



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

## 1. CORPORATE INFORMATION

Equation Summit Limited (the “Company”) is incorporated in the Republic of Singapore and has its principal place of business at 1001, Jalan Bukit Merah, #06-11, Singapore 159455. The address of its registered office is at 50 Raffles Place, #25-03, 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 13 to the financial statements.

With effect from 18 November 2014, the name of the Company was changed from Equation Corp Limited to Equation Summit Limited.

## 2. FUNDAMENTAL ACCOUNTING CONCEPT

### Going concern assumption

The Group incurred a net loss from continuing operations of \$5,306,000 and had utilised \$2,256,000 to fund its operations during the financial year ended 30 June 2015, and the Group is expected to repay the convertible loan from the lenders within next twelve months after the end of the reporting period. This factor indicates the existence of a material uncertainty 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 US market where the Technology segment’s anti-theft system is roll-out, and with the progression of the Technology segment in the US market, the Group expects to receive continuing support from the convertible loan lenders by way of not requesting for full repayment of the loan and interest within the next financial year.

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.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position of the Company have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“SGD” or “\$”) which is the Company’s functional currency and all values are rounded to the nearest thousand (“\$’000”) except when otherwise indicated.

### 3.2 Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations to FRS (“INT FRS”) that are effective for annual periods beginning on or after 1 January 2014 or 1 July 2014. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.