



Summit Limited

(Company Registration No. 197501110N)
(Incorporated in the Republic of Singapore)
("Company" and together with its subsidiaries, the "Group")

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

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

The contact person for the Sponsor is Mr. Ong Hwee Li (Registered Professional, SAC Capital Private Limited).

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EMPHASIS OF MATTER BY INDEPENDENT AUDITOR ON AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Pursuant to Rule 704(4) of the Listing Manual - Section B: Rules of Catalyst of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the board of directors (the "Board") of Equation Summit Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce that the independent auditor of the Company, Mazars LLP (the "Auditor"), has, without qualifying their audit opinion, included an emphasis of matter in respect of the Group's ability to continue as a going concern in the Independent Auditor's report on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2016 (the "Audited Financial Statements"). A copy of the Independent Auditor's Report and the extract of Note 2 to the Audited Financial Statements are attached to this announcement for information.

The Board is of the opinion that the continuing use of the going concern assumption in the preparation of the financial statements is appropriate on the basis that the Group will be able to secure new contracts in the United States of America ("USA") market where the asset protection technology is rolled-out, and with the progression of the Group's technology segment in the USA market. In addition, the management believes that the Group is able to raise additional funds when necessary which includes but not limited to raising new funds, possible conversion of the convertible bonds to equity and possible exercise of warrants by certain warrants holders.

The Board confirms that all material disclosures have been provided for trading of the Company's shares to continue.

Shareholders of the Company ("Shareholders") are advised to read the Audited Financial Statements in its 2016 annual report, which will be despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Chng Weng Wah
Executive Director
30 September 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EQUATION SUMMIT LIMITED
REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Equation Summit Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and of the Company as at 30 June 2016, the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 44 to 122.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Group and statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Emphasis of matter

We draw attention to Note 2 to the financial statements. The Group incurred a net loss from continuing operations of \$11,734,000 and had utilised \$3,128,000 to fund its operations during the financial year ended 30 June 2016, and the Group is expected to repay the convertible loan from the lenders within next twelve months after the end of the reporting period. These factors indicate the existence of material uncertainties which may cast doubt about the Group's ability to continue as a going concern and to meet liabilities as and when they fall due. Notwithstanding the above conditions, the management has prepared the financial statements on a going concern basis on the bases of the Group's ability to secure new contracts with potential customers and the ability of the Group to raise additional funds as and when necessary, through avenues including but not limited to, raising of new funds, possible conversion of the convertible bonds to equity and possible exercise of warrants by certain warrants holders.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EQUATION SUMMIT LIMITED

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No adjustments have been made to these financial statements. Our opinion is not qualified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

MAZARS LLP

Public Accountants and
Chartered Accountants

Singapore

29 September 2016

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Equation Summit Limited (the "Company") (Registration Number: 197501110N) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The principal place of business of the Company is located at 1001, Jalan Bukit Merah, #06-11, Singapore 159455. The address of its registered office is at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623.

The principal activities of the Company are those relating to an investment holding company. The principal activities of the subsidiaries are set out in Note 14 to the financial statements.

The consolidated financial statements of the Group, and the statement of financial position of the Company for the financial year ended 30 June 2016 were authorised for issue by the Board of Directors on 29 September 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and the statement of financial position and statement of changes in equity of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are presented in Singapore dollar ("S\$" or "SGD") which is also the functional currency of the Company, and all values presented are rounded to the nearest thousand ("S\$'000"), unless otherwise indicated.

The Group incurred a net loss from continuing operations of \$11,734,000 (2015: \$5,306,000) and had utilised \$3,128,000 (2015: \$2,256,000) to fund its operations during the financial year ended 30 June 2016, and the Group is expected to repay the convertible loan from the lenders within next twelve months after the end of the reporting period. These factors indicate the existence of material uncertainties which may cast doubt about the Group's ability to continue as a going concern and to meet liabilities as and when they fall due. The financial statements of the Group have been prepared on a going concern basis as the management is of the view that the Group will be able to secure new contracts in the United States of America ("US") market where the asset protection technology is rolled-out, and with the progression of the Group's technology segment in the US market. In addition, the management believes that the Group is able to raise additional funds as and when necessary, through avenues including but not limited to, raising of new funds, possible conversion of the convertible bonds to equity and possible exercise of warrants by certain warrants holders.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. No adjustments have been made to these financial statements.

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the annual periods beginning on or after 1 July 2015. The adoption of these new or revised FRS and INT FRS did not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years.