

Unaudited Financial Statement and Dividend Announcement for the Third Quarter Ended 31 March 2008

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 Third Qtr ended 31 Mar 2008 \$'000	Group Third Qtr ended 31 Mar 2007 \$'000	Change %	Group 9 months ended 31 Mar 2008 \$'000	Group 9 months ended 31 Mar 2007 \$'000	Change %
<b>Continuing operations</b>						
Sales	10,122	8,462	19.6%	34,955	16,232	115.3%
Cost of sales	(7,863)	(5,980)	31.5%	(26,289)	(11,864)	121.6%
<b>Gross profit</b>	<u>2,259</u>	<u>2,482</u>	-9.0%	<u>8,666</u>	<u>4,368</u>	98.4%
Other gains - net	176	105	67.6%	10,435	711	1367.7%
Expenses						
- Distribution	(1,924)	(1,521)	26.5%	(6,838)	(3,431)	99.3%
- Administrative	(1,203)	(1,313)	-8.4%	(4,941)	(3,645)	35.6%
- Finance	(99)	(96)	3.1%	(608)	(265)	129.4%
- Other	(3)	(3)	0.0%	(29)	(79)	-63.3%
Share of loss of an associated company	(3,732)	(249)	1398.8%	(5,693)	(1,194)	376.8%
<b>(Loss)/profit before income tax</b>	<u>(4,526)</u>	<u>(595)</u>	660.7%	<u>992</u>	<u>(3,535)</u>	NM
Income tax (expense)/credit	(1)	(41)	-97.6%	(197)	61	NM
<b>(Loss)/profit from continuing operations</b>	<u>(4,527)</u>	<u>(636)</u>	611.8%	<u>795</u>	<u>(3,474)</u>	NM
<b>Discontinued operations</b>						
Loss from discontinued operations *	-	(55)	-100.0%	-	(202)	-100.0%
<b>Total (loss)/profit</b>	<u>(4,527)</u>	<u>(691)</u>	555.1%	<u>795</u>	<u>(3,676)</u>	NM
<b>Attributable to:</b>						
Equity holders of the Company	(4,295)	(637)	574.3%	1,225	(3,158)	NM
Minority interests	(232)	(54)	329.6%	(430)	(518)	-17.0%
	<u>(4,527)</u>	<u>(691)</u>	555.1%	<u>795</u>	<u>(3,676)</u>	NM
<b>(Loss)/earnings per share for results from continuing operations attributable to equity holders of the Company (expressed in cents per share)</b>						
- Basic	(0.39)	(0.06)	550.0%	0.12	(0.32)	NM
- Diluted	(0.39)	(0.06)	550.0%	0.12	(0.32)	NM
<b>Loss per share for loss from discontinued operations attributable to equity holders of the Company (expressed in cents per share)</b>						
- Basic	-	(0.01)	-100.0%	-	(0.02)	-100.0%
- Diluted	-	(0.01)	-100.0%	-	(0.02)	-100.0%

NM : percentage not meaningful.

\* : The loss from discontinued operations related to Jacob's Larder Pte Ltd ("JL"), a former subsidiary dealing with food and beverage business. JL was disposed of in June 2007 as this was a non-core loss-making business. Accordingly, the comparative results of Jacob's Larder Pte Ltd has been presented on the income statement as "discontinued operations".

**Unaudited Financial Statement and Dividend Announcement for the Third Quarter Ended 31 March 2008**

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

	<b>Group</b> Third Qtr ended <u>31 Mar 2008</u> \$'000	<b>Group</b> Third Qtr ended <u>31 Mar 2007</u> \$'000	<b>Group</b> 9 months ended <u>31 Mar 2008</u> \$'000	<b>Group</b> 9 months ended <u>31 Mar 2007</u> \$'000
<b>Continuing operations</b>				
(Loss)/profit from continued operations include the following (charges)/credits:				
Interest expense				
- bank borrowings	(44)	(64)	(433)	(146)
- finance lease liabilities	(30)	(5)	(97)	(16)
- others	(25)	(27)	(78)	(103)
Depreciation of property, plant and equipment	(515)	(399)	(1,318)	(1,116)
Employee compensation	(614)	(973)	(3,341)	(2,857)
Impairment loss on available-for-sale financial assets	-	-	-	(27)
Allowance for impairment of trade and other receivables	-	(12)	(47)	(29)
Rental expense - operating leases	(357)	(132)	(622)	(364)
Loss on disposal of property, plant and equipment	-	(1)	-	(5)
Provision for other liabilities and charges made	(474)	(450)	(1,823)	(357)
Gain on disposal of shares in an associated company	-	-	9,563	-
Interest income	58	23	249	181
Exchange gain - net	151	3	328	14
Allowance for impairment of receivables of former subsidiary written back	-	-	-	346
Allowance for impairment of trade and other receivables written back	28	-	28	-
Current income tax	(40)	-	(246)	(2)
Deferred income tax	32	(41)	55	63
(Under)/over provision in preceding financial years for:				
- current income tax	-	-	(14)	-
- deferred income tax	7	-	8	-
<b>Discontinued operations</b>				
Loss from discontinued operations include the following charges:				
Depreciation of property, plant and equipment	-	(7)	-	(10)
Employee compensation	-	(130)	-	(447)
Rental expense - operating leases	-	(158)	-	(476)

**Unaudited Financial Statement and Dividend Announcement for the Third Quarter Ended 31 March 2008**
**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<u>Group</u> As at 31 Mar 2008 \$'000	<u>Group</u> As at 30 Jun 2007 \$'000	<u>Change</u> %	<u>Company</u> As at 31 Mar 2008 \$'000	<u>Company</u> As at 30 Jun 2007 \$'000	<u>Change</u> %
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	22,655	8,387	170.1%	13,852	1,020	1258.0%
Trade and other receivables	5,635	5,504	2.4%	12,587	11,170	12.7%
Inventories	8,984	8,855	1.5%	-	-	0.0%
Properties held for sale	672	830	-19.0%	-	-	0.0%
Other current assets	2,038	1,760	15.8%	368	65	466.2%
	<u>39,984</u>	<u>25,336</u>	57.8%	<u>26,807</u>	<u>12,255</u>	118.7%
<b>Non-current assets</b>						
Investment in an associated company (see Note 1)	11,207	10,650	5.2%	14,827	8,050	84.2%
Investments in subsidiaries	-	-	0.0%	5,590	5,590	0.0%
Property, plant and equipment	10,724	11,946	-10.2%	277	249	11.2%
Goodwill	56	-	100.0%	-	-	0.0%
Other non-current assets	50	50	0.0%	50	50	0.0%
	<u>22,037</u>	<u>22,646</u>	-2.7%	<u>20,744</u>	<u>13,939</u>	48.8%
<b>Total assets</b>	<u>62,021</u>	<u>47,982</u>	29.3%	<u>47,551</u>	<u>26,194</u>	81.5%
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Trade and other payables	8,479	10,906	-22.3%	1,541	735	109.7%
Current income tax liabilities	290	87	233.3%	5	3	66.7%
Borrowings	5,213	4,408	18.3%	1,540	1,250	23.2%
Provision for other liabilities and charges	766	630	21.6%	10	51	-80.4%
	<u>14,748</u>	<u>16,031</u>	-8.0%	<u>3,096</u>	<u>2,039</u>	51.8%
<b>Non-current liabilities</b>						
Borrowings	1,862	1,959	-5.0%	642	1,750	-63.3%
Deferred income tax liabilities	85	148	-42.6%	-	-	0.0%
	<u>1,947</u>	<u>2,107</u>	-7.6%	<u>642</u>	<u>1,750</u>	-63.3%
<b>Total liabilities</b>	<u>16,695</u>	<u>18,138</u>	-8.0%	<u>3,738</u>	<u>3,789</u>	-1.3%
<b>NET ASSETS</b>	<u>45,326</u>	<u>29,844</u>	51.9%	<u>43,813</u>	<u>22,405</u>	95.6%
<b>EQUITY</b>						
<b>Capital and reserves attributable to equity holders of the Company</b>						
Share capital	80,057	65,806	21.7%	80,057	65,806	21.7%
Other reserves	(172)	(34)	405.9%	126	78	61.5%
Accumulated losses	(37,924)	(39,149)	-3.1%	(36,370)	(43,479)	-16.4%
	<u>41,961</u>	<u>26,623</u>	57.6%	<u>43,813</u>	<u>22,405</u>	95.6%
<b>Minority interests</b>	3,365	3,221	4.5%	-	-	0.0%
<b>Total equity</b>	<u>45,326</u>	<u>29,844</u>	51.9%	<u>43,813</u>	<u>22,405</u>	95.6%

**Note 1:** The Company entered into an Amended and Restated Investment Agreement ("Investment Agreement") on 27 March 2006 with Oei Hong Leong Foundation Pte Ltd ("OHL") and Centillion Recycling & Environment Limited ("Centillion") pursuant to which the Company and OHL can each subscribe for 948,724,172 new ordinary shares in the issued and paid-up share capital of Centillion, a listed company incorporated in Singapore, at a cash consideration of \$8.05 million ("Tranche 1 Shares"). Subscription of Tranche 1 Shares was completed on 29 September 2006. Under the Investment Agreement, after the subscription of the Tranche 1 Shares, the Company and OHL were each given an option to subscribe for a further 948,724,172 ordinary shares in the share capital of Centillion at the subscription price of \$0.008485 per share (the "Tranche 2 Shares"), exercisable within one year from the issue of the Tranche 1 Shares. The Tranche 2 Shares were subscribed in full on 16 July 2007. The Group is in the process of allocating the purchase consideration to the identifiable assets, liabilities and contingent liabilities of Centillion at their fair values as at the date of acquisition of Tranche 2 Shares.

Accordingly, the identifiable assets, liabilities and contingent liabilities have been accounted for at their provisional values and adjustments will be made to these provisional values upon the completion of the purchase price allocation exercise ("PPA"). The Group's share of Centillion's loss during the financial period will also be affected by the completion of the PPA and may be adjusted accordingly.

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

**Amount repayable in one year or less, or on demand**

As at 31/03/2008 (\$'000)		As at 30/06/2007 (\$'000)	
Secured	Unsecured	Secured	Unsecured
3,713	1,500	3,158	1,250

**Amount repayable after one year**

As at 31/03/2008 (\$'000)		As at 30/06/2007 (\$'000)	
Secured	Unsecured	Secured	Unsecured
1,237	625	209	1,750

**Details of collateral**

As at balance sheet date, the total borrowings included secured liabilities of \$4,950,000 (June 2007: \$3,367,000) for the Group. Bank borrowings of one of the subsidiaries amounting to \$3,000,000 (June 2007: \$3,000,000) are secured by debenture deeds which provide for first floating charge on all assets of the subsidiary and a corporate guarantee given by the Company. Finance lease liabilities of the Group amounting to \$1,950,000 (June 2007: \$367,000) are secured by the rights to the leased motor vehicles and plant and equipment and corporate guarantees given by the Company.

**Unaudited Financial Statement and Dividend Announcement for the Third Quarter Ended 31 March 2008**
**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group</b> Third Qtr ended <u>31 Mar 2008</u> \$'000	<b>Group</b> Third Qtr ended <u>31 Mar 2007</u> \$'000	<b>Group</b> 9 months ended <u>31 Mar 2008</u> \$'000	<b>Group</b> 9 months ended <u>31 Mar 2007</u> \$'000
<b>Cash flows from operating activities</b>				
Total (loss)/profit	(4,527)	(691)	795	(3,676)
Adjustments for:				
- Income tax expense/(credit)	1	41	197	(61)
- Share option expenses	16	(34)	48	53
- Depreciation of property, plant and equipment	515	406	1,318	1,126
- Net loss on disposals of property, plant and equipment	-	1	-	5
- Interest income	(58)	(23)	(249)	(181)
- Interest expense	99	96	608	265
- Impairment loss on available-for-sale financial assets	-	-	-	27
- (Write-back)/allowance for impairment of trade and other receivables	(28)	12	19	(317)
- Provision for other liabilities and charges made	474	450	1,823	357
- Share of loss of associated company	3,732	249	5,693	1,194
- Gain on disposal of shares in an associated company	-	-	(9,563)	-
Operating cash flow before working capital changes	<u>224</u>	<u>507</u>	<u>689</u>	<u>(1,208)</u>
Change in operating assets and liabilities, net of effects from purchase and disposals of subsidiaries				
- Properties held for sale	4	(147)	158	(23)
- Inventories	329	(2,287)	(75)	(5,122)
- Trade and other receivables	3,762	(2,166)	(218)	(2,986)
- Other current assets	741	(161)	(197)	1,691
- Trade and other payables	(1,823)	310	(301)	4,012
- Provision for other liabilities and charges	(778)	(363)	(1,681)	(446)
Cash provided by/(used in) operations	<u>2,459</u>	<u>(4,307)</u>	<u>(1,625)</u>	<u>(4,082)</u>
Interest paid	(77)	(72)	(528)	(169)
Interest received	55	33	241	181
Income tax paid	-	-	(58)	-
<b>Net cash provided by/(used in) operating activities</b>	<u><u>2,437</u></u>	<u><u>(4,346)</u></u>	<u><u>(1,970)</u></u>	<u><u>(4,070)</u></u>

**Unaudited Financial Statement and Dividend Announcement for the Third Quarter Ended 31 March 2008**

	Group Third Qtr ended <u>31 Mar 2008</u> \$'000	Group Third Qtr ended <u>31 Mar 2007</u> \$'000	Group 9 months ended <u>31 Mar 2008</u> \$'000	Group 9 months ended <u>31 Mar 2007</u> \$'000
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(44)	(279)	(138)	(6,689)
Proceeds from disposal of property, plant and equipment	-	-	-	61
Proceeds from disposal of shares in an associated company	-	-	11,247	-
Acquisition of an associated company	-	-	(8,050)	(8,050)
Obligations of a former subsidiary paid	-	-	(6)	-
<b>Net cash (used in)/provided by investing activities</b>	<b>(44)</b>	<b>(279)</b>	<b>3,053</b>	<b>(14,678)</b>
<b>Cash flows from financing activities</b>				
Net proceeds from issuance of ordinary shares	14,251	-	14,251	13,489
Withdrawal of deposits placed for banking facilities	3	1	44	121
Changes in amount due to directors	117	908	18	892
Repayments of lease liabilities	(154)	(20)	(365)	(87)
Changes in amount due to minority shareholders of subsidiaries	46	59	(38)	989
Proceeds from issuance of share capital to minority shareholder of a subsidiary	264	-	264	-
Proceeds from bank borrowings	-	3,000	10,000	3,000
Repayments of bank borrowings	(375)	-	(10,875)	-
<b>Net cash provided by financing activities</b>	<b>14,152</b>	<b>3,948</b>	<b>13,299</b>	<b>18,404</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>16,545</b>	<b>(677)</b>	<b>14,382</b>	<b>(344)</b>
Cash and cash equivalents at beginning of the financial period	5,538	9,203	7,752	8,933
Effects of exchange rate changes on cash and cash equivalents	(19)	(9)	(70)	(72)
<b>Cash and cash equivalents at end of the financial period (Note A)</b>	<b><u>22,064</u></b>	<b><u>8,517</u></b>	<b><u>22,064</u></b>	<b><u>8,517</u></b>

**Note A:**

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

	Group As at <u>31 Mar 2008</u> \$'000	Group As at <u>31 Mar 2007</u> \$'000
Cash at bank and on hand	5,050	4,596
Short-term bank deposits	17,605	4,551
Less: Deposits placed with a bank as security	(591)	(630)
<b>Cash and cash equivalents per consolidated cash flow statement</b>	<b><u>22,064</u></b>	<b><u>8,517</u></b>

**Unaudited Financial Statement and Dividend Announcement for the Third Quarter Ended 31 March 2008**

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.

Group	<u>Share capital</u> \$'000	<u>Other reserves</u> \$'000	<u>Accumulated losses</u> \$'000	<u>Total</u> \$'000	<u>Minority Interests</u> \$'000	<u>Total equity</u> \$'000
<b>2008</b>						
<b>Balance at 1 Jul 2007</b>	65,806	(34)	(39,149)	26,623	3,221	29,844
Net (loss)/gain recognised directly in equity -						
Currency translation differences	-	(186)	-	(186)	61	(125)
Net gain/(loss)	-	-	1,225	1,225	(430)	795
<b>Total recognised (losses)/gains</b>	-	(186)	1,225	1,039	(369)	670
Employee share option scheme						
- Value of employee services	-	48	-	48	-	48
Issue of shares	14,509	-	-	14,509	-	14,509
Share issue expenses	(258)	-	-	(258)	-	(258)
Acquisition of subsidiary	-	-	-	-	249	249
Issue of share capital to minority shareholders by a subsidiary	-	-	-	-	264	264
<b>Balance at 31 Mar 2008</b>	<b>80,057</b>	<b>(172)</b>	<b>(37,924)</b>	<b>41,961</b>	<b>3,365</b>	<b>45,326</b>
<b>2007</b>						
<b>Balance at 1 Jul 2006</b>	52,317	(221)	(39,887)	12,209	3,347	15,556
Net loss recognised directly in equity -						
Currency translation differences	-	(135)	-	(135)	(8)	(143)
Net loss	-	-	(3,158)	(3,158)	(518)	(3,676)
<b>Total recognised losses</b>	-	(135)	(3,158)	(3,293)	(526)	(3,819)
Employee share option scheme						
- Value of employee services	-	95	-	95	-	95
Issue of shares	13,967	-	-	13,967	-	13,967
Share issue expenses	(478)	-	-	(478)	-	(478)
<b>Balance at 31 Mar 2007</b>	<b>65,806</b>	<b>(261)</b>	<b>(43,045)</b>	<b>22,500</b>	<b>2,821</b>	<b>25,321</b>

Unaudited Financial Statement and Dividend Announcement for the Third Quarter Ended 31 March 2008

Company	<u>Share capital</u> \$'000	<u>Other reserves</u> \$'000	<u>Accumulated losses</u> \$'000	<u>Total</u> \$'000
<b>2008</b>				
<b>Balance at 1 Jul 2007</b>	65,806	78	(43,479)	<b>22,405</b>
Net gain	-	-	7,109	<b>7,109</b>
<b>Total recognised gain</b>	-	-	7,109	<b>7,109</b>
Employee share option scheme				
- Value of employee services	-	48	-	<b>48</b>
Issue of shares	14,509	-	-	<b>14,509</b>
Share issue expenses	(258)	-	-	<b>(258)</b>
<b>Balance at 31 Mar 2008</b>	<b>80,057</b>	<b>126</b>	<b>(36,370)</b>	<b>43,813</b>
<b>2007</b>				
<b>Balance at 1 Jul 2006</b>	52,317	9	(41,741)	<b>10,585</b>
Net loss	-	-	(1,076)	<b>(1,076)</b>
<b>Total recognised loss</b>	-	-	(1,076)	<b>(1,076)</b>
Employee share option scheme				
- Value of employee services	-	53	-	<b>53</b>
Issue of shares	13,967	-	-	<b>13,967</b>
Share issue expenses	(478)	-	-	<b>(478)</b>
<b>Balance at 31 Mar 2007</b>	<b>65,806</b>	<b>62</b>	<b>(42,817)</b>	<b>23,051</b>

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**

On 19 February 2008, the Company issued 290,185,626 new ordinary shares in the issued and paid-up share capital of the Company pursuant to a renounceable and non-underwritten rights issue of up to 386,466,251 new ordinary shares in the issued share capital of the Company ("Rights Issue") at an issue price of \$0.05 for each Rights Share on the basis of two (2) Rights Shares for every five (5) existing Shares then held by Shareholders as based on the terms and conditions of the Offer Information Statement dated 21 January 2008 issued by the Company. Net proceeds of \$14.3 million were raised from the Rights Issue. The issued share capital of the Company as at 31 March 2008 comprises 1,256,351,254 (31 December 2007 : 966,165,628) ordinary shares.

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**Unaudited Financial Statement and Dividend Announcement for the Third Quarter Ended 31 March 2008**

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

As at 31 March 2008, there were ESOS outstanding for the subscription of 2,400,000 (31 March 2007: 2,700,000) ordinary shares in the share capital of the Company. There is no new ESOS granted during the current reporting quarter.

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 2008 and 31 March 2007.

**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 2008 is 1,256,351,254 (30 June 2007: 966,165,628) 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.**

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

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

Not applicable.

**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 2007.

**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.**

Starting 1 July 2007, the Group and the Company adopted the new or revised FRS that are applicable in the current financial year. The following are the new or revised FRS relevant to the Group:

- FRS 1 (Amendment), Amendments relating to capital disclosure
- FRS 32 (revised), Financial Instruments: Presentation
- FRS 40, Investment Property
- FRS 107, Financial Instruments : Disclosures
- INT FRS 108, Scope of FRS 102 Share-based Payment
- INT FRS 110 Interim Financial Reporting and Impairment

Other than FRS 107 and the amendment to FRS 1, the initial application of these FRS (and its consequential amendment) and interpretations are not expected to have any financial impact on the financial statements of the Group and the Company. New disclosures required under FRS 1 and FRS 107 will be made accordingly in the financial statements of the Group and the Company for the financial year ending 30 June 2008.

**Unaudited Financial Statement and Dividend Announcement for the Third Quarter Ended 31 March 2008**

**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.**

	<b>Group</b> Third Qtr ended 31 Mar 2008	<b>Group</b> Third Qtr ended 31 Mar 2007	<b>Group</b> 9 months ended 31 Mar 2008	<b>Group</b> 9 months ended 31 Mar 2007
<b>Continuing operations</b>				
<b>(Loss)/earnings per share</b>				
(a) Basic (loss)/earnings per share (cents per share)	(0.39)	(0.06)	0.12	(0.32)
- Weighted average number of ordinary shares in issue for basic (loss)/earnings per share	1,100,097,455	966,165,628	1,010,484,887	921,814,963
(b) Diluted (loss)/earnings per share (cents per share)	(0.39)	(0.06)	0.12	(0.32)
- Adjusted weighted average number of ordinary shares in issue for diluted (loss)/earnings per share	1,100,097,455	967,590,120	1,011,467,886	922,167,162
<b>Discontinued operations</b>				
<b>Loss per share</b>				
(a) Basic loss per share (cents per share)	-	(0.01)	-	(0.02)
- Weighted average number of ordinary shares in issue for basic loss per share	1,100,097,455	966,165,628	1,010,484,887	921,814,963
(b) Diluted loss per share (cents per share)	-	(0.01)	-	(0.02)
- Adjusted weighted average number of ordinary shares in issue for diluted loss per share	1,100,097,455	967,590,120	1,011,467,886	922,167,162

**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.**

	<b>Group</b> As at 31 Mar 2008	<b>Group</b> As at 30 Jun 2007	<b>Company</b> As at 31 Mar 2008	<b>Company</b> As at 30 Jun 2007
Net asset value per ordinary share based on issued share capital (cents)	3.61	3.09	3.49	2.32

The net asset value per ordinary share is computed based on 1,256,351,254 (30 June 2007: 966,165,628) ordinary shares.

**Unaudited Financial Statement and Dividend Announcement for the Third Quarter Ended 31 March 2008**

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.

**Income Statement**

**Comparing 3Q March 2008 with 3Q March 2007:**

The Group's revenue increased 19.6% from \$8.5 million to \$10.1 million. The increase was mainly contributed by the recycling and trading of e-waste business.

The breakdown of revenue between the two quarters are represented below:

	<b>Group</b> Third Qtr ended <u>31 Mar 2008</u> \$'000	% to total revenue	<b>Group</b> Third Qtr ended <u>31 Mar 2007</u> \$'000	% to total revenue
Consumer electronic products	5,548	54.8%	6,802	80.4%
Recycling and trading of metals and e-wastes	4,553	45.0%	1,521	18.0%
Property investment and development	-	0.0%	117	1.4%
Others	21	0.2%	22	0.3%
	10,122	100.0%	8,462	100.0%

The drop in revenue of the consumer electronic products segment from \$6.8 million to \$5.5 million was mainly due to recent market volatility and uncertainty that affected consumer demand during the period.

The recycling and trading of metals and e-wastes division registered a 199.3% increase (\$3.0 million) in revenue due to higher trading activities and widening of customer base.

Gross profit decreased by 9.0% from \$2.5 million to \$2.3 million due to drop in gross margins. This is largely due to downward pricing pressure arising from stiff competition in the recycling and trading of metals and e-waste business and partially offset by better gross margins from the consumer electronic products segment due to favourable cost structure as its purchases are predominantly made in the US Dollar which has weakened during the period.

Distribution expenses increased by \$0.4 million (or 26.5%) from \$1.5 million to \$1.9 million mainly due to higher sales-related, marketing and event organising expenses incurred by the consumer electronic products segment.

Administrative expenses decreased by \$0.1 million (or 8.4%) from \$1.3 million to \$1.2 million mainly due to lower provision of employee-related expenses offset by higher depreciation and rental expenses incurred during the period.

The current quarter's share of loss of our associated company, Centillion Recycling & Environment Limited ("Centillion"), amounted to \$3.7 million as compared to \$0.3 million in the corresponding quarter last year due to higher loss incurred.

**Unaudited Financial Statement and Dividend Announcement for the Third Quarter Ended 31 March 2008**

**Comparing nine months ending 31 March 2008 with nine months ending 31 March 2007:**

The Group's revenues increased 115.3% from \$16.2 million to \$35.0 million. The increase was contributed by both the consumer electronic products business and the recycling and trading of e-waste business. The breakdown of revenue between the two periods are represented below:

	<b>Group</b> 9 months ended <u>31 Mar 2008</u> \$'000	% to total revenue	<b>Group</b> 9 months ended <u>31 Mar 2007</u> \$'000	% to total revenue
Consumer electronic products	21,296	60.9%	10,827	66.7%
Recycling and trading of metals and e-wastes	13,455	38.5%	5,132	31.6%
Property investment and development	141	0.4%	207	1.3%
Others	63	0.2%	66	0.4%
	<u>34,955</u>	<u>100.0%</u>	<u>16,232</u>	<u>100.0%</u>

Both consumer electronic and recycling and trading of metals and e-wastes segments registered higher sales during the current period as compared to the previous period due to more aggressive sales efforts, wider customer and broader products range and higher trading activities.

Gross profit increased 98.4% from \$4.4 million in the preceding financial period to \$8.7 million in the current period due to higher revenue generated. Gross profit margin dropped by 2.1% largely due to downward pricing pressure arising from stiff competition in the recycling and trading of metals and e-waste business and partially offset by better gross margins from the consumer electronic products segment due to favourable cost structure as its purchases are predominantly made in the US Dollar which has weakened during the period.

The increase in other gains from \$0.7 million in the preceding financial period to \$10.4 million in the current financial period is mainly due to a \$9.6 million net gain arising from the disposal of 150 million shares in Centillion on 12 July 2007.

Distribution expenses increased by \$3.4 million (or 99.3%) from \$3.4 million to \$6.8 million mainly due to higher sales related expenses, marketing and event organising expenses incurred by the consumer electronic products segment, in line with the increase in activities in this segment.

Administrative expenses increased by \$1.3 million (or 35.6%) from \$3.6 million to \$4.9 million largely due to higher costs incurred such as depreciation, employee-related expenses and rental expenses, which are in line with the increased activities.

Finance expenses increased by 129.4% from \$265,000 to \$608,000 due to higher borrowings secured during the financial period as well as prepayment charges incurred.

The Group's effective tax rate for the financial period is lower than the current Singapore corporate tax rate of 18% mainly due to income not subject to tax.

### **Balance Sheet**

Total assets of the Group increased by \$14.0 million from \$48.0 million as at 30 June 2007 to \$62.0 million as at 31 March 2008, mainly due to the following:

- i) Other current assets increased by \$0.3 million mainly due to deposits and prepayment paid in respect of a new leased premise in the current financial period as well as Goods & Service Tax receivable;
- ii) Increase in the carrying amount of investment in Centillion by \$0.6 million due to exercise of option to subscribe for 948,724,172 shares in Centillion, reduced by share of losses in Centillion and cost of 150 million Centillion shares disposed during the current financial period;
- iii) Reduction of carrying amounts of property, plant and equipment due to depreciation charge during the financial period of \$1.3 million; and
- iv) Increase in cash and cash equivalents of \$14.3 million (refer to explanation on "Cashflow" below).

Total liabilities of the Group decreased by \$1.4 million from \$18.1 million as at 30 June 2007 to \$16.7 million as at 31 March 2008, mainly due to the following:

- i) Trade and other payables decreased by \$2.4 million mainly due to repayments for purchase of certain plant and equipment during the current financial period; and
- ii) Increase in borrowings of \$0.7 million mainly due to new finance lease facilities secured during the financial period offset by repayment of borrowings.

### **Cash Flow**

The main source of funds arose from the following during the financial period:

- i) Net proceeds of \$11.2 million arising from sale of shares in an associated company, Centillion;
- ii) Proceeds from new bank borrowings of \$10 million; and
- iii) Net proceeds from Rights Issue of \$14.3 million.

The funds have been used mainly for the following purposes:

- i) Subscription of additional shares in Centillion for a cash consideration of \$8.05 million;
- ii) Repayment of bank borrowings and lease liabilities of \$11.2 million; and
- iii) For operational and general working capital purposes of \$2.0 million.

Cash and cash equivalents (net of deposits placed with a bank as security) increased by approximately \$14.4 million from \$7.7 million as at 30 June 2007 to \$22.1 million as at 31 March 2008.

**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 recent market volatility and uncertainty due to sub-prime issues, weakening US Dollar, escalating oil prices and worries of a US recession will add on more uncertainty and challenges ahead for the Group businesses due to fluctuation in cost of raw materials, pricing competition, rising operating costs, consumers demand etc although the Group is reasonably optimistic on the electronic waste recycling business due to increase in awareness of environmental issues.

The Group will continue to work on expanding its existing businesses in electronic waste recycling and consumer electronic product distribution while continuing to explore possible new business ventures for the Group which can offer strategic growth potential.

**11. Dividend**

**(a) Current financial period reported on**

No dividend has been declared for the financial period reported.

**(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 will be declared/recommended.

**PART 2 - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

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

15. **A breakdown of sales as follows:-**

Not applicable

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

- 17 **Interested Person Transactions for the financial period ended 31 March 2008**

The aggregate value of the interested person transactions for the nine months ended 31 March 2008 are below disclosure requirement.

**BY ORDER OF THE BOARD**

**CHNG WENG WAH**

**Director**

15 May 2008

**NEGATIVE ASSURANCE CONFIRMATION PURSUANT TO RULE 705(4) OF THE LISTING MANUAL**

We, Chng Weng Wah and Heng Lee Seng, 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 third quarter and nine months ended 31 March 2008 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

**HENG LEE SENG**  
Director

15 May 2008