

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 December 2015

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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 and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) **Income Statement**

	2nd Qtr ended 31 Dec 2015 \$'000	2nd Qtr ended 31 Dec 2014 \$'000	Increase/ (Decrease) %	6 months ended 31 Dec 2015 \$'000	6 months ended 31 Dec 2014 \$'000	Increase/ (Decrease) %
<u>Continuing operations</u>						
Revenue	198	275	(28.0)	383	550	(30.4)
Cost of sales	(125)	(176)	(29.0)	(255)	(351)	(27.4)
Gross profit	73	99	(26.3)	128	199	(35.7)
Other income	622	661	(5.9)	1,256	1,257	(0.1)
Distribution expenses	(79)	(107)	(26.2)	(149)	(189)	(21.2)
Administrative expenses	(1,689)	(1,765)	(4.3)	(3,228)	(3,769)	(14.4)
Other expenses	(35)	(77)	(54.5)	(89)	(107)	(16.8)
Results from operating activities	(1,108)	(1,189)	(6.8)	(2,082)	(2,609)	(20.2)
Finance costs	(148)	(147)	0.7	(298)	(297)	0.3
Share of results of associates	(1)	-	N.M.	(1)	-	N.M.
Share of results of joint ventures	(77)	(94)	(18.1)	(192)	(195)	(1.5)
Loss before income tax from continuing operations	(1,334)	(1,430)	(6.7)	(2,573)	(3,101)	(17.0)
Income tax credit	59	59	-	119	119	-
Loss after tax from continuing operations, net of tax	(1,275)	(1,371)	(7.0)	(2,454)	(2,982)	(17.7)
<u>Discontinued operations</u>						
Loss from discontinued operations, net of tax	-	(195)	N.M.	-	(282)	N.M.
Loss for the period	(1,275)	(1,566)	(18.6)	(2,454)	(3,264)	(24.8)
Attributable to:						
Owners of the Company						
Loss from continuing operations, net of tax	(1,286)	(1,420)	(9.4)	(2,397)	(2,967)	(19.2)
Loss from discontinued operations, net of tax	-	(131)	N.M.	-	(186)	N.M.
	(1,286)	(1,551)	(17.1)	(2,397)	(3,153)	(24.0)
Non-controlling interests						
Loss from continuing operations, net of tax	11	49	(77.6)	(57)	(14)	N.M.
Loss from discontinued operations, net of tax	-	(64)	N.M.	-	(97)	N.M.
	11	(15)	N.M.	(57)	(111)	(48.6)
	(1,275)	(1,566)	(18.6)	(2,454)	(3,264)	(24.8)

N.M. - not meaningful

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 December 2015
Statement of Comprehensive Income

	2nd Qtr ended 31 Dec 2015 \$'000	2nd Qtr ended 31 Dec 2014 \$'000	Increase/ (Decrease) %	6 months ended 31 Dec 2015 \$'000	6 months ended 31 Dec 2014 \$'000	Increase/ (Decrease) %
Loss for the period	(1,275)	(1,566)	(18.6)	(2,454)	(3,264)	(24.8)
Other comprehensive income:						
Foreign currency translation differences from foreign subsidiaries	(12)	133	N.M.	38	370	(89.7)
Other comprehensive income for the period	(12)	133	N.M.	38	370	(89.7)
Total comprehensive income for the period	(1,287)	(1,433)	(10.2)	(2,416)	(2,894)	(16.5)
Attributable to:						
Owners of the Company						
Loss from continuing operations, net of tax	(1,301)	(1,324)	(1.7)	(2,335)	(2,793)	(16.4)
(Loss)/Profit from discontinued operations, net of tax	-	(12)	N.M.	-	7	N.M.
	(1,301)	(1,336)	(2.6)	(2,335)	(2,786)	(16.2)
Non-controlling interests						
Profit/(Loss) from continuing operations, net of tax	14	49	(71.4)	(81)	(14)	N.M.
Loss from discontinued operations, net of tax	-	(146)	N.M.	-	(94)	N.M.
	14	(97)	N.M.	(81)	(108)	(25.0)
	(1,287)	(1,433)	(10.2)	(2,416)	(2,894)	(16.5)

N.M. - not meaningful

1(a)(ii) Loss for the period is stated after charging/(crediting) the following:

	2nd Qtr ended 31 Dec 2015 \$'000	2nd Qtr ended 31 Dec 2014 \$'000	6 months ended 31 Dec 2015 \$'000	6 months ended 31 Dec 2014 \$'000
(inclusive of both continuing and discontinued operations)				
Interest expense	148	218	298	463
Interest income	(37)	(38)	(69)	(79)
Amortisation of intangible assets	351	351	702	724
Depreciation of property, plant and equipment	20	42	41	82
Gain on disposal of property, plant and equipment	-	(5)	-	(5)
Gain on disposal of a joint venture	-	(25)	-	(25)
Provision for warranty expense	-	78	-	180
Share of results of associates	1	-	1	-
Share of results of joint ventures	77	94	192	195
Utilisation of prepayment for rights on use of plant and machinery	29	29	58	58
Currency exchange loss - net	5	119	13	355



Summit Limited

(Company Registration No. 197501110N)

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 December 2015

Results of the discontinued operations are as follow:

	2nd Qtr ended 31 Dec 2015 \$'000	2nd Qtr ended 31 Dec 2014 \$'000	6 months ended 31 Dec 2015 \$'000	6 months ended 31 Dec 2014 \$'000
Revenue	-	1,911	-	3,962
Cost of sales	-	(1,323)	-	(2,654)
Gross profit	-	588	-	1,308
Other income	-	28	-	37
Distribution expenses	-	(692)	-	(1,387)
Administrative expenses	-	(29)	-	(46)
Other expenses	-	(19)	-	(28)
Results from operating activities	-	(124)	-	(116)
Finance costs	-	(71)	-	(166)
Loss before income tax from discontinued operations	-	(195)	-	(282)
Income tax expense	-	-	-	-
Loss from discontinued operations, net of tax	-	(195)	-	(282)

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		Company	
	31 Dec 2015	30 June 2015	31 Dec 2015	30 June 2015
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Financial assets, available-for-sale	2,222	2,222	2,222	2,222
Property, plant and equipment	199	237	120	143
Intangible assets	14,045	14,747	-	-
Subsidiaries	-	-	18,097	18,097
Associates	27	26	-	-
Joint ventures	55	57	280	280
Trade and other receivables	734	633	707	222
Other non-current assets	11,288	11,346	13,648	13,109
	28,570	29,268	35,074	34,073
Current assets				
Inventories	73	86	-	-
Trade and other receivables	6,179	6,154	139	136
Other current assets	1,430	1,452	271	310
Cash and bank balances	7,175	6,858	6,400	5,702
	14,857	14,550	6,810	6,148
Total assets	43,427	43,818	41,884	40,221
Equity attributable to owners of the Company				
Share capital	154,474	154,474	154,474	154,474
Reserves	4,536	1,870	3,716	1,112
Accumulated losses	(124,051)	(121,654)	(117,701)	(117,206)
	34,959	34,690	40,489	38,380
Non-controlling interests	(8,236)	(8,155)	-	-
Total equity	26,723	26,535	40,489	38,380
Non-current liabilities				
Financial liabilities	258	726	101	117
Derivative instrument	21	21	-	-
Deferred tax liabilities	2,387	2,506	-	-
	2,666	3,253	101	117
Current liabilities				
Trade and other payables	3,536	3,536	945	1,185
Accruals	3,058	3,036	287	460
Financial liabilities	7,432	7,446	50	67
Provision for other liabilities and charges	12	12	12	12
	14,038	14,030	1,294	1,724
Total liabilities	16,704	17,283	1,395	1,841
Total equity and liabilities	43,427	43,818	41,884	40,221

1(b)(iii) Aggregate amount of group's borrowings and debt securities
Amount repayable in one year or less, or on demand

31 December 2015 (\$'000)		30 June 2015 (\$'000)	
Secured	Unsecured	Secured	Unsecured
6,976	456	6,990	456

Amount repayable after one year

31 December 2015 (\$'000)		30 June 2015 (\$'000)	
Secured	Unsecured	Secured	Unsecured
101	157	117	609

Details of collateral

As at 31 December 2015, total borrowings included secured liabilities of \$7,077,000 (30 June 2015: \$7,107,000) for the Group. Secured loans amounting to \$209,000 (30 June 2015: \$299,000) are secured by security charges which provide for fixed charge on certain assets of a subsidiary and corporate guarantees given by the Company. Other finance lease liabilities of the Group amounting to \$151,000 (30 June 2015: \$184,000) 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 require Disa to repay the Sculptor Investor's contributions to the 1st Tranche and any outstanding interest at any time between 1 May 2015 and 30 April 2017. The 2nd Tranche had lapsed on the same date the 1st Tranche became due. In the event that any balance on the 1st Tranche is not converted into the Company's shares or Disa's shares within 5 years from the completion date of the 1st Tranche, 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 and is secured by the Company's corporate guarantee.

The remaining unsecured, interest bearing loan of \$613,000 (30 June 2015: \$1,065,000) is repayable over 48 equal instalments commencing from 1 November 2013.

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 December 2015

1(c) A statement of cash flows (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**

	2nd Qtr ended 31 Dec 2015 \$'000	2nd Qtr ended 31 Dec 2014 \$'000	6 months ended 31 Dec 2015 \$'000	6 months ended 31 Dec 2014 \$'000
Cash flows from operating activities				
Loss before income tax from continuing operations for the period	(1,334)	(1,430)	(2,573)	(3,101)
Loss before income tax from discontinued operations for the period	-	(195)	-	(282)
	<u>(1,334)</u>	<u>(1,625)</u>	<u>(2,573)</u>	<u>(3,383)</u>
Adjustments for:				
- Interest expense	148	218	298	463
- Interest income	(37)	(38)	(69)	(79)
- Amortisation of intangible assets	351	351	702	724
- Depreciation of property, plant and equipment	20	42	41	82
- Gain on disposal of property plant and machinery	-	(5)	-	(5)
- Gain on disposal of a joint venture	-	(25)	-	(25)
- Provision for warranty expense	-	78	-	180
- Share of results of associates	1	-	1	-
- Share of results of joint ventures	77	94	192	195
- Utilisation of prepayment for rights on use of plant and machinery	29	29	58	58
Operating loss before working capital changes	<u>(745)</u>	<u>(881)</u>	<u>(1,350)</u>	<u>(1,790)</u>
Changes in working capital:				
- Inventories	32	(909)	13	(1,092)
- Trade and other receivables	(102)	379	(291)	451
- Other current assets	22	(185)	26	(173)
- Trade and other payables	(219)	959	(220)	1,048
- Provision for other liabilities and charges	-	(90)	-	(176)
- Exchange differences arising from consolidation	(4)	74	21	281
Cash used in operations	<u>(1,016)</u>	<u>(653)</u>	<u>(1,801)</u>	<u>(1,451)</u>
Income tax refund	-	-	-	-
Net cash used in operating activities	<u>(1,016)</u>	<u>(653)</u>	<u>(1,801)</u>	<u>(1,451)</u>
Cash flows from investing activities				
Interest received	37	35	69	73
Purchase of property, plant and equipment	(3)	(3)	(3)	(4)
Investment in joint ventures	-	(98)	-	(229)
Proceeds from disposal of a joint venture	-	200	-	200
Proceeds from disposal of property, plant and equipment	-	6	-	6
Net cash from investing activities	<u>34</u>	<u>140</u>	<u>66</u>	<u>46</u>

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

	2nd Qtr ended 31 Dec 2015 \$'000	2nd Qtr ended 31 Dec 2014 \$'000	6 months ended 31 Dec 2015 \$'000	6 months ended 31 Dec 2014 \$'000
Cash flows from financing activities				
Interest paid	(9)	(44)	(18)	(191)
Net proceeds from issuance of warrants	(11)	-	2,604	-
Repayment of finance lease	(17)	(18)	(33)	(36)
Repayment of loan to a third party	(57)	(114)	(452)	(228)
Repayment of bank borrowings	(45)	(41)	(90)	(82)
Net cash (used in)/from financing activities	(139)	(217)	2,011	(537)
Net (decrease)/increase in cash and cash equivalents	(1,121)	(730)	276	(1,942)
Cash and cash equivalents at beginning of the period	8,238	6,991	6,797	8,204
Net effects of exchange rate changes on cash and cash equivalents	(3)	11	41	10
Cash and cash equivalents at end of the period (Note A)	7,114	6,272	7,114	6,272

1(c)(iii) Notes to Consolidated Statement of Cash Flows
Note A:

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

	6 months ended 31 Dec 2015 \$'000	6 months ended 31 Dec 2014 \$'000
Cash at bank and on hand	2,508	6,272
Short-term bank deposits	4,667	61
Cash and bank balances per Group statement of financial position	7,175	6,333
Less: Deposits placed with banks as security	(61)	(61)
Cash and cash equivalents per consolidated statement of cash flows	7,114	6,272

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	Foreign currency translation reserve	Share option reserve	Other capital reserves	Accumulated losses	Total attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
FY 2016								
Balance as at 1 July 2015	154,474	22	75	1,773	(121,654)	34,690	(8,155)	26,535
<u>Total comprehensive income</u>								
- Loss for the period	-	-	-	-	(2,397)	(2,397)	(57)	(2,454)
<u>Other comprehensive income for the period</u>								
- Foreign currency translation differences from foreign subsidiaries	-	62	-	-	-	62	(24)	38
Total comprehensive income for the financial period	-	62	-	-	(2,397)	(2,335)	(81)	(2,416)
Contribution by and distributions to owner								
Issue of warrants ^(Note A)	-	-	-	2,798	-	2,798	-	2,798
- warrants issue expense	-	-	-	(194)	-	(194)	-	(194)
	-	-	-	2,604	-	2,604	-	2,604
Balance as at 31 December 2015	154,474	84	75	4,377	(124,051)	34,959	(8,236)	26,723
FY 2015								
Balance as at 1 July 2014	153,074	(228)	21	895	(115,147)	38,615	(8,856)	29,759
<u>Total comprehensive income</u>								
- Loss for the period	-	-	-	-	(3,153)	(3,153)	(111)	(3,264)
<u>Other comprehensive income for the period</u>								
- Foreign currency translation differences from foreign subsidiaries	-	367	-	-	-	367	3	370
Total comprehensive income for the financial period	-	367	-	-	(3,153)	(2,786)	(108)	(2,894)
Balance as at 31 December 2014	153,074	139	21	895	(118,300)	35,829	(8,964)	26,865

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 December 2015
Company

	<u>Share capital</u>	<u>Share option</u>	<u>Other capital</u>	<u>Accumulated</u>	<u>Total</u>
	<u>\$'000</u>	<u>reserve</u>	<u>reserves</u>	<u>losses</u>	<u>equity</u>
<u>FY 2016</u>					
Balance as at 1 July 2015	154,474	75	1,037	(117,206)	38,380
Total comprehensive income for the financial period	-	-	-	(495)	(495)
Issue of warrants ^(Note A)	-	-	2,798	-	2,798
- warrants issue expense	-	-	(194)	-	(194)
Balance as at 31 December 2015	154,474	75	3,641	(117,701)	40,489
<u>FY 2015</u>					
Balance as at 1 July 2014	153,074	21	159	(107,211)	46,043
Total comprehensive income for the financial period	-	-	-	(829)	(829)
Balance as at 31 December 2014	153,074	21	159	(108,040)	45,214

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 26 May 2015 to subscribe for their entitlements of total 877,746,718 warrants at an issue price of \$0.001 for each warrant, pursuant to the warrants issue announced on 26 May 2015. The Undertaking Shareholders had made advance payment for their respective subscription sums of aggregate \$878,000 to the Company in May 2015. This amount of \$878,000 was recorded as Prepaid Shares Reserves as at 30 June 2015. Upon issuance and allotment of the warrants on 3 August 2015, the amount of \$878,000 was reclassified to Capital Reserves.

- 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 in the share capital of the Company since 30 September 2015 up to 31 December 2015. As at 30 September 2015 and 31 December 2015, the share capital of the Company comprised 5,113,729,645 ordinary shares.

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

Outstanding share options

<u>31 December 2015</u>	<u>31 December 2014</u>
10,500,000	550,000

C) Treasury shares

No treasury shares were held by the Company as at 31 December 2015 and 31 December 2014.

D) Convertible loans

The convertible loans are convertible at the lenders option into 444,602,525 (31 December 2014: 444,602,525) ordinary shares of the Company (refer 1(b)(ii)).

E) Warrants

As at 31 December 2015, the number of shares that may be issued on conversion of the outstanding warrants expiring on 2 August 2017 is 3,676,177,056 (31 December 2014: 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.**

Total number of ordinary issued shares excluding treasury shares

<u>31 December 2015</u>	<u>30 June 2015</u>
5,113,729,645	5,113,729,645

- 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 2015.

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 2015. 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.

Basic and diluted earnings per share (cents per share)

From continuing operations attributable to equity owners of the Company
From discontinued operations attributable to equity owners of the Company
- Weighted average number of ordinary shares in issue

Group			
2nd Qtr ended 31 Dec 2015	2nd Qtr ended 31 Dec 2014	6 months ended 31 Dec 2015	6 months ended 31 Dec 2014
(0.03)	(0.03)	(0.05)	(0.06)
N.A.	(0.00)	N.A.	(0.00)
5,113,729,645	4,913,729,645	5,113,729,645	4,913,729,645

N.A. - not applicable

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options, with the potential ordinary shares weighted for the period outstanding. As the effect is anti-dilutive, the diluted earnings per share is the same as the basic earnings 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 attributable to owners of the
Company and non-controlling interests based on issued share capital (cents)

Group		Company	
As at 31 Dec 2015	As at 30 June 2015	As at 31 Dec 2015	As at 30 June 2015
0.52	0.52	0.79	0.75

The net asset value per ordinary share attributable to owners of the Company and non-controlling interests is computed based on 5,113,729,645 (30 June 2015: 5,113,729,645) ordinary shares.

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 December 2015
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 (Second Quarter Ended 31 December 2015 ("Q2 FY2016") versus Second Quarter Ended 31 December 2014 ("Q2 FY2015") and Half Year Ended 31 December 2015 ("1H FY2016") versus Half Year Ended 31 December 2014 ("1H FY2015"))

Continuing operations
i) Revenue

The Group's revenue decreased by \$77,000 (28.0%) from \$275,000 in Q2 FY2015 to \$198,000 in Q2 FY2016 ("QoQ"). This was mainly due to lower customers' order in E-waste/Recycling and Energy management services segments.

On a year-to-date ("YoY") comparison, the Group's revenue decreased by \$167,000 (30.4%) from \$550,000 in 1H FY2015 to \$383,000 in 1H FY2016. This was mainly due to decrease in sales in the E-waste/Recycling segment (\$93,000) and Energy management services segment (\$72,000). The decrease in sales in E-waste/Recycling segment was mainly due to lower collection of recycled materials. The decrease in sales in Energy management services segment was mainly due to lower revenue generated from consultancy services. The breakdown of revenue is represented in Table A below:

Table A

	2nd Qtr ended 31 Dec 2015 \$'000	% to total revenue	2nd Qtr ended 31 Dec 2014 \$'000	% to total revenue	6 months ended 31 Dec 2015 \$'000	% to total revenue	6 months ended 31 Dec 2014 \$'000	% to total revenue
E-waste/Recycling	135	68.2%	166	60.4%	189	49.3%	282	51.3%
Energy management services	63	31.8%	107	38.9%	194	50.7%	266	48.4%
Technology	-	N.M.	2	0.7%	-	N.M.	2	0.3%
	198	100.0%	275	100.0%	383	100.0%	550	100.0%

N.M. - not meaningful

ii) Cost of sales and gross profits

Cost of sales ("COGS") decreased by \$51,000 from \$176,000 in Q2 FY2015 to \$125,000 in Q2 FY2016. The decrease was mainly due to lower sales which resulted in lower COGS recorded in the E-waste/Recycling and Energy management services segments.

COGS for 1H FY2016 (\$255,000) decreased by \$96,000 as compared to 1H FY2015 (\$351,000). This was mainly due to lower COGS recorded in E-waste/Recycling segment (\$26,000) and Energy management services segment (\$67,000). Lower COGS in E-waste/Recycling and Energy management services segments were mainly due to lower revenue in this financial period as mentioned above.

The Group reported a slight increase in gross profit margin ("GP%") from 36.0% in Q2 FY2015 to 36.9% in Q2 FY2016.

On YoY basis, GP% decreased by 2.8 percentage point from 36.2% (1H FY2015) to 33.4% (1H FY2016). The slight decrease in the GP% (YoY) was mainly contributed by the E-waste/Recycling segment due to higher unit costs and lower GP during the financial period.

Due to the reasons explained above, the Group recorded a lower gross profit of \$73,000 in Q2 FY2016 and \$128,000 in 1H FY2016.

iii) Other income

Other income decreased by \$39,000 from \$661,000 in Q2 FY2015 to \$622,000 in Q2 FY2016. This was mainly due to gain on disposal of a joint venture of \$25,000 and gain on disposal of property, plant and equipment of \$5,500. These items were non-recurring and took place in Q2 FY2015.

Other income remained fairly the same in YoY comparison.

iv) Distribution expenses

Distribution expenses decreased by \$28,000 from \$107,000 in Q2 FY2015 to \$79,000 in Q2 FY2016. This was mainly due to lower staff costs of \$21,000 which was due to a reversal of overprovision of unutilised leave in Q2 FY2015.

On YoY basis, distribution expenses decreased by \$40,000 for 1H FY2016 as compared to 1H FY2015. This was mainly attributable to (i) lower staff costs of \$21,000 which was due to a reversal of overprovision of unutilised leave in 1H FY2015; (ii) lower of entertainment expense of \$3,000; (iii) lower of freight and handling costs of \$12,000; and (iv) lower of travelling expense of \$4,000.

v) Administrative expenses

Administrative expenses decreased by \$76,000 from \$1,765,000 in Q2 FY2015 to \$1,689,000 in Q2 FY2016. This was mainly attributable to (i) foreign currency gain of \$116,000; (ii) lower depreciation expense of \$18,000; (iii) lower travelling expense of \$10,000; (iv) lower utility expense of \$7,000 and (v) lower entertainment expense of \$13,000; partially offset by increase in legal and professional fees of \$88,000.

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 December 2015

On YoY basis, administrative expenses decreased by \$541,000 for 1H FY2016 as compared to 1H FY2015. This was mainly attributable to (i) lower directors' remuneration and staff costs of \$53,000; (ii) foreign currency gain of \$333,000; (iii) lower of travelling expense of \$19,000; (iv) lower of entertainment expense of \$29,000; (v) lower depreciation & amortisation of \$56,000; (vi) lower of legal and professional fees of \$29,000 and (vii) other miscellaneous administrative expenses of \$37,000; partially offset by increase in rental expense of \$15,000.

vi) Other expenses

Other expenses decreased by \$42,000 and \$18,000 in Q2 FY2016 and 1H FY2016 respectively. This was mainly attributable to decrease in waiver of debts.

vii) Finance costs

Finance costs remained fairly the same in QoQ and YoY comparison.

Due to the reasons above, the Group recorded a net loss from continuing operations of \$1,275,000 in Q2 FY2016 and \$2,454,000 in 1H FY2016.

(B) Statements of Financial Position

Total assets of the Group decreased by \$391,000 from \$43,818,000 as at 30 June 2015 to \$43,427,000 as at 31 December 2015 mainly due to the following:

i) Property, plant and equipment decreased by \$38,000, and was mainly due to depreciation charge for the period.

ii) Intangible assets pertaining to the core technology and development costs of Disa Anti-Theft system decreased by an amortisation charge of \$702,000 from \$14,747,000 as at 30 June 2015 to \$14,045,000 as at 31 December 2015.

iii) Other non-current assets were mainly made up of (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 loans to third parties. Other non-current assets decreased by \$58,000 from \$11,346,000 as at 30 June 2015 to \$11,288,000 as at 31 December 2015 and this was mainly due to utilisation of prepayment for rights on use of plant and machinery for the financial period.

iv) Inventories decreased by \$13,000, mainly due to slow down in sales during the financial period.

v) Total trade and other receivables increased by \$126,000 from \$6,787,000 as at 30 June 2015 to \$6,913,000 as at 31 December 2015. This was mainly due to slow collection of debts from customers during the financial period.

vi) Increase in cash and balances of \$317,000 (Refer to explanation in "8(C) Cash flow" below).

Total liabilities of the Group decreased by \$579,000 from \$17,283,000 as at 30 June 2015 to \$16,704,000 as at 31 December 2015, and were mainly due to the following:

i) Total accruals increased by \$22,000 from \$3,036,000 as at 30 June 2015 to \$3,058,000 as at 31 December 2015. This was mainly due to increase in accrued interests of \$187,000 on convertible and unsecured loans as well as accrued staff costs of \$67,000; partially offset against decrease in accrued operating expenses of \$232,000 for the financial period.

ii) Total financial liabilities decreased by \$482,000 from \$8,172,000 as at 30 June 2015 to \$7,690,000 as at 31 December 2015 and this was mainly due to loans repayment of \$542,000 and repayment of finance lease of \$33,000 during the financial period; partially offset against increase in by interest payables of \$93,000 on convertible loans for the financial period.

iii) Deferred tax liabilities decreased by \$119,000 during the period and this was mainly due to reversal of amortisation charge for the financial period.

(C) Cash Flows

Cash and bank balances (net of overdraft and deposits placed with a bank as security) (refer to 1(C)(ii)) increased by approximately \$317,000 from \$6,797,000 as at 30 June 2015 to \$7,114,000 as at 31 December 2015, mainly due to funds generated/utilised as follows:

Net cash outflow for operating activities for 1H FY2016 was \$1,801,000. This comprised operating loss before working capital changes of \$1,350,000, adjusted for net working capital outflow of \$451,000. The net working capital outflow was the result of increase in (i) inventories of \$13,000; (ii) other current assets of \$26,000; (iii) exchange differences arising from consolidation of \$21,000; offset by decrease in trade and other receivable of \$291,000 and trade and other payable of \$220,000.

Net cash inflow from investing activities for 1H FY2016 amounted to \$66,000 due to interest received of \$69,000 and partially offset by purchases of property, plant and equipment of \$3,000.

Net cash inflow from financing activities for 1H FY2016 amounted to \$2,011,000 mainly due to net proceeds from issuance of warrants of \$2,604,000 and partially offset by (i) interest paid of \$18,000; (ii) repayment of finance lease of \$33,000; (iii) repayment of loan to a third party of \$452,000; and (iv) repayment of bank borrowings of \$90,000.

(D) Use of Proceeds

On 13 March 2015, the Company issued an aggregate of 200,000,000 new shares at S\$0.007 per share in the issued and paid-up capital of the Company pursuant to a subscription agreement entered between the Company and the subscriber ("Private Placement"). Net proceeds of \$1.4 million was raised. The Company had utilised approximately \$1.0 million for working capital purposes as at 31 December 2015.

On 3 August 2015, the Company announced a renounceable non-underwritten rights issue of 3,676,177,056 warrants ("Warrants Issue") have been allotted and issued. Net proceeds of \$3.5 million was raised. No proceeds were utilised as at 31 December 2015.

	Private Placement	Warrants Issue
	\$'000	\$'000
Net proceeds raised	1,400	3,493
Less: Utilisations		
- Working capital expenditures ^(Note A)	(976)	-
- Repayment of loans	-	-
Balance as at 31 December 2015	<u>424</u>	<u>3,493</u>

Note A: Working capital expenditures consisted of staff salaries and related expenses, directors' fee as well as trade and non-trade payments.

To date, the utilisation of proceeds arising from the placement is consistent with the intended use as described in the use of proceeds announcements dated 16 December 2015.

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

The Group is optimistic with the progress made by our wholly owned subsidiary, Disa Digital Safety Pte Ltd's anti-theft technology in the U.S.A.. We expect major development by H2FY2016 and will update the shareholders accordingly.

Separately, our joint venture company, Citrine Wireless Pte Ltd has developed a solution for motor insurance telematics which helps to collate and analyse data on drivers' behaviour patterns for motor car insurance companies.

11. Dividend

(a) Current financial period reported on.

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding period of the immediately preceding financial year.

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.



Summit Limited

(Company Registration No. 197501110N)

Unaudited Financial Statement and Dividend Announcement for the financial period ended 31 December 2015

12. If no dividend has been declared/recommended, a statement to that effect.
No dividend has been recommended for the financial period ended 31 December 2015.
13. If the group has obtained a general mandate from shareholder for interested person transactions ("IPT"), the aggregate value of such transactions are required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained a statement to that effect.
The Company has no general IPT mandate and no IPT transactions for the period under review.

BY ORDER OF THE BOARD

CHNG WENG WAH
Executive Director/Chief Executive Officer

12 February 2016

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

The Board of Directors of the Company confirms that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the financial period ended 31 December 2015 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

CHNG WENG WAH
Executive Director/Chief Executive Officer

12 February 2016

LAU KAY HENG
Non-Executive and Independent Director