

**Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 30 September 2009**

This announcement has been reviewed by the Company's sponsor, KW Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's 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.

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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 (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

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

	Group 1st Qtr ended 30 Sep 2009 \$'000	Group 1st Qtr ended 30 Sep 2008 \$'000	Change %
Sales	7,560	8,578	-11.9%
Cost of sales	(6,132)	(8,108)	-24.4%
<b>Gross profit</b>	<b>1,428</b>	<b>470</b>	<b>203.8%</b>
Other income	350	165	112.1%
Distribution expenses	(2,051)	(2,255)	-9.0%
Administrative expenses	(2,384)	(2,117)	12.6%
Other expenses	(519)	(78)	565.4%
<b>Results from operating activities</b>	<b>(3,176)</b>	<b>(3,815)</b>	
Share of loss of associate, net of tax	(600)	(919)	-34.7%
<b>Loss before income tax</b>	<b>(3,776)</b>	<b>(4,734)</b>	<b>-20.2%</b>
Income tax (expense)/credit	(16)	24	-166.7%
<b>Loss for the period</b>	<b>(3,792)</b>	<b>(4,710)</b>	<b>-19.5%</b>
<b>Attributable to:</b>			
Equity holders of the Company	(2,824)	(3,682)	-23.3%
Minority interests	(968)	(1,028)	-5.8%
	<b>(3,792)</b>	<b>(4,710)</b>	<b>-19.5%</b>

NM : percentage not meaningful.

**Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 30 September 2009**

**Statement of Comprehensive Income**

	Group 1st Qtr ended 30 Sep 2009 \$'000	Group 1st Qtr ended 30 Sep 2008 \$'000	Change %
Net loss for the period ended	(3,792)	(4,710)	-19.5%
<b>Other comprehensive income:</b>			
Translation differences relating to financial statements of foreign subsidiaries	(207)	651	-131.8%
Share movement in an associated company's share option reserve	88	-	NM
Effective portion of changes in fair value of cash flow hedges, net of tax	1	6	-83.3%
Value of employee services received for issue of share options	5	5	0.0%
<b>Other comprehensive income for the period, net of tax</b>	<b>(113)</b>	<b>662</b>	<b>-117.1%</b>
<b>Total comprehensive income for the period</b>	<b>(3,905)</b>	<b>(4,048)</b>	<b>-3.5%</b>
<b>Attributable to:</b>			
Equity holders of the Company	(2,955)	(3,012)	-1.9%
Minority interests	(950)	(1,036)	-8.3%
	<b>(3,905)</b>	<b>(4,048)</b>	<b>-3.5%</b>

NM : percentage not meaningful.

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

Loss for the period include the following (charges)/credits:

Finance expense:	(172)	(72)
- bank borrowings	(154)	(46)
- finance lease liabilities	(16)	(26)
- others	(2)	-
Depreciation of property, plant and equipment	(823)	(514)
Utilisation of prepayment for granite and rights of use of plant and equipment	(69)	-
Employee compensation	(1,278)	(1,217)
Write back/(impairment) of stock values	222	(992)
Provision for warranty	(253)	(544)
Allowance of impairment of trade and other receivables	(313)	-
Rental expenses - operating leases	(508)	(412)
Exchange gain/(loss) - net	204	(211)
Interest income	2	76
Income tax (expense)/credit:	(16)	24
Current tax expense	-	-
Deferred tax expense	-	24
(Under)/over provision in preceding financial years for:		
- current tax expense	(16)	-
- deferred tax expense	-	-

**Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 30 September 2009**

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.

	Group As at 30 Sep 2009 \$'000	Group As at 30 Jun 2009 \$'000	Change %	Company As at 30 Sep 2009 \$'000	Company As at 30 Jun 2009 \$'000	Change %
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	27,783	26,566	4.6%	490	571	-14.2%
Subsidiaries	-	-	0.0%	7,936	6,661	19.1%
Associate	3,620	4,212	-14.1%	14,827	14,827	0.0%
Other non-current assets	9,927	9,996	-0.7%	50	50	0.0%
Deferred tax assets	272	268	1.5%	-	-	0.0%
	<u>41,602</u>	<u>41,042</u>	<u>1.4%</u>	<u>23,303</u>	<u>22,109</u>	<u>5.4%</u>
<b>Current assets</b>						
Inventories	3,060	3,491	-12.3%	-	-	0.0%
Properties held for sale	86	225	-61.8%	-	-	0.0%
Trade and other receivables	6,232	7,208	-13.5%	30,283	26,915	12.5%
Other current assets	4,921	4,191	17.4%	348	318	9.4%
Cash and cash equivalents	10,323	14,638	-29.5%	4,324	9,607	-55.0%
	<u>24,622</u>	<u>29,753</u>	<u>-17.2%</u>	<u>34,955</u>	<u>36,840</u>	<u>-5.1%</u>
<b>Total assets</b>	<b>66,224</b>	<b>70,795</b>	<b>-6.5%</b>	<b>58,258</b>	<b>58,949</b>	<b>-1.2%</b>
<b>EQUITY</b>						
<b>Equity attributable to equity holders of the Company</b>						
Share capital	94,154	94,154	0.0%	94,154	94,154	0.0%
Reserves	211	342	-38.3%	95	90	5.6%
Accumulated losses	(59,034)	(56,210)	5.0%	(41,858)	(41,352)	1.2%
	<u>35,331</u>	<u>38,286</u>	<u>-7.7%</u>	<u>52,391</u>	<u>52,892</u>	<u>-0.9%</u>
Minority interests	2,025	1,543	31.2%	-	-	0.0%
<b>Total equity</b>	<b>37,356</b>	<b>39,829</b>	<b>-6.2%</b>	<b>52,391</b>	<b>52,892</b>	<b>-0.9%</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Financial liabilities	10,882	11,789	-7.7%	172	-	0.0%
Deferred tax liabilities	-	-	0.0%	-	-	0.0%
	<u>10,882</u>	<u>11,789</u>	<u>-7.7%</u>	<u>172</u>	<u>-</u>	<u>0.0%</u>
<b>Current Liabilities</b>						
Trade and other payables	9,223	10,089	-8.6%	5,646	5,795	-2.6%
Financial liabilities	7,630	7,943	-3.9%	37	250	-85.2%
Current tax payable	78	2	NM	-	-	NM
Provision for other liabilities and charges	1,055	1,143	-7.7%	12	12	0.0%
	<u>17,986</u>	<u>19,177</u>	<u>-6.2%</u>	<u>5,695</u>	<u>6,057</u>	<u>-6.0%</u>
<b>Total liabilities</b>	<b>28,868</b>	<b>30,966</b>	<b>-6.8%</b>	<b>5,867</b>	<b>6,057</b>	<b>-3.1%</b>
<b>Total equity and liabilities</b>	<b>66,224</b>	<b>70,795</b>	<b>-6.5%</b>	<b>58,258</b>	<b>58,949</b>	<b>-1.2%</b>

**Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 30 September 2009**

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

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

As at 30 Sep 2009 (\$'000)		As at 30 Jun 2009 (\$'000)	
Secured	Unsecured	Secured	Unsecured
7,630	-	7,692	250

**Amount repayable after one year**

As at 30 Sep 2009 (\$'000)		As at 30 Jun 2009 (\$'000)	
Secured	Unsecured	Secured	Unsecured
10,882	-	11,789	-

**Details of collateral**

As at balance sheet date, the total borrowings included secured liabilities of \$18,512,000 (30 June 2009: \$19,481,000) for the Group. Secured bank loans and lease liabilities amounted to \$18,130,000 (30 June 2009: \$19,291,000) are secured by security charges and debenture deeds which provide for first floating charge on certain assets of the subsidiaries, including a leasehold building, plant and equipment of the subsidiaries and corporate guarantees given by the Company. Other finance lease liabilities of the Group amounting to \$382,000 (30 June 2009: \$190,000) are secured by the rights to the leased plant and equipment and corporate guarantees given by the Company.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group 1st Qtr ended 30 Sep 2009 \$'000	Group 1st Qtr ended 30 Sep 2008 \$'000
<b>Operating activities</b>		
Loss for the period	(3,792)	(4,710)
Adjustments for:		
- Income tax expense/(credit)	16	(24)
- Share option expenses	5	5
- Depreciation of property, plant and equipment	823	514
- Utilisation of prepayment for granite and rights of use of plant and equipment	69	-
- Interest expense	172	72
- Interest income	(2)	(76)
- (Write back)/impairment of stock values	(222)	992
- Allowance for impairment of trade and other receivables	313	-
- Provision for other liabilities and charges made	253	544
- Share of loss of associate, net of tax	600	919
Operating cash flow before working capital changes	(1,765)	(1,764)
Changes in working capital:		
- Properties held for sale	139	64
- Inventories	653	(56)
- Trade and other receivables	2,130	2,865
- Other current assets	(689)	(48)
- Trade and other payables	(728)	(996)
- Provision for other liabilities and charges	(341)	(510)
Cash utilised in operations	(601)	(445)
Income tax paid	(16)	(295)
<b>Cash flows used in operating activities</b>	<b>(617)</b>	<b>(740)</b>

**Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 30 September 2009**

	Group 1st Qtr ended 30 Sep 2009 \$'000	Group 1st Qtr ended 30 Sep 2008 \$'000
<b>Investing activities</b>		
Interest received	2	75
Purchase of property, plant and equipment	(2,009)	(132)
Investment in new associate	(26)	-
Loan to an associate	(1,500)	-
<b>Cash flows used in investing activities</b>	<b>(3,533)</b>	<b>(57)</b>
<b>Financing activities</b>		
Proceeds from issuance of share capital to minority shareholder by a subsidiary	1,432	15
Interest paid	(143)	(63)
Changes in amount due to directors	(21)	3
Proceeds from finance lease	215	-
Repayments of finance lease	(188)	(61)
Withdrawal of deposits placed with bank as security	9	-
Changes in amount due to minority shareholders of subsidiaries	(77)	35
Repayment of borrowings	(1,250)	(395)
<b>Cash flows used in financing activities</b>	<b>(23)</b>	<b>(466)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,173)</b>	<b>(1,263)</b>
Cash and cash equivalents at beginning of the financial period	14,183	20,781
Effects of exchange rate changes on cash and cash equivalents	(133)	160
<b>Cash and cash equivalents at end of the period (Note A)</b>	<b>9,877</b>	<b>19,678</b>

**Note A:**

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

	Group 1st Qtr ended 30 Sep 2009 \$'000	Group 1st Qtr ended 30 Sep 2008 \$'000
Cash at bank and on hand	9,373	2,263
Short-term bank deposits	950	18,019
Cash and cash equivalents per Group balance sheet	10,323	20,282
Less: Deposits placed with a bank as security	(446)	(604)
<b>Cash and cash equivalents per consolidated cash flow statement</b>	<b>9,877</b>	<b>19,678</b>

**Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 30 September 2009**

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	Share capital \$'000	Other reserves \$'000	Accumulated losses \$'000	Total attributable to equity holders of the Company \$'000	Minority interests \$'000	Total equity \$'000
<b>FY 2010</b>						
At 1 July 2009	94,154	342	(56,210)	38,286	1,543	39,829
Total comprehensive income for the financial period	-	(131)	(2,824)	(2,955)	(950)	(3,905)
Issue of share capital to minority shareholders by a subsidiary	-	-	-	-	1,432	1,432
<b>At 30 September 2009</b>	<b>94,154</b>	<b>211</b>	<b>(59,034)</b>	<b>35,331</b>	<b>2,025</b>	<b>37,356</b>
<b>FY 2009</b>						
At 1 July 2008	80,054	8	(38,636)	41,426	2,839	44,265
Total comprehensive income for the financial period	-	670	(3,682)	(3,012)	(1,036)	(4,048)
Issue of share capital to minority shareholders by a subsidiary	-	-	-	-	15	15
<b>At 30 September 2008</b>	<b>80,054</b>	<b>678</b>	<b>(42,318)</b>	<b>38,414</b>	<b>1,818</b>	<b>40,232</b>
<b>Company</b>						
<b>FY 2010</b>						
At 1 July 2009	94,154	90	(41,352)	52,892		
Total comprehensive income for the financial period	-	5	(506)	(501)		
<b>At 30 September 2009</b>	<b>94,154</b>	<b>95</b>	<b>(41,858)</b>	<b>52,391</b>		
<b>FY 2009</b>						
At 1 July 2008	80,054	117	(35,440)	44,731		
Total comprehensive income for the financial period	-	5	(1,237)	(1,232)		
<b>At 30 September 2008</b>	<b>80,054</b>	<b>122</b>	<b>(36,677)</b>	<b>43,499</b>		

**Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 30 September 2009**

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 to the share capital during the financial period. The issued share capital of the Company as at 30 September 2009 comprises 1,806,716,131 (30 June 2009 : 1,806,716,131) ordinary shares.

B) Share options - Equation Executives' Share Option Scheme  
As at 30 September 2009, there were ESOS outstanding for the subscription of 3,400,000 (30 June 2009: 3,400,000) ordinary shares in the share capital of the Company.

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 2009 and 30 June 2009.

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 30 September 2009 is 1,806,716,131 (30 June 2009: 1,806,716,131) 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.

None.

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 2009.

**Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 30 September 2009**

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 not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued as of 30 September 2009 but are not yet effective:

- Amendments to FRS 39 - Financial Instruments: Recognition and Measurement – Eligible Hedged Items
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements - Cost of an Investment in a
- FRS 103 (revised) Business Combinations and FRS 27 (revised) Consolidated and Separate Financial Statements
- INT FRS 117 Distributions of Non-cash Assets to Owners
- Improvements to FRSs 2008
- Improvements to FRSs 2009

The adoption of the above new/revised FRS and INT FRS is not expected to result in any substantial changes to the Group's accounting policies nor any significant impact on these financial statements except for the disclosure of a statement of comprehensive income in accordance with FRS 1 (Revised) Presentation to Financial Statements. The adoption of FRS 1 has changed the presentation of the statement of changes in equity and includes the consolidated statement of comprehensive income.

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.

	Group	
	1st Qtr ended 30 Sep 2009	1st Qtr ended 30 Sep 2008
<b>Earnings per share</b>		
(a) Basic earnings per share (cents per share)	(0.16)	(0.29)
- Weighted average number of ordinary shares in issue for basic earnings per share	1,806,716,131	1,256,351,254
(b) Diluted earnings per share (cents per share)	(0.16)	(0.29)
- Adjusted weighted average number of ordinary shares in issue for diluted earnings for share	1,810,116,131	1,256,351,254

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasury shares of the issuer at the end of the:-  
 (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	As at 30 Sep 2009	As at 30 June 2009	As at 30 Sep 2009	As at 30 June 2009
Net asset value per ordinary share based on issued share capital (cents)	2.07	2.20	2.90	2.93
The net asset value per ordinary share is computed based on 1,806,716,131 (30 June 2009; 1,806,716,131) ordinary shares.				

**Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 30 September 2009**

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 (Q1FY2010 versus Q1FY2009)**

**(i) Revenue**

During the period under reviewed, the Group continues to face challenges despite slow improvement seen recently in global economic. The Group's total revenue decreased approximately \$1.0 million (11.9%) as compared to Q1FY2009.

Consumer electronic products and E-waste/recycling segments remained negatively affected under a poor market sentiment and volatile commodity prices, which resulted in a significant drop in revenue of approximately \$1.7 million (33.4%) and \$3.0 million (83.9%) respectively as compared to Q1FY2009. However, revenue amounting to \$3.3 million generated from the new Construction material supply segment help to minimise the negative impact on the Group's total revenue.

	Group		Group	
	1st Qtr ended	% to	1st Qtr ended	% to
	30 Sep 2009	total revenue	30 Sep 2008	total revenue
	\$'000		\$'000	
Supply of construction materials	3,343	44.2%	-	0.0%
Consumer electronic products	3,314	43.8%	4,976	58.0%
E-waste/recycling	562	7.4%	3,479	40.6%
Property investment and development	162	2.1%	101	1.2%
Others	179	2.4%	22	0.3%
	<u>7,560</u>	<u>100.0%</u>	<u>8,578</u>	<u>100.0%</u>

**(ii) Cost of sales and gross profits**

Total cost of sales decreased \$2.0 million (24.4%) from \$8.1 million (Q1FY2009) to \$6.1 million (Q1FY2010), due to lower trading volume as mentioned in the revenue segment.

Gross profit increased \$1.0 million (203.8%) from \$0.5 million (Q1FY2009) to \$1.4 million (Q1FY2010) and gross profit margin increased from 5.5% to 18.9%, primarily due to a provision made in Q1FY2009 for impairment of stock value of \$0.9 million.

**(iii) Other income**

Other income increased \$0.2 million (112.1%) from \$0.2 million (Q1FY2009) to \$0.4 million (Q1FY2010), mainly due to storage income received by one of the subsidiary.

**(iv) Distribution expenses**

Distribution expenses decreased \$0.2 million (9.0%) from \$2.3 million (Q1FY2009) to \$2.1 million (Q1FY2010), mainly due to lower aftersales related expenses (\$0.3 million) in the consumer electronic products segment and lower staff cost (\$0.2 million) in the E-waste/recycling segment offset by expenses (\$0.2 million) incurred in the new business segments.

**(v) Administrative expenses**

Administrative expenses increased \$0.3 million (12.6%) from \$2.1 million (Q1FY2009) to \$2.4 million (Q1FY2010) largely due to higher depreciation (\$0.3 million) and rental expenses (\$0.1 million), offset by exchange gain (\$0.3 million).

**(vi) Other expenses**

Other expenses increased \$0.4 million (565.4%) from \$0.1 million (Q1FY2009) to \$0.5 million (Q1FY2010) mainly due to impairment of trade receivables (\$0.3 million) in the E-waste/recycling segment and interest expense (\$0.1 million) as a result of higher borrowings.

**(vii) Share of loss of associate**

This represents the Group's share of loss in Centillion.

**Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 30 September 2009**

**(B) Balance sheet**

Total assets of the Group decreased \$4.6 million from \$70.8 million as at 30 June 2009 to \$66.2 million as at 30 September 2009, mainly due to the following:

- i) Property, plant and equipment increased \$1.2 million from \$26.6 million as at 30 June 2009 to \$27.8 million as at 30 September 2009, mainly due to new capital expenditure of \$2.0 million mainly comprised of a crane barge amounted to \$2.0 million offset by depreciation charge of \$0.9 million;
  - ii) Decrease in the carrying amount of investment in Centillion of \$0.6 million due to share of losses in Centillion of \$0.6 million offset by a new investment in a Thailand joint venture by our subsidiary;
  - iii) Other non-current asset mainly comprised prepayment make for (1) the rights on use of plant and machinery and (2) the rights, interest in and ownership of granite in Indonesia; non-current assets decreased \$69,000 as a result of utilisation of prepayment for granite and rights of use of plant and machinery;
  - iv) Inventories decreased \$0.4 million from \$3.5 million as at 30 June 2009 to \$3.1 million as at 30 September 2009, mainly due to lower stock kept for the E-waste/recycling segment and Consumer electronic products segment;
  - v) Properties held for sales decreased \$0.1 million from \$0.2 million as at 30 June 2009 to \$86,000 as at 30 September 2009, due to sales of carparks;
  - vi) Trade and other receivables decreased \$1.0 million from \$7.2 million as at 30 June 2009 to \$6.2 million as at 30 September 2009, mainly due to the following:
    - Lower trade receivables across all segments as a result of lower trading volume and offset by;
    - Loan to Centillion of \$1.5 million;
  - vii) Other current assets increased \$0.7 million from \$4.2 million as at 30 June 2009 to \$4.9 million as at 30 September 2009, mainly due to the following:
    - Advances for extraction and processing cost of granite of \$1.0 million and offset by;
    - Decrease in prepayments of \$0.2 million relating to operating expenses;
    - Decrease in receivable of \$0.2 million, pertaining for cost incurred in a recovery effort for barge during accidents on sea received from the insurance company;
  - viii) Decrease in cash and cash equivalents of \$4.3 million (refer to explanation on "Cashflow" below).
- Total liabilities of the Group decreased \$2.1 million from \$31.0 million as at 30 June 2009 to \$28.9 million as at 30 September 2009, mainly due to the following:
- i) Trade and other payables decreased \$0.9 million from \$10.1 million to \$9.2 million, as a result of:
    - Lower purchases from suppliers, in line with the decrease in business volume;
    - Decrease in accruals of \$0.4 million as a result of repayment of cost incurred in a recovery effort for barge during accidents on sea; and
  - ii) Borrowings decreased \$1.2 million from \$19.7 million as at 30 June 2009 to \$18.5 million as at 30 September 2009, mainly due to repayments made during the period.

**Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 30 September 2009****(C) Cash Flow**

Cash and cash equivalents (net of deposits placed with a bank as security) decreased by approximately \$4.3 million from \$14.2 million as at 30 June 2009 to \$9.9 million as at 30 September 2009, mainly due to funds generated/utilised as follows:

- i) Repayment of bank borrowings and lease liabilities of \$1.4 million;
- ii) New capital expenditure of \$2.0 million comprised of a crane barge and office equipments;
- iii) Loan to Centillion of \$1.5 million;
- iv) Proceeds from issuance of share capital to minority shareholders by a subsidiary of \$1.4 million; and
- v) For operational and general working capital purposes of \$0.6 million.

**Use of Right Issue Proceeds**

On 6 April 2009, the Company issued 392,642,271 new ordinary shares in the issued and paid-up share capital of the Company pursuant to a renounceable and non-undersubscribed rights issue ("Apr 09 Rights Issue"). Net proceeds of \$7.6 million were raised from the Apr 09 Rights Issue. Since the close of the Apr 09 Rights Issue until 30 September 2009, the Company has fully utilised the proceeds from the Apr 09 Rights Issue for general working capital, business expansion and for investments in accordance to the intended use as disclosed in Offer Information Statement dated 10 March 2009.

On 18 June 2009, the Company issued 89,463,221 new ordinary shares at \$0.0503 per share in the issued and paid-up share capital of the Company pursuant to a Subscription Agreement entered between the Company and the Subscribers ("Jun 09 Private Placement"). Net proceeds of \$4.5 million were raised. Since the completion of the Jun 09 Private Placement until 30 September 2009, the Company has utilised an aggregate of \$1.9 million of the proceeds for general working capital, business expansion and other investments in accordance to the intended use as disclosed.

**Additional investment in subsidiaries**

Share issue expenses  
Loan to Centillion  
Loan to a subsidiary relating to an investment in Thailand JV  
Working capital

30 Sep 2009	
Apr 09 Rights Issue \$'000	Jun 09 Private Placement \$'000
2,025	-
22	-
2,000	-
-	300
3,574	1,594
<u>7,621</u>	<u>1,894</u>

**Unaudited Financial Statement and Dividend Announcement for the First Quarter Ended 30 September 2009**

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.

While the global economy appears to show sign of improvement, the business outlook remains uncertain and challenging within the various industry segments that the Group operated in.

As part of the Group's expansion plan for the Construction material supply segment, the Group had on 3 July 2009, entered into a joint venture and shareholders' agreement with three non-related parties and a related party who is also a minority shareholder of a subsidiary, to acquire 51% equity interest in Weekly Marine Services Pte. Ltd. ("WMPL"). The primary business of WMPL is to provide marine services including rental of crane barges, discharging equipment, stevedoring, dumping and discharging sea sand. The services provided by WMPL is directly associated with our Construction material supply segment which the Group hope to achieve synergy effect in term of cost saving.

On 23 September 2009, the Group through its 60% owned subsidiary, Equation Recycling Pte. Ltd. entered into a joint venture agreement with a Thai partner to set up a new joint venture company, Siam Pattana Equation Co., Ltd. ("SPE"). The Group through SPE (effective control of 29.4%), will eventually be able to expand its recycling business into Thailand, focusing on recycling substantial industrial leftover/waste products from the manufacturing industry within Thailand. Barring any unforeseen circumstances, the Group is optimistic that SPE will help to improve our E-waste/recycling business segment.

Going forward, the Group will continue to strengthen its business performances and be vigilant in its working capital management.

**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.

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 Summary of Interested Person Transactions for the financial year ended 30 September 2009**

There are no discloseable interested person transactions during the financial period.

**BY ORDER OF THE BOARD**

**CHING WENG WAH**

Director

11 November 2009