on inventories	-	1	-	(94)
- Impairment loss on trade and other receivables	-	2	1	296
- Impairment loss on prepayment for rights, interest in and ownership of granites	-	-	-	703
- Provision for warranty expense	120	234	438	566
Operating cash flow before working capital changes	(457)	(1,451)	(186)	(3,898)
Changes in working capital:				
- Inventories	(340)	706	1,020	689
- Trade and other receivables	487	428	83	(2,794)
- Other current assets	(257)	(999)	(103)	(1,743)
- Trade and other payables	275	(1,493)	(871)	(3,980)
- Provision for other liabilities and charges	(153)	(25)	(489)	(224)
Cash utilised in operations	(445)	(2,834)	(546)	(11,950)
Income tax refund	-	-	13	-
Cash flows used in operating activities	(445)	(2,834)	(533)	(11,950)
Cash flows from investing activities				
Interest received	4	47	212	179
Purchase of property, plant and equipment	(11)	(4)	(42)	(69)
Investment in financial assets, available-for-sale	-	-	-	(3,667)
Deposit received for sale of assets classified as held for sale	-	235	-	2,835
Proceeds from sale of property, plant and equipment	31	-	67	51
Proceeds from sale of assets classified as held for sale	-	9,735	883	12,085
Proceeds from sale of an associated company	-	-	-	1,500
Disposal of a subsidiary, net of cash disposed (Note B)	-	-	*	-
Cash flows from investing activities	24	10,013	1,120	12,914

Equation CORP LIMITED

(Company Registration No. 197501110N)

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 March 2014

1(c)(i) Consolidated Cash Flow Statement (continue)

	Group 3rd Qtr ended 31 Mar 2014 $'000	Group 3rd Qtr ended 31 Mar 2013 $'000	Group 9 months ended 31 Mar 2014 $'000	Group 9 months ended 31 Mar 2013 $'000
Cash flows from financing activities				
Net proceeds from issuance of ordinary shares	-	2,936	-	14,476
Prepaid capital contributions received from undertaking shareholders (Note C)	1,365	-	1,365	-
Interest paid	(137)	(176)	(311)	(694)
Repayment of amount due to a director	-	-	-	(1,969)
Repayments of finance lease	(9)	(8)	(25)	(23)
Withdrawal of deposits placed with banks as security	-	-	-	106
Repayment to non-controlling shareholders of subsidiaries	-	-	-	(7)
Repayments of loan to a third party	(114)	-	(1,190)	-
Proceeds from borrowings	-	680	-	680
Repayments of exchangeable loans	-	(1,500)	-	(2,000)
Repayments of bank borrowings	(38)	(8,651)	(740)	(14,153)
Cash flows from/(used in) financing activities	1,067	(6,719)	(901)	(3,584)
Net increase/(decrease) in cash and cash equivalents	646	460	(314)	(2,620)
Cash and cash equivalents at beginning of the period	2,091	3,388	3,142	6,754
Effects of exchange rate changes on cash and cash equivalents	(16)	158	(107)	(128)
Cash and cash equivalents at end of the period (Note A)	**2,721**	**4,006**	**2,721**	**4,006**

1(c)(ii) Note A:

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group 9 months ended 31 Mar 2014 $'000	Group 9 months ended 31 Mar 2013 $'000
Cash at bank and on hand	2,721	4,006
Short-term bank deposits	61	61
Cash and bank balances per Group statement of financial position	2,782	4,067
Less: Deposits placed with banks as security	(61)	(61)
Cash and cash equivalents per consolidated statement of cash flows	**2,721**	**4,006**

Note B:

On 6 September 2013, the Company announced the disposal of its wholly-owned subsidiary, Hinterland Property Development Pte Ltd ("HPD"), at a consideration of $1 in cash. The effect of disposal of HPD is set out below:

	Book Value $'000
Property, plant and equipment	1
Cash at bank *	-
Other receivables	29
Trade and other payables	(751)
Provisions for other liabilities and charges	(270)
Net identifiable liabilities	(991)
Realisation of foreign currency translation differences	165
Gain on disposal	(826)

** The net cash outflow on cash disposed was less than one hundred dollar.*

Note C:

Prepaid capital contributions were related to irrevocable undertakings given by two shareholders, namely Chng Weng Wah and Starbids Venture Inc. ("Undertaking Shareholders") on 17 February 2014 to subscribe for their entitlements of total 195,054,826 rights shares at an issue price of $0.007 per rights shares, pursuant to the rights issue announced on 17 February 2014. The Undertaking Shareholders had made advance payment for their respective subscription sums of aggregate $1,365,000 to the Company in March 2014.

(Company Registration No. 197501110N)

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 March 2014

1(d)(i) A statement (for the issuer and group) showing either (a) all changes in equity or (b) 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.

Statements of Changes in Equity

Group

	Share capital	Reserves	Accumulated losses	**Total attributable to owners of the Company**	Non-controlling interests	**Total equity**
FY 2014	$'000	$'000	$'000	**$'000**	$'000	**$'000**
At 1 July 2013	146,418	488	(111,966)	**34,940**	(8,827)	**26,113**
Total comprehensive income for the financial period	-	82	(1,622)	**(1,540)**	232	**(1,308)**
Prepaid capital contributions (Note A)	-	1,365	-	**1,365**	-	**1,365**
Effect of disposal of interest in a subsidiary	-	595	(595)	**-**	-	**-**
At 31 March 2014	**146,418**	**2,530**	**(114,183)**	**34,765**	**(8,595)**	**26,170**
FY 2013						
At 1 July 2012	128,821	3,513	(94,539)	**37,795**	(7,330)	**30,465**
Total comprehensive income for the financial period	-	(104)	(12,164)	**(12,268)**	(1,468)	**(13,736)**
Issue of shares						
- Rights Issue (Note B)	14,661	(3,121)	-	**11,540**	-	**11,540**
- Private Placements	2,936	-	-	**2,936**	-	**2,936**
At 31 March 2013	**146,418**	**288**	**(106,703)**	**40,003**	**(8,798)**	**31,205**

Note A: Prepaid capital contributions were related to irrevocable undertakings given by two shareholders, namely Chng Weng Wah and Starbids Venture Inc. ("Undertaking Shareholders") on 17 February 2014 to subscribe for their entitlements of total 195,054,826 rights shares at an issue price of $0.007 per rights shares, pursuant to the rights issue announced on 17 February 2014. The Undertaking Shareholders had made advance payment for their respective subscription sums of aggregate $1,365,000 to the Company in March 2014.

Note B: Prepaid capital contributions were related to an irrevocable undertaking given by a Director on 16 May 2012 to convert part of the Director's loan amounting to $3,121,000 into 260,073,102 shares, pursuant to the rights issue announced on 16 May 2012. Upon issuance and allotment of the rights shares on 25 July 2012, the amount of $3,121,000 was reclassified to share capital.

Company

	Share capital	Other reserves	Accumulated losses	**Total**
FY 2014	$'000	$'000	$'000	**$'000**
At 1 July 2013	146,418	254	(104,096)	**42,576**
Total comprehensive income for the financial period	-	-	755	**755**
Prepaid capital contributions (Note A)	-	1,365	-	**1,365**
At 31 March 2014	**146,418**	**1,619**	**(103,341)**	**44,696**
FY 2013				
At 1 July 2012	128,821	3,375	(82,080)	**50,116**
Total comprehensive income for the financial period	-	-	(1,439)	**(1,439)**
Issue of shares				
- Rights Issue (Note B)	14,661	(3,121)	-	**11,540**
- Private Placements	2,936	-	-	**2,936**
At 31 March 2013	**146,418**	**254**	**(83,519)**	**63,153**

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 issue, 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.

A) Changes in share capital during the financial period

There were no changes to the share capital during the financial period. The issued share capital of the Company as at 31 March 2014 comprises 3,930,983,716 (30 June 2013: 3,930,983,716; 31 March 2013: 3,930,983,716) ordinary shares.

B) Share options - Equation Executives' Share Option Scheme ("**ESOS**")

As at 31 March 2014, share options granted pursuant to the ESOS for the subscription of 600,000 (30 June 2013: 600,000; 31 March 2013: 2,600,000) ordinary shares in the share capital of the Company were outstanding.

Save for the above, there are no unissued shares of the Company under option as at the end of the financial period.

C) Treasury shares

No treasury shares were held by the Company as at 31 March 2014, 30 June 2013 and 31 March 2013.

D) Convertible loans

The convertible loans are convertible at the lenders option into 413,315,855 (30 June 2013: 413,315,855; 31 March 2013: 413,315,855) ordinary shares of the Company (refer 1(b)(ii)).

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 issued shares as at 31 March 2014 is 3,930,983,716 (30 June 2013: 3,930,983,716) ordinary shares.

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.

The Company does not have any 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 our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The figures have not been audited or reviewed by our auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed under paragraph 5 below, the Group has applied the same accounting policies and methods of computation for the current financial period compared with the audited financial statements for the financial year ended 30 June 2013.

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 new/revised FRSs and Interpretations of FRSs ("INT FRSs") that are effective for accounting period beginning on or before 1 July 2013. The adoption of these new/revised FRSs and INT FRSs did not result in any material change to the Group's accounting policies or any significant impact on the financial statements.

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	
	Continuing Operations		Continuing Operations	
	3rd Qtr ended 31 Mar 2014	3rd Qtr ended 31 Mar 2013	9 months ended 31 Mar 2014	9 months ended 31 Mar 2013
Earning per share				
(a) Basic earnings per share (cents per share)	(0.03)	(0.07)	(0.04)	(0.34)
- Weighted average number of ordinary shares in issue for basic earnings per share	3,930,983,716	3,728,035,568	3,930,983,716	3,605,358,637
(b) Diluted earnings per share (cents per share)	(0.03)	(0.07)	(0.04)	(0.34)
- Adjusted weighted average number of ordinary shares in issue for diluted earnings per share	3,930,983,716	3,728,035,568	3,930,983,716	3,605,358,637

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 As at 31 Mar 2014	Group As at 30 Jun 2013	Company As at 31 Mar 2014	Company As at 30 Jun 2013
Net asset value per ordinary share attributable to owners of the Company and non-controlling interests based on issued share capital (cents)	0.67	0.66	1.14	1.08

The net asset value per ordinary share attributable to owners of the Company and non-controlling interests is computed based on 3,930,983,716 (30 June 2013: 3,930,983,716) ordinary shares.

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

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

(A) Income Statement (Third Quarter Ended 31 March 2014 ("Q3 FY2014") versus Third Quarter Ended 31 March 2013 ("Q3 FY2013") and 9 Months Financial Period Ended 31 March 2014 ("9M FY2014") versus 9 Months Financial Period Ended 31 March 2013 ("9M FY2013"))

i) Revenue

The Group's revenue for Q3 FY2014 decreased by $0.1 million (-4.0%) as compared to Q3 FY2013 ("QoQ"). This was mainly due to decrease in sales in the Consumer electronic products segment ($0.4 million); offset by an increase in sales in the E-waste/Recycling segment ($0.2 million) and Energy management services segment ($0.1 million). The decrease in sales in the Consumer electronic products segment was mainly due to lower customers demand ($0.6 million) during the financial period; partially mitigated by appreciation of Euro against Singapore dollar ($0.2 million). The decrease was partially mitigated by an increase in sales in the E-waste/Recycling segment. In Q3 FY2013, the sales for E-waste/Recycling segment was scaled down while the segment reviewed its' business operating model. Increase in sales in the Energy management services segment was mainly due to higher revenue generated from consultancy services.

On a year-to-date ("YoY") comparison, the Group's revenue decreased by $1.5 million (-11.8%) from $13.2 million (9M FY2013) to $11.7 million (9M FY2014). This was mainly due to decrease in sales in the Technology segment ($2.4 million) and E-waste/Recycling segment ($0.7 million); partially mitigated by the increase in sales in Supply of construction materials segment ($1.3 million), Consumer electronic products segment ($0.3 million) and Energy management services segment ($0.1 million). The decrease in sales in Technology segment was mainly due to ad-hoc sales, while the decrease in sales for the E-waste/Recycling segment was mainly due to one-off sales to a customer that purchased in bulk; both sales were non-recurring which took place in 9M FY2013. The revenue reported under Supply of construction materials segment was due to cash received from sand business ($1.6 million) in relation to revenue that was not recognised previously as the probability of billing was low then due to the termination of sand contract (as announced in the quarter ended 30 June 2012). The increase in sales in Consumer electronic products segment was mainly due to appreciation of Euro against Singapore dollar ($0.6 million); partially offset by lower sales ($0.3 million) during the financial period. The breakdown of revenue is represented in Table A below:

Table A

	Group				Group			
	3rd Qtr ended 31 Mar 2014 $'000	% to total revenue	3rd Qtr ended 31 Mar 2013 $'000	% to total revenue	9 months ended 31 Mar 2014 $'000	% to total revenue	9 months ended 31 Mar 2013 $'000	% to total revenue
Consumer electronic products	2,455	80.3%	2,841	89.1%	8,845	75.7%	8,542	64.5%
Supply of construction materials	-	0.0%	-	0.0%	1,553	13.3%	226	1.7%
E-waste/Recycling	168	5.5%	25	0.8%	386	3.3%	1,086	8.2%
Energy management services	255	8.3%	127	4.0%	363	3.1%	275	2.1%
Technology	93	3.0%	21	0.7%	178	1.5%	2,576	19.4%
Others	87	2.9%	173	5.4%	361	3.1%	543	4.1%
	3,058	100.0%	3,187	100.0%	11,686	100.0%	13,248	100.0%

ii) Cost of sales and gross profits

Cost of sales ("COGS") for Q3 FY2014 ($2.2 million) increased by $0.1 million as compared to Q3 FY2013 ($2.1 million). The increase was mainly due to higher COGS recorded in the Energy management services segment ($0.1 million), E-waste/Recycling segment ($0.1 million) and Consumer electronic products segment ($0.1 million); offset by a decrease in COGS in Supply of construction materials segment ($0.2 million). For both Energy management services and E-waste/Recycling segments, the higher COGS was due to the higher sales as mentioned above. Consumer electronic products segment reported higher COGS ($0.1 million) despite lower sales reported on QoQ basis, mainly due to higher unit costs for product sold during the financial period. Supply of construction materials segment reported lower COGS ($0.2 million) mainly due to zero running cost for vessels as all vessels had been disposed in the quarter ended 30 September 2013 ("Q1 FY2014").

COGS for 9M FY2014 ($6.8 million) decreased by $4.0 million as compared to 9M FY2013 ($10.8 million). This was mainly due to lower COGS recorded in Technology segment ($2.2 million), Supply of construction materials segment ($1.5 million) and E-waste/Recycling segment ($0.9 million); offset by higher COGS recorded in Consumer electronic products segment ($0.5 million) and Energy management services segment ($0.1 million). For both Technology and E-waste/Recycling segments, the lower COGS was due to lower revenue in this period due to non-recurring sales which took place in 9M FY2013 as mentioned above. Supply of construction materials segment reported lower COGS mainly due to (i) one-off impairment of $0.7 million on prepayment for rights of granites during the financial period ended 31 December 2012; and (ii) zero running costs for vessels during the financial period as mentioned above. The decrease in COGS was offset by (i) higher COGS in Consumer electronic products segment ($0.5 million), which was mainly due to appreciation of Euro against Singapore dollar ($0.4 million); and (ii) higher COGS in Energy management services segment was due to increase in sales for the segment.

The Group reported gross profit margin ("GP%") of 29.4% in Q3 FY2014, as compared to a GP% of 34.0% in Q3 FY2013. The lower GP% recorded in Q3 FY2014 was mainly contributed by lower GP% contribution by Consumer electronic products segment, mainly due to sales of products with higher unit cost and lower GP during the current financial period under review.

On YoY basis, GP% improved by 23.2% from 18.8% (9M FY2013) to 42.0% (9M FY2014). The higher GP% recorded for 9M FY2014 was mainly due to one-off cash income ($1.6 million) received from sand business (as mentioned in revenue section above). Without this one-off cash income, the GP% for 9M FY2014 should have been 33.1% (adjusted). The lower GP% recorded in 9M FY2013 was mainly contributed by (i) negative GP% from Supply of construction materials segment, as a result of the one-off impairment of $0.7 million as mentioned above; and (ii) lower GP% from a non-recurring sales of $2.4 million in Technology segment. If those contributions from Supply of construction materials segment and one-off sales from Technology segment were excluded, the adjusted 9M FY2013 GP% will be 34.4% (adjusted). The adjusted GP% (YoY) remained comparable in the financial period under review.

Due to the reasons explained above, the Group recorded a lower gross profit of $0.9 million in Q3 FY2014 and a higher gross profit of $4.9 million in 9M FY2014.

iii) Other income

Other income increased by $0.2 million for Q3 FY2014 as compared to Q3 FY2013. This was mainly due to higher storage income of $0.2 million in E-waste/Recycling segment.

On YoY basis, other income increased by $1.3 million for 9M FY2014 as compared to 9M FY2013. This was mainly due to (i) $0.8 million one-off gain on disposal of a subsidiary, Hinterland Property Development Pte Ltd ("HPD"); (ii) higher storage income of $0.3 million; (iii) gain on disposal of assets classified as held for sale of $0.1 million; and (iv) trade payables written off of $0.1 million.

iv) Distribution expenses

Distribution expenses decreased by $0.4 million for Q3 FY2014 as compared to Q3 FY2013. This was mainly due to lower staffs costs of $0.2 million due to internal restructuring in the Group. Consumer electronic products segment reported lower advertising and marketing costs of $0.1 million as the segment had outsourced its sales and marketing activities and the lower provision for warranty expense of $0.1 million due to lower sales during the financial period.

On YoY basis, distribution expenses decreased by $0.8 million for 9M FY2014 as compared to 9M FY2013. This was mainly due to lower transportation costs of $0.1 million and lower vessels' insurance costs of $0.2 million as the Group had fully disposed all vessels. Lower staffs costs of $0.2 million was mainly due to internal restructuring in the Group. Consumer electronic products segment reported lower advertising and marketing costs of $0.1 million as the segment had outsourced its sales and marketing activities and the lower provision for warranty expense of $0.1 million was mainly due to lower sales during the financial period.

v) Administrative expenses

Administrative expenses decreased by $1.0 million in Q3 FY2014 as compared to Q3 FY2013. This was mainly attributable to (i) lower vessels related expenses ($0.1 million); (ii) lower professional fees ($0.2 million); (iii) lower amortisation of intangible assets ($0.4 million) as a result of $3.0 million impairment made on intangible assets in the quarter ended 30 June 2013 ("Q4 FY2013"); and (iv) foreign exchange movement of $0.2 million.

On YoY basis, administrative expenses decreased by $2.8 million in 9M FY2014 as compared to 9M FY2013. This was mainly attributable to (i) lower staffs costs ($0.4 million); (ii) lower provision of doubtful debts for trade receivables ($0.3 million); (iii) lower depreciation expense ($0.4 million); (iv) lower vessels related expenses ($0.3 million); and (v) lower amortisation of intangible assets ($1.3 million). Reduction in these expenses was partially offset by foreign exchange movement of $0.1 million.

vi) Other expenses

Other expenses decreased by $0.4 million in QoQ comparison was mainly due to non-recurring loss on disposal of assets classified as held for sale in Q3 FY2013.

On YoY basis, other expenses decreased by $4.8 million was mainly due to a non-recurring impairment of $4.4 million in 9M FY2013 and decrease in loss on disposal of $0.4 million. Both impairment and loss related to assets classified as held for sale.

vii) Finance costs

Finance costs remained fairly the same at $0.3 million in QoQ comparison. On YoY basis, finance costs decreased by $0.3 million for 9M FY2014 as compared to 9M FY2013. This was mainly due to reduction in bank loan quantum and repayment of exchangeable loan in Q4 FY2013, partially offset by higher bank factoring costs for the current period under review.

(B) Statements of Financial Position

Total assets of the Group decreased by $5.8 million from $52.7 million as at 30 June 2013 to $46.9 million as at 31 March 2014, mainly due to the following:

i) Property, plant and equipment decreased mainly due to a depreciation charge for the financial period under review.

ii) Intangible assets pertaining to Anti-Theft licensed technology and Development costs of Disa Anti-Theft system decreased by $1.1 million from $17.7 million as at 30 June 2013 to $16.6 million as at 31 March 2014, and this was due to amortisation charge for the current financial period.

iii) Other non-current assets pertaining mainly to (i) prepayment for the rights, interest in and ownership of granite in Indonesia; (ii) prepayment for the rights on use of plant and machinery; and (iii) long-term loan to third parties. Other non-current assets increased by $0.3 million was mainly due to reclassification of current assets of $0.4 million into non-current loan to third parties. The increase was partially offset by $0.1 million of utilisation of prepayment for rights on use of plant and machinery for the current financial period.

iv) Inventories decreased by $1.0 million mainly due to decrease in inventories in the Consumer electronic products segment, as a result of the segment's efforts to enhance cash flows position by holding minimal stock level.

v) Trade and other receivables increased by $0.3 million from $7.1 million as at 30 June 2013 to $7.4 million as at 31 March 2014. This was mainly due to increase in trade and other receivables of (i) $0.1 million in Consumer electronic products segment, which was mainly due to appreciation of Euro; and (ii) $0.1 million in Energy management services segment, which was due to increase in sales during the current financial period.

vi) Other current assets decreased by $0.3 million from $2.9 million as at 30 June 2013 to $2.6 million as at 31 March 2014. This was mainly due to reclassification of current assets of $0.4 million into non-current loan to third parties. This was partially offset by increase in prepaid goods & services tax of $0.1 million.

vii) Decrease in cash and cash equivalents of $0.4 million (Refer to explanation in "8(C) Cash flow" below).

viii) Assets classified as held for sale showed zero balance and this was due to completion of disposal of assets classified as held for sale during the current financial period.

Total liabilities of the Group decreased by $5.8 million from $26.6 million as at 30 June 2013 to $20.8 million as at 31 March 2014, mainly due to the following:

i) Long-term other payables increased by $0.7 million due to reclassification of accrued interests of convertible loan from current to non-current liabilities.

ii) Total borrowings decreased by $1.7 million during the period, mainly due to repayments of loan to a third party of $1.2 million, repayments of bank borrowings of $0.5 million upon sale of vessels and repayments of other bank loans of $0.2 million. This was partially offset by an upward fair value adjustment on convertible loan of $0.2 million.

iii) Trade and other payables decreased by $4.3 million from $11.5 million as at 30 June 2013 to $7.2 million as at 31 March 2014. This was mainly due to reversal of deposits received from sale of vessels of $2.2 million upon completion of the sale transactions, deconsolidation of HDP's liabilities of $0.7 million on disposal of HDP, reclassification of $0.6 million accrued interest as mentioned above and repayment to various suppliers amounting to $0.8 million.

iv) Provision for other liabilities and charges decreased by $0.3 million during the period due to derecognition of provision for legal compensation of $0.3 million on disposal of HDP upon deconsolidation of HDP.

(C) Cash Flow

Cash and cash equivalents (net of overdraft and deposits placed with a bank as security) (refer to 1(C)(ii)) decreased by approximately $0.4 million from $3.1 million as at 30 June 2013 to $2.7 million as at 31 March 2014, mainly due to funds generated/utilised as follows:

i) Prepaid capital contributions received from undertaking shareholders of $1.4 million pursuant to rights issue;
ii) Net proceeds from disposal of assets classified as held for sale of $0.9 million;
iii) Interest received of $0.2 million; offset against;
iv) Cash used in operating activities (net of non-cash items) of $0.5 million;
v) Repayment of loan to a third party of $1.2 million;
vi) Repayment of bank borrowings of $0.8 million; and
vii) Interest paid of $0.3 million.

(D) Use of Proceeds

On 25 March 2013, the Company issued an aggregate of 217,444,444 new ordinary shares at $0.0135 per share in the issued and paid-up capital of the Company pursuant to two separate Subscription Agreements entered between the Company and the Subscribers ("Private Placements"). Net proceeds of $2.9 million were raised. The Company has fully utilised $2.9 million of the Private Placements for the intended purposes as at 31 March 2014.

	As at 31 Mar 2014
	Private Placements $'000
Proceeds raised	2,936
Less utilisation:	
- for working capital	(2,936)
Balance of proceeds	-

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

No forecast or prospect statement was disclosed to shareholders previously.

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 effect the group in the next reporting period and the next 12 months.

On 17 February 2014, the Company announced a renounceable, partially underwritten, rights issue ("Rights Issue") of up to 1,168,888,259 new ordinary shares in the capital of the Company ("Rights Shares") at an issue price of $0.007 for each Rights Share, on the basis of one (1) Rights Share for every four (4) existing shares held by entitled shareholders. The Rights Issue was completed subsequent to the financial period ended 31 March 2014 and was oversubscribed by 106%. A total of 982,745,929 Rights Shares was quoted and listed on 24 April 2014.

Gross proceeds of $6.9 million was raised and the Company intends to use it for (i) the Group's general working capital purposes and (ii) financing of future business ventures relating to the Group's ordinary course of business through acquisitions and/or strategic joint ventures.

11. Dividend

(a) Current financial period reported on.
None.

(b) Corresponding period of the immediately preceding financial year.
No dividend was declared for the corresponding period of the immediately preceding financial year.

(c) Date 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 recommended for the financial period ended 31 March 2014.

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable for Q1, Q2 & Q3 announcements.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable for Q1, Q2 & Q3 announcements.

15. A breakdown of sales as follows:-

Not applicable for Q1, Q2 & Q3 announcements.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable for Q1, Q2 & Q3 announcements.

17. Summary of Interested Person Transactions for the financial period ended 31 March 2014.

There were no interested person transactions ("IPT") for the financial period ended 31 March 2014 and the Company does not have a general IPT mandate.

BY ORDER OF THE BOARD

CHNG WENG WAH
Executive Director
14 May 2014

NEGATIVE ASSURANCE CONFIRMATION PURSUANT TO RULE 705(5) OF THE SGX-ST LISTING MANUAL SECTION B: RULES OF CATALIST

We, Chng Weng Wah and Lau Kay Heng, being two directors of Equation Corp Limited (the "Company"), do hereby confirm on behalf of the directors of the Company 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 quarter ended 31 March 2014 to be false or misleading in any material respect.

For and on behalf of the Board of Directors

CHNG WENG WAH
Executive Director/Chief Executive Officer

LAU KAY HENG
Non-Executive and Independent Director

14 May 2014