

Unaudited Financial Statement and Dividend Announcement for the financial period ended 30 September 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**

	1st Qtr ended 30 Sep 2015 \$'000	1st Qtr ended 30 Sep 2014 \$'000	Increase/ (Decrease) %
<u>Continuing operations</u>			
Revenue	185	275	(32.7)
Cost of sales	(130)	(175)	(25.7)
Gross profit	55	100	(45.0)
Other income	634	596	6.4
Distribution expenses	(70)	(82)	(14.6)
Administrative expenses	(1,539)	(2,004)	(23.2)
Other expenses	(54)	(30)	80.0
Results from operating activities	(974)	(1,420)	(31.4)
Finance costs	(150)	(150)	-
Share of results of joint ventures	(115)	(101)	13.9
Loss before income tax from continuing operations	(1,239)	(1,671)	(25.9)
Income tax credit	60	60	-
Loss after tax from continuing operations, net of tax	(1,179)	(1,611)	(26.8)
<u>Discontinued operations</u>			
Loss from discontinued operations, net of tax	-	(87)	N.M.
Loss for the period	(1,179)	(1,698)	(30.6)
Attributable to:			
Owners of the Company			
Loss from continuing operations, net of tax	(1,111)	(1,547)	(28.2)
Loss from discontinued operations, net of tax	-	(55)	N.M.
	(1,111)	(1,602)	(30.6)
Non-controlling interests			
Loss from continuing operations, net of tax	(68)	(63)	7.9
Loss from discontinued operations, net of tax	-	(33)	N.M.
	(68)	(96)	(29.2)
	(1,179)	(1,698)	(30.6)

N.M. - not meaningful

Unaudited Financial Statement and Dividend Announcement for the financial period ended 30 September 2015
Statement of Comprehensive Income

	1st Qtr ended 30 Sep 2015 \$'000	1st Qtr ended 30 Sep 2014 \$'000	Increase/ (Decrease) %
Loss for the period	(1,179)	(1,698)	(30.6)
Other comprehensive income:			
Foreign currency translation differences from foreign subsidiaries	50	237	(78.9)
Other comprehensive income for the period	50	237	(78.9)
Total comprehensive income for the period	(1,129)	(1,461)	(22.7)
Attributable to:			
Owners of the Company			
Loss from continuing operations, net of tax	(1,034)	(1,469)	(29.6)
Profit from discontinued operations, net of tax	-	19	N.M.
	(1,034)	(1,450)	(28.7)
Non-controlling interests			
Loss from continuing operations, net of tax	(95)	(63)	50.8
Profit from discontinued operations, net of tax	-	52	N.M.
	(95)	(11)	N.M.
	(1,129)	(1,461)	(22.7)

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

	1st Qtr ended 30 Sep 2015 \$'000	1st Qtr ended 30 Sep 2014 \$'000
Interest expense	150	245
Interest income	(32)	(41)
Amortisation of intangible assets	351	373
Depreciation of property, plant and equipment	21	40
Provision for warranty expense	-	102
Share of results of joint ventures	115	101
Utilisation of prepayment for rights on use of plant and machinery	29	29
Currency exchange loss - net	8	236

Results of the discontinued operations are as follow:

	1st Qtr ended 30 Sep 2015 \$'000	1st Qtr ended 30 Sep 2014 \$'000
Revenue	-	2,051
Cost of sales	-	(1,331)
Gross profit	-	720
Other income	-	9
Distribution expenses	-	(695)
Administrative expenses	-	(17)
Other expenses	-	(9)
Results from operating activities	-	8
Finance costs	-	(95)
Loss before income tax from discontinued operations	-	(87)
Income tax expense	-	-
Loss from discontinued operations, net of tax	-	(87)

N.M. - not meaningful

Unaudited Financial Statement and Dividend Announcement for the financial period ended 30 September 2015

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	
	<u>30 Sep 2015</u>	<u>30 June 2015</u>	<u>30 Sep 2015</u>	<u>30 June 2015</u>
	\$'000	\$'000	\$'000	\$'000
Non-current assets				
Financial assets, available-for-sale	2,222	2,222	2,222	2,222
Property, plant and equipment	217	237	130	143
Intangible assets	14,396	14,747	-	-
Subsidiaries	-	-	18,097	18,097
Associates	27	26	-	-
Joint ventures	52	57	280	280
Trade and other receivables	664	633	489	222
Other non-current assets	11,317	11,346	13,807	13,109
	<u>28,895</u>	<u>29,268</u>	<u>35,025</u>	<u>34,073</u>
Current assets				
Inventories	105	86	-	-
Trade and other receivables	6,231	6,154	142	136
Other current assets	1,453	1,452	282	310
Cash and bank balances	8,299	6,858	7,161	5,702
	<u>16,088</u>	<u>14,550</u>	<u>7,585</u>	<u>6,148</u>
Total assets	<u>44,983</u>	<u>43,818</u>	<u>42,610</u>	<u>40,221</u>
Equity attributable to owners of the Company				
Share capital	154,474	154,474	154,474	154,474
Reserves	4,562	1,870	3,727	1,112
Accumulated losses	(122,765)	(121,654)	(117,180)	(117,206)
	<u>36,271</u>	<u>34,690</u>	<u>41,021</u>	<u>38,380</u>
Non-controlling interests	<u>(8,250)</u>	<u>(8,155)</u>	<u>-</u>	<u>-</u>
Total equity	<u>28,021</u>	<u>26,535</u>	<u>41,021</u>	<u>38,380</u>
Non-current liabilities				
Financial liabilities	323	726	109	117
Derivative instrument	21	21	-	-
Deferred tax liabilities	2,446	2,506	-	-
	<u>2,790</u>	<u>3,253</u>	<u>109</u>	<u>117</u>
Current liabilities				
Trade and other payables	3,559	3,536	901	1,185
Accruals	3,161	3,036	508	460
Financial liabilities	7,440	7,446	59	67
Provision for other liabilities and charges	12	12	12	12
	<u>14,172</u>	<u>14,030</u>	<u>1,480</u>	<u>1,724</u>
Total liabilities	<u>16,962</u>	<u>17,283</u>	<u>1,589</u>	<u>1,841</u>
Total equity and liabilities	<u>44,983</u>	<u>43,818</u>	<u>42,610</u>	<u>40,221</u>

Unaudited Financial Statement and Dividend Announcement for the financial period ended 30 September 2015

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

30 September 2015 (\$'000)		30 June 2015 (\$'000)	
Secured	Unsecured	Secured	Unsecured
6,983	457	6,990	456

Amount repayable after one year

30 September 2015 (\$'000)		30 June 2015 (\$'000)	
Secured	Unsecured	Secured	Unsecured
109	214	117	609

Details of collateral

As at the date of the statement of financial position, total borrowings included secured liabilities of \$7,092,000 (30 June 2015: \$7,107,000) for the Group. Secured loans amounting to \$254,000 (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 \$168,000 (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 \$671,000 (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 30 September 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**

	1st Qtr ended 30 Sep 2015 \$'000	1st Qtr ended 30 Sep 2014 \$'000
Cash flows from operating activities		
Loss before income tax from continuing operations for the period	(1,239)	(1,671)
Loss before income tax from discontinued operations for the period	-	(87)
	<u>(1,239)</u>	<u>(1,758)</u>
Adjustments for:		
- Interest expense	150	245
- Interest income	(32)	(41)
- Amortisation of intangible assets	351	373
- Depreciation of property, plant and equipment	21	40
- Provision for warranty expense	-	102
- Share of results of joint ventures	115	101
- Utilisation of prepayment for rights on use of plant and machinery	29	29
	<u>(605)</u>	<u>(909)</u>
Operating loss before working capital changes		
Changes in working capital:		
- Inventories	(19)	(183)
- Trade and other receivables	(189)	72
- Other current assets	4	12
- Trade and other payables	(1)	89
- Provision for other liabilities and charges	-	(86)
- Exchange differences arising from consolidation	25	207
	<u>(785)</u>	<u>(798)</u>
Cash used in operations		
Income tax refund	-	-
	<u>(785)</u>	<u>(798)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Interest received	32	38
Purchase of property, plant and equipment	-	(1)
Investment in joint ventures	-	(131)
	<u>32</u>	<u>(94)</u>
Net cash from/(used in) investing activities		

Unaudited Financial Statement and Dividend Announcement for the financial period ended 30 September 2015
1(c)(i) Consolidated Statement of Cash Flows (Continued)

	1st Qtr ended 30 Sep 2015 \$'000	1st Qtr ended 30 Sep 2014 \$'000
Cash flows from financing activities		
Interest paid	(9)	(147)
Net proceeds from issuance of warrants	2,615	-
Repayment of finance lease	(16)	(18)
Repayment of loan to a third party	(395)	(114)
Repayment of bank borrowings	(45)	(41)
Net cash from/(used in) financing activities	2,150	(320)
Net increase/(decrease) in cash and cash equivalents	1,397	(1,212)
Cash and cash equivalents at beginning of the period	6,797	8,204
Net effects of exchange rate changes on cash and cash equivalents	44	(1)
Cash and cash equivalents at end of the period (Note A)	8,238	6,991

1(c)(ii) 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:

	1st Qtr ended 30 Sep 2015 \$'000	1st Qtr ended 30 Sep 2014 \$'000
Cash at bank and on hand	8,238	6,991
Short-term bank deposits	61	61
Cash and bank balances per Group statement of financial position	8,299	7,052
Less: Deposits placed with banks as security	(61)	(61)
Cash and cash equivalents per consolidated statement of cash flows	8,238	6,991

Unaudited Financial Statement and Dividend Announcement for the financial period ended 30 September 2015

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	-	-	-	-	(1,111)	(1,111)	(68)	(1,179)
<u>Other comprehensive income for the period</u>								
- Foreign currency translation differences from foreign subsidiaries	-	77	-	-	-	77	(27)	50
Total comprehensive income for the financial period	-	77	-	-	(1,111)	(1,034)	(95)	(1,129)
Contribution by and distributions to owner								
Issue of warrants ^(Note A)	-	-	-	2,798	-	2,798	-	2,798
- warrants issue expense	-	-	-	(183)	-	(183)	-	(183)
	-	-	-	2,615	-	2,615	-	2,615
Balance as at 30 September 2015	154,474	99	75	4,388	(122,765)	36,271	(8,250)	28,021
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	-	-	-	-	(1,602)	(1,602)	(96)	(1,698)
<u>Other comprehensive income for the period</u>								
- Foreign currency translation differences from foreign subsidiaries	-	152	-	-	-	152	85	237
Total comprehensive income for the financial period	-	152	-	-	(1,602)	(1,450)	(11)	(1,461)
Balance as at 30 September 2014	153,074	(76)	21	895	(116,749)	37,165	(8,867)	28,298

Unaudited Financial Statement and Dividend Announcement for the financial period ended 30 September 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>
FY 2016					\$'000
Balance as at 1 July 2015	154,474	75	1,037	(117,206)	38,380
Total comprehensive income for the financial period	-	-	-	26	26
Issue of warrants ^(Note A)	-	-	2,798	-	2,798
- warrants issue expense	-	-	(183)	-	(183)
Balance as at 30 September 2015	154,474	75	3,652	(117,180)	41,021
FY 2015					
Balance as at 1 July 2014	153,074	21	159	(107,211)	46,043
Total comprehensive income for the financial period	-	-	-	(569)	(569)
Balance as at 30 September 2014	153,074	21	159	(107,780)	45,474

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.

Unaudited Financial Statement and Dividend Announcement for the financial period ended 30 September 2015

- 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

	<u>Q1 FY2016</u>	<u>Q1 FY2015</u>
As at 1 July/ 30 September	5,113,729,645	4,913,729,645

The issued share capital of the Company as at 30 September 2015 comprises 5,113,729,645 (30 June 2015: 5,113,729,645; 30 September 2014: 4,913,729,645) ordinary shares.

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

As at 30 September 2015, share options granted pursuant to the ESOS for the subscription of 10,550,000 (30 June 2015: 10,550,000; 30 September 2014: 550,000) 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 30 September 2015, 30 June 2015 and 30 September 2014.

D) Convertible loans

The convertible loans are convertible at the lenders option into 444,602,525 (30 June 2015: 444,602,525; 30 September 2014: 444,602,525) ordinary shares of the Company (refer 1(b)(ii)).

E) Warrants

As at 30 September 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 (30 June 2015: Nil; 30 September 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.**

	<u>30 Sep 2015</u>	<u>30 June 2015</u>
Total number of ordinary issued shares excluding treasury shares	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.

Unaudited Financial Statement and Dividend Announcement for the financial period ended 30 September 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.**

Earning per share

(a) Basic 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 for basic earnings per share

(b) 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

- Adjusted weighted average number of ordinary shares in issue for diluted earnings per share

Group	
1st Qtr ended 30 Sep 2015	1st Qtr ended 30 Sep 2014
(0.02)	(0.03)
N.A.	(0.00)
5,113,729,645	4,913,729,645
(0.02)	(0.03)
N.A.	(0.00)
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 30 Sep 2015	As at 30 June 2015	As at 30 Sep 2015	As at 30 June 2015
0.55	0.52	0.80	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 30 September 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 (First Quarter Ended 30 September 2015 ("Q1 FY2016") versus First Quarter Ended 30 September 2014 ("Q1 FY2015"))

Continuing operations
i) Revenue

The Group's revenue decreased by \$90,000 (32.7%) from \$275,000 in Q1 FY2015 to \$185,000 in Q1 FY2016 ("QoQ"). This was mainly due to lower customers' order in E-waste/Recycling and Energy management services segments. The breakdown of revenue is represented in Table A below:

Table A

E-waste/Recycling
Energy management services
Technology

1st Qtr ended 30 Sep 2015 \$'000	% to total revenue	1st Qtr ended 30 Sep 2014 \$'000	% to total revenue
54	29.2%	115	41.8%
131	70.8%	159	57.8%
-	N.M.	1	0.4%
185	100.0%	275	100.0%

N.M. - not meaningful

ii) Cost of sales and gross profits

Cost of sales ("COGS") decreased by \$45,000 from \$175,000 in Q1 FY2015 to \$130,000 in Q1 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.

Due to the reasons explained above, the Group recorded a lower gross profit of \$55,000 in Q1 FY2016 as compared to higher gross profit of \$100,000 in Q1 FY2015.

iii) Other income

Other income increased by \$38,000 from \$596,000 in Q1 FY2015 to \$634,000 in Q1 FY2016. This was mainly due to (i) grants received from government of \$29,000; (ii) usage of facility received of \$19,000; and (iii) higher rental income and storage income of \$14,000; partially offset by decrease in interest income of \$8,000 and other income of \$16,000.

iv) Distribution expenses

Distribution expenses in Q1 FY2016 remained fairly the same as compared to Q1 FY2015.

v) Administrative expenses

Administrative expenses decreased by \$465,000 from \$2,004,000 in Q1 FY2015 to \$1,539,000 in Q1 FY2016. This was mainly attributable to (i) lower directors' fee and remuneration of \$83,000; (ii) lower depreciation and amortisation of \$38,000; (iii) lower audit fee of \$17,000, (iv) lower entertainment expense of \$16,000; (v) lower legal and professional fees of \$105,000; (vi) lower transportation and travelling expenses of \$9,000; (vii) lower upkeep of computer and premises of \$8,000; and (viii) foreign exchange gain of \$216,000; partially offset by increase in staff cost of \$27,000.

vi) Other expenses

Other expenses increased by \$24,000 from \$30,000 in Q1 FY2015 to \$54,000 in Q1 FY2016. This was mainly due to waiver of debts of \$24,000 in Q1 FY2016.

vii) Finance costs

Finance costs remained fairly the same in QoQ comparison.

Due to the reasons above, the Group recorded a net loss from continuing operations of \$1,179,000 in Q1 FY2016.

Unaudited Financial Statement and Dividend Announcement for the financial period ended 30 September 2015

(B) Statements of Financial Position

Total assets of the Group decreased by \$1,165,000 from \$43,818,000 as at 30 June 2015 to \$44,983,000 as at 30 September 2015 mainly due to the following:

- i) Property, plant and equipment decreased by \$20,000, 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 \$351,000 from \$14,747,000 as at 30 June 2015 to \$14,396,000 as at 30 September 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 \$29,000 from \$11,346,000 as at 30 June 2015 to \$11,317,000 as at 30 September 2015 and this was mainly due to utilisation of prepayment for rights on use of plant and machinery for the financial period.
- iv) Inventories increased by \$19,000, mainly due to slow down in sales during the financial period.
- v) Total trade and other receivables increased by \$108,000 from \$6,787,000 as at 30 June 2015 to \$6,895,000 as at 30 September 2015. This was mainly due to slow collection of debts from customers during the financial period.
- vi) Increase in cash and balances of \$1,441,000 (Refer to explanation in "8(C) Cash flow" below).

Total liabilities of the Group decreased by \$321,000 from \$17,283,000 as at 30 June 2015 to \$16,962,000 as at 30 September 2015, and were mainly due to the following:

- i) Total accruals increased by \$125,000 from \$3,036,000 as at 30 June 2015 to \$3,161,000 as at 30 September 2015. This was mainly due to increase in (i) accrued interests of \$94,000 on convertible loan; (ii) accrued staff costs of \$17,000; and (iii) accrued operating expenses of \$14,000 for the financial period.
- ii) Total financial liabilities decreased by \$409,000 from \$8,172,000 as at 30 June 2015 to \$7,763,000 as at 30 September 2015 and this was mainly due to repayments of loan to a third party of \$395,000 during the financial period.
- iii) Deferred tax liabilities decreased by \$60,000 during the period and this was mainly due to reversal of amortisation charge for the financial period.
- iv) Trade and other payables increased by \$23,000 from \$3,536,000 as at 30 June 2015 to \$3,559,000 as at 30 September 2015. This was mainly due to slow repayment of creditors during 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 \$1,441,000 from \$6,858,000 as at 30 June 2015 to \$8,299,000 as at 30 September 2015, mainly due to funds generated/utilised as follows:

- i) Interest received of \$32,000;
- ii) Net proceeds from issuance of warrants of \$2,614,000; offset against;
- iii) Cash used in operating activities (net of non-cash items) of \$785,000;
- iv) Interest paid of \$9,000;
- v) Repayment of finance lease of \$16,000;
- vi) Repayment of loan to a third party of \$395,000; and
- vii) Repayment of bank borrowings of \$44,000.

Unaudited Financial Statement and Dividend Announcement for the financial period ended 30 September 2015
(D) Use of Proceeds

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 ordinary shares held by entitled shareholders. Net proceeds of \$6.7 million was raised. The Company had fully utilised the net proceeds raised of \$6.7 million for investment and working capital purposes as at 30 September 2015.

On 13 March 2015, the Company issued an aggregate of 200,000,000 new shares at \$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 \$0.4 million for working capital purposes as at 30 September 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 30 September 2015.

	Rights Issue	Private Placement	Warrants Issue
	\$'000	\$'000	\$'000
Net proceeds raised	6,656	1,400	3,493
Less: Utilisations			
- Investments	(480)	-	-
- Working capital expenditures ^(Note A)	(6,176)	(369)	-
- Repayment of loans	-	-	-
Balance as at 30 September 2015	-	1,031	3,493

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

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.

Equation Summit Limited's joint venture company, Citrine Wireless Pte Ltd ("Citrine"), a Singapore-based technology solutions provider for mobile devices, had announced that its revolutionary audio technology, ListenIN, will be deployed in the tram tour of Guangdong Chimelong Group Co. Ltd's ("Chimelong Group") Xiangjiang Safari Park ("Chimelong Safari") at Guangzhou.

Citrine will be partnering 广东南方家庭购物有限公司 to develop a mobile application to launch the audio technology, ListenIN in Chimelong Safari's tram tour.

Chimelong Safari is one of the theme parks at Chimelong Group's first world-class comprehensive resort. Chimelong Group is a conglomerate that owns and operates theme parks, luxury hotels, convention centres, high-end restaurants and leisure entertainment businesses. It is the leading enterprise in China's tourism industry.

With the recognition of ListenIN's technology by Chimelong Group, we intend to explore other opportunities both in other parts of China and regionally where theme parks are abound.

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.

Unaudited Financial Statement and Dividend Announcement for the financial period ended 30 September 2015

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been recommended for the financial period ended 30 September 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.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

BY ORDER OF THE BOARD

CHNG WENG WAH

Executive Director/Chief Executive Officer

13 November 2015

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 Summit 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 financial period ended 30 September 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

13 November 2015

LAU KAY HENG

Non-Executive and Independent Director