

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2009

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This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, 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 12 months ended 30 June 2009 \$'000	Group 12 months ended 30 June 2008 \$'000	Change %
Sales	37,876	48,774	-22.3%
Cost of sales	(30,845)	(37,154)	-17.0%
Gross profit	<u>7,031</u>	<u>11,620</u>	-39.5%
Other income	1,359	11,774	-88.5%
Distribution expenses	(9,013)	(9,547)	-5.6%
Administrative expenses	(9,130)	(6,544)	39.5%
Other expenses	(2,681)	(705)	280.3%
Results from operating activities	<u>(12,434)</u>	<u>6,598</u>	
Share of loss of associate, net of tax	(7,853)	(5,791)	35.6%
(Loss)/profit before income tax	<u>(20,287)</u>	<u>807</u>	NM
Income tax credit/(expense)	337	(1,255)	-126.9%
Loss for the year	<u>(19,950)</u>	<u>(448)</u>	NM
Attributable to:			
Equity holders of the Company	(17,574)	513	NM
Minority interests	(2,376)	(961)	147.2%
	<u>(19,950)</u>	<u>(448)</u>	NM
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company (expressed in cents per share)			
- Basic	(1.28)	0.05	NM
- Diluted	(1.28)	0.05	NM

NM : percentage not meaningful.

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

	Group 12 months ended <u>30 June 2009</u> \$'000	Group 12 months ended <u>30 June 2008</u> \$'000
(Loss)/profit for the year include the following (charges)/credits:		
Finance expense:	(343)	(680)
- bank borrowings	(217)	(469)
- finance lease liabilities	(79)	(124)
- others	(47)	(87)
Depreciation of property, plant and equipment	(2,299)	(1,829)
Utilisation of prepayment for granite and rights of use of plant and equipment	(54)	-
Property, plant and equipment written off	(102)	-
Employee compensation	(4,043)	(4,462)
Impairment of plant and equipment	(717)	-
Impairment of stock values	(385)	-
(Provision)/Write back for legal claims	(13)	22
Provision for warranty	(1,776)	(2,980)
Write back of obligations of a former subsidiary	-	33
(Allowance)/write back of impairment of trade and other receivables	(93)	22
Bad trade debts written off	-	(32)
Rental expenses - operating leases	(1,933)	(1,030)
Gain on liquidation of financial asset	-	1,196
Exchange (loss)/gain - net	(58)	302
Impairment of goodwill	(57)	-
Gain on disposal of shares in an associate	-	9,563
Interest income	148	314
Amount due to a former minority shareholder of a subsidiary written back	321	-
(Loss)/Gain on disposal of property, plant and equipment	(17)	6
Income tax credit/(expense):	337	(1,255)
Current tax expense	-	(292)
Deferred tax expense	218	117
(Under)/over provision in preceding financial years for:		
- current tax expense	45	(1,088)
- deferred tax expense	74	8

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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 June 2009 \$'000	Group As at 30 June 2008 \$'000	Change %	Company As at 30 June 2009 \$'000	Company As at 30 June 2008 \$'000	Change %
ASSETS						
Non-current assets						
Property, plant and equipment	26,566	10,523	152.5%	571	486	17.5%
Intangible assets	-	57	-100.0%	-	-	0.0%
Subsidiaries	-	-	0.0%	6,661	5,591	19.1%
Associate	4,212	11,305	-62.7%	14,827	14,827	0.0%
Other non-current assets	9,996	50	NM	50	50	0.0%
	<u>40,774</u>	<u>21,935</u>	85.9%	<u>22,109</u>	<u>20,954</u>	5.5%
Current assets						
Inventories	3,491	7,788	-55.2%	-	-	0.0%
Properties held for sale	225	433	-48.0%	-	-	0.0%
Trade and other receivables	7,208	9,130	-21.1%	26,915	13,750	95.7%
Other current assets	4,191	1,471	184.9%	318	395	-19.5%
Cash and cash equivalents	14,638	21,355	-31.5%	9,607	12,453	-22.9%
Deferred tax assets	268	-	100.0%	-	-	0.0%
	<u>30,021</u>	<u>40,177</u>	-25.3%	<u>36,840</u>	<u>26,598</u>	38.5%
Total assets	<u>70,795</u>	<u>62,112</u>	14.0%	<u>58,949</u>	<u>47,552</u>	24.0%
EQUITY						
Equity attributable to equity holders of the Company						
Share capital	94,154	80,054	17.6%	94,154	80,054	17.6%
Reserves	342	8	NM	90	117	-23.1%
Accumulated losses	(56,210)	(38,636)	45.5%	(41,352)	(35,440)	16.7%
	<u>38,286</u>	<u>41,426</u>	-7.6%	<u>52,892</u>	<u>44,731</u>	18.2%
Minority interests	1,543	2,839	-45.6%	-	-	0.0%
Total equity	<u>39,829</u>	<u>44,265</u>	-10.0%	<u>52,892</u>	<u>44,731</u>	18.2%
LIABILITIES						
Non-current liabilities						
Financial liabilities	11,789	3,317	255.4%	-	257	-100.0%
Deferred tax liabilities	-	24	-100.0%	-	-	0.0%
	<u>11,789</u>	<u>3,341</u>	252.9%	<u>-</u>	<u>257</u>	0.0%
Current Liabilities						
Trade and other payables	10,089	7,922	27.4%	5,795	1,006	476.0%
Financial liabilities	7,943	5,248	51.4%	250	1,541	-83.8%
Current tax payable	2	329	-99.4%	-	5	-100.0%
Provision for other liabilities and charges	1,143	1,007	13.5%	12	12	0.0%
	<u>19,177</u>	<u>14,506</u>	32.2%	<u>6,057</u>	<u>2,564</u>	136.2%
Total liabilities	<u>30,966</u>	<u>17,847</u>	73.5%	<u>6,057</u>	<u>2,821</u>	114.7%
Total equity and liabilities	<u>70,795</u>	<u>62,112</u>	14.0%	<u>58,949</u>	<u>47,552</u>	24.0%

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

Amount repayable in one year or less, or on demand

As at 30/06/2009 (\$'000)		As at 30/06/2008 (\$'000)	
Secured	Unsecured	Secured	Unsecured
7,692	250	3,742	1,500

Amount repayable after one year

As at 30/06/2009 (\$'000)		As at 30/06/2008 (\$'000)	
Secured	Unsecured	Secured	Unsecured
11,789	-	3,067	250

Details of collateral

As at balance sheet date, the total borrowings included secured liabilities of \$19,481,000 (June 2008: \$6,809,000) for the Group. Secured bank loans and lease liabilities amounted to \$19,291,000 (June 2008: \$6,433,000) 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 \$190,000 (June 2008: \$376,000) 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 12 months ended <u>30 June 2009</u> \$'000	Group 12 months ended <u>30 June 2008</u> \$'000
Operating activities		
Loss for the year	(19,950)	(448)
Adjustments for:		
- Income tax (credit)/expense	(337)	1,255
- Share option expenses	(27)	39
- Depreciation of property, plant and equipment	2,299	1,829
- Utilisation of prepayment for granite and rights of use of plant and equipment	54	-
- Loss/(Gain) on disposals of property, plant and equipment	17	(6)
- Property, plant and equipment written off	102	-
- Interest expense	343	680
- Interest income	(148)	(314)
- Impairment of plant and equipment	717	-
- Impairment of stock values	385	-
- Amount due to a former minority shareholder of a subsidiary written back	(321)	-
- Allowance/(write back) for impairment of trade and other receivables	93	(22)
- Provision for other liabilities and charges made	1,789	2,925
- Impairment of goodwill	57	-
- Share of loss of associate, net of tax	7,853	5,791
- Gain on disposals of shares in an associate	-	(9,563)
- Gain on liquidation of financial asset	-	(1,196)
Operating cash flow before working capital changes	<u>(7,074)</u>	<u>970</u>

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2009

	Group 12 months ended <u>30 June 2009</u> \$'000	Group 12 months ended <u>30 June 2008</u> \$'000
Changes in working capital:		
- Properties held for sale	208	397
- Inventories	3,912	1,121
- Trade and other receivables	1,829	(2,400)
- Other current assets	(2,720)	(780)
- Trade and other payables	(1,356)	(499)
- Provision for other liabilities and charges	(1,653)	(2,542)
Cash utilised in operations	(6,854)	(3,733)
Income tax paid	(282)	(58)
Cash flows used in operating activities	(7,136)	(3,791)
Investing activities		
Interest received	148	306
Purchase of property, plant and equipment	(19,353)	(392)
Prepayment for granite and rights of use of plant and equipment	(10,000)	-
Proceeds from sale of property, plant and equipment	151	67
Net proceeds from disposal of shares in an associate	-	11,247
Acquisition of remaining interests in a subsidiary from its minority shareholder	(753)	-
Acquisition of an associate	-	(8,050)
Obligations of former subsidiaries paid	-	(6)
Acquisition of a subsidiary, net of cash acquired (Note B)	-	-
Cash flows (used in)/from investing activities	(29,807)	3,172
Financing activities		
Proceeds from issuance of share capital to minority shareholder by a subsidiary	1,272	260
Net proceeds from issuance of shares	14,100	14,248
Interest paid	(326)	(589)
Changes in amount due to directors	-	(103)
Payments of finance lease liabilities	(586)	(619)
Withdrawal of deposits placed with bank as security	179	61
Changes in amount due to minority shareholders of subsidiaries	3,819	(290)
Proceed from borrowings	13,580	12,000
Repayment of borrowings	(1,814)	(11,250)
Cash flows from financing activities	30,224	13,718
Net (decrease)/increase in cash and cash equivalents	(6,719)	13,099
Cash and cash equivalents at beginning of the financial year	20,781	7,752
Effects of exchange rate changes on cash and cash equivalents	181	(70)
Cash and cash equivalents at end of the year (Note A)	14,243	20,781

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2009

Note A:

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

	Group 12 months ended <u>30 June 2009</u>	Group 12 months ended <u>30 June 2008</u>
Cash at bank and on hand	\$'000	\$'000
Short-term bank deposits	12,326	2,893
Cash and cash equivalents per Group balance sheet	<u>2,312</u>	<u>18,462</u>
Less: Deposits placed with a bank as security	14,638	21,355
Cash and cash equivalents per consolidated cash flow statement	<u>(395)</u>	<u>(574)</u>
	<u>14,243</u>	<u>20,781</u>

Note B:

The aggregate effects of disposal and acquisitions of subsidiaries on the cashflows of the Group were as follows:

	Group 30 June 2008 Acquisition	
	Recognised values	Carrying amounts in acquiree's books
<u>Identifiable assets and liabilities</u>	\$'000	\$'000
Property, plant and equipment	126	126
Inventories	54	50
Trade and other receivables	5	5
Other current assets	-	-
Cash and cash equivalents	<u>319</u>	<u>319</u>
Total assets	<u>504</u>	<u>500</u>
Trade and other payables	(3)	(3)
Borrowings	-	-
Total liabilities	<u>(3)</u>	<u>(3)</u>
Identifiable net assets	501	497
Translation reserves	11	-
Less : Minority interests	<u>(250)</u>	<u>-</u>
Identifiable net assets (disposed)/acquired	<u>262</u>	<u>497</u>
Goodwill	57	-
Less: Consideration satisfied by issue of shares	-	-
Cash considerations paid	<u>319</u>	<u>-</u>
Less: Cash and cash equivalents in subsidiaries acquired	<u>(319)</u>	<u>-</u>
Net cash outflow on acquisition	<u>-</u>	<u>-</u>

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 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	Other reserves	Accumulated losses	Total attributable to equity holders of the Company	Minority interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2007	65,806	(34)	(39,149)	26,623	3,221	29,844
Translation differences relating to financial statements of foreign subsidiaries	-	9	-	9	67	76
Effective portion of changes in fair value of cash flow hedges, net of tax	-	(6)	-	(6)	2	(4)
Net gains recognised directly in equity	-	3	-	3	69	72
Net profit/(loss) for the year	-	-	513	513	(961)	(448)
Total recognised income and expense for the year	-	3	513	516	(892)	(376)
Value of employee services received for issue of share options	-	39	-	39	-	39
Acquisition of subsidiary	-	-	-	-	250	250
Issue of shares capital to minority shareholders by a subsidiary	-	-	-	-	260	260
Issue of shares	14,509	-	-	14,509	-	14,509
Share issue expenses	(261)	-	-	(261)	-	(261)
At 30 June 2008	80,054	8	(38,636)	41,426	2,839	44,265
Translation differences relating to financial statements of foreign subsidiaries	-	892	-	892	(34)	858
Acquisition of remaining interest in a subsidiary from its former minority shareholder	-	(595)	-	(595)	(158)	(753)
Share movement in an associated company's share option reserve	-	59	-	59	-	59
Effective portion of changes in fair value of cash flow hedges, net of tax	-	5	-	5	-	5
Net gains/(losses) recognised directly in equity	-	361	-	361	(192)	169
Net loss for the year	-	-	(17,574)	(17,574)	(2,376)	(19,950)
Total recognised income and expense for the year	-	361	(17,574)	(17,213)	(2,568)	(19,781)
Value of employee services received for issue of share options	-	(27)	-	(27)	-	(27)
Issue of shares as part settlement, refer 1(d)(ii)(A)	2,000	-	-	2,000	-	2,000
Issue of shares (Rights Issue)	7,853	-	-	7,853	-	7,853
Share issue expenses	(253)	-	-	(253)	-	(253)
Issue of shares (Private placement)	4,500	-	-	4,500	-	4,500
Issue of shares capital to minority shareholders by a subsidiary	-	-	-	-	1,272	1,272
At 30 June 2009	94,154	342	(56,210)	38,286	1,543	39,829

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2009

Company	Share capital	Other reserves	Accumulated	Total
	\$'000	\$'000	losses \$'000	\$'000
At 1 July 2007	65,806	78	(43,479)	22,405
Net profit for the year	-	-	8,039	8,039
Total recognised income and expense for the year	-	-	8,039	8,039
Value of employee services received for issue of share options	-	39	-	39
Issue of shares (Rights Issue)	14,509	-	-	14,509
Share issue expense	(261)	-	-	(261)
At 30 June 2008	80,054	117	(35,440)	44,731
Net loss for the year	-	-	(5,912)	(5,912)
Total recognised income and expense for the year	-	-	(5,912)	(5,912)
Issue of shares as part settlement, refer 1(d)(ii)(A)	2,000	-	-	2,000
Value of employee services received for issue of share options	-	(27)	-	(27)
Issue of shares (Rights Issue)	7,853	-	-	7,853
Share issue expense	(253)	-	-	(253)
Issue of shares (Private Placement)	4,500	-	-	4,500
At 30 June 2009	94,154	90	(41,352)	52,892

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 year

On 12 March 2009, the Company issued 68,259,385 new ordinary shares valued at \$2 million in the issued share capital of the Company to nominee of PT Kawasan Dinamika Harmonitama ("KDH"), Mr. Zheng Zhuan Yao, as part of the settlement pursuant to the completion of Sale and Purchase and Co-operation Agreement entered into between Equation Resources Pte. Ltd., a 70% owned subsidiary and KDH.

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-underwritten rights issue of up to 529,844,255 new ordinary shares in the issued share capital of the Company (Rights Issue 2009) at an issue price of \$0.02 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 10 March 2009 issued by the Company. Net proceeds of \$7.6 million were raised from the Rights Issue.

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 (Private Placement).

The issued share capital of the Company as at 30 June 2009 comprises 1,806,716,131 (30 June 2008 : 1,256,351,254) ordinary shares.

B) Share options - Equation Executives' Share Option Scheme

As at 30 June 2009, there were ESOS outstanding for the subscription of 3,400,000 (30 June 2008: 4,400,000) 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 year.

C) Treasury shares

No treasury shares were held by the Company as at 30 June 2009 and 30 June 2008.

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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 June 2009 is 1,806,716,131 (30 June 2008: 1,256,351,254) 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 year compared with the audited financial statements for the financial year ended 30 June 2008.

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 June 2008 but are not yet effective:

- FRS 1 (revised 2008) Presentation of Financial Statements
- FRS 23 (revised 2007) Borrowing Costs
- Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation
- 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 Subsidiary,
- Amendments to FRS 102 Share-based Payment - Vesting Conditions and Cancellations
- Amendments to FRS 107 Financial Instruments: Disclosure - Improving Disclosures about Financial Instruments
- FRS 108 Operating Segments
- Improvements to FRSs 2008
- Amendments to INT FRS 109 Reassessment of Embedded Derivatives and FRS 39 Financial Instruments: Recognition and Measurement and– Embedded Derivatives
- INT FRS 113 Customer Loyalty Programmes
- INT FRS 116 Hedges of a Net Investment in a Foreign Operation
- INT FRS 117 Distributions of Non-cash Assets to Owners
- INT FRS 118 Transfer of Assets from Customers

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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	
	12 months ended 30 June 2009	12 months ended 30 June 2008
Earnings/(loss) per share		
(a) Basic (loss)/earnings per share (cents per share)	(1.28)	0.05
- Weighted average number of ordinary shares in issue for basic (loss)/earnings per share	1,372,808,922	1,071,615,596
(b) Diluted (loss)/earnings per share (cents per share)	(1.28)	0.05
- Adjusted weighted average number of ordinary shares in issue for diluted (loss)/earnings per share	1,376,208,922	1,073,555,412

**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 As at 30 June 2009	Group As at 30 June 2008	Company As at 30 June 2009	Company As at 30 June 2008
Net asset value per ordinary share based on issued share capital (cents)	2.20	3.52	2.93	3.56
The net asset value per ordinary share is computed based on 1,806,716,131 (30 June 2008: 1,256,351,254) ordinary shares.				

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 (FY 2009 versus FY 2008)

The ongoing economic meltdown continued to adversely affect the Group's businesses in FY2009. The weak commodity prices have resulted in lower trading activities for the recycling/e-waste business, whereas sales volume from consumer electronic products segment were affected by the global recession and weakening consumer sentiments and spendings. In addition, the Group begun a new business in supplying and trading of construction materials since second quarter of FY2009, which help to contribute a new revenue stream for the Group.

(i) Revenue

The Group's revenue decreased \$10.9 million (22.3%) from \$48.8 million (FY 2008) to \$37.9 million (FY 2009). The breakdown of revenue between the two financial years are represented below:

	Group		Group	
	12 months ended 30 June 2009	% to total revenue	12 months ended 30 June 2008	% to total revenue
	\$'000		\$'000	
Consumer electronic products	22,569	59.6%	28,290	58.0%
Supply of construction materials	8,531	22.5%	-	0.0%
Recycling	6,106	16.1%	19,967	40.9%
Property investment and development	288	0.8%	432	0.9%
Others	382	1.0%	85	0.2%
	<u>37,876</u>	<u>100.0%</u>	<u>48,774</u>	<u>100.0%</u>

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(ii) Cost of sales and gross profits

Total cost of sales decreased \$6.4 million (17.0%) from \$37.2 million (FY2008) to \$30.8 million (FY 2009), due to the decrease of revenue of the Group.

Gross profit decreased \$4.6 million (39.5%) from \$11.6 million (FY 2008) to \$7.0 million (FY 2009), primarily due to the drop in revenue across the business segment except for the supply of construction material business. Gross profit in the recycling/e-waste segment remained weak as a result of continued deterioration in the commodity prices.

Gross profit margin dropped 5.2% from 23.8% (FY 2008) to 18.6% (FY 2009) due mainly to lower gross profit margin from recycling/e-waste segment and provision made for impairment of stock value in the recycling/e-waste business.

(iii) Other income

Other income decreased \$10.4 million from \$11.8 million (FY 2008) to \$1.4 million (FY 2009), largely due to a \$9.6 million net gain from the disposal of 150 million shares in our associate, Centillion Recycling & Environment Limited ("**Centillion**") and \$1.2 million gain on realisation of investment in a deconsolidated subsidiary, Xiamen Xiangyu Presto Trading Ltd recognised in FY 2008.

(iv) Distribution expenses

Distribution expenses decreased \$0.5 million (5.6%) from \$9.5 million (FY 2008) to \$9.0 million (FY 2009), mainly due to lower aftersales related expenses (\$0.2 million) in the consumer electronic products segment and lower staff cost (\$0.5 million) in the e-waste/recycling segment offset by expenses (\$0.2 million) incurred in the supplying and trading of construction materials segment.

(v) Administrative expenses

Administrative expenses increased \$2.6 million (39.5%) from \$6.5 million (FY 2008) to \$9.1 million (FY 2009) largely due to higher depreciation (\$0.5 million), rental expenses (\$0.7 million), freight charges (\$0.9 million) and professional fees (\$0.1 million).

(vi) Other expenses

Other expenses increased \$2.0 million (86.7%) from \$0.7 million (FY 2008) to \$2.7 million (FY 2009) mainly due to expenses (\$0.4 million) incurred for rescue efforts during barges accidents, impairment of plant and equipment (\$0.7 million) due to lower carrying amount, losses in fire for impaired stock value (\$0.6 million) during February 2009 and an one-off recycling/e-waste contract losses (\$0.4 million) due to incomplete projects offset by decrease in finance expense (\$0.3 million) as a result of the absence of prepayment charges as compared to the previous year.

(vii) Income tax credit

Tax expense is lower mainly due to deferred tax assets recognised by one of the subsidiary.

(viii) Share of loss of associate

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

(ix) Overall results

For FY2009, the Group registered a loss before taxation and minority interests of \$20.3 million (FY 2008: \$0.8 million). The decrease was mainly due to drop in revenue as well as gross profit margin which resulted an operating losses amounting to \$10.7 million across all the business segments. In addition to that, the Group also incurred an additional one-off expenses of \$3.1 million as compared to the previous year. Share of losses in associate, Centillion amounted to \$7.9 million offset with lower other income of \$1.4 million during the year.

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2009

(B) Balance sheet

Total assets of the Group increased \$8.7 million from \$62.1 million as at 30 June 2008 to \$70.8 million as at 30 June 2009, mainly due to the following:

- i) Property, plant and equipment increased \$16.1 million from \$10.5 million as at 30 June 2008 to \$26.6 million as at 30 June 2009, mainly due to new capital expenditure of \$19.3 million mainly comprised of 6 barges amounted to \$18.7 million offset by depreciation charge of \$2.3 million;
 - ii) Intangibles assets decrease \$57,000 due to goodwill written off;
 - iii) Decrease in the carrying amount of investment in Centillion of \$7.1 million due to share of losses in Centillion of \$7.8 million offset by \$0.7 million increase in share of Centillion's foreign currency translation and other reserves;
 - iv) Other non-current asset increased \$10.0 million as a result of prepayment made for (1) the rights on use of plant and machinery for exploration and exploitation of land and extraction of granite; and (2) the rights, interest in and ownership of granite in Indonesia pursuant to the Sale and Purchase and Co-operation Agreement ("Agreement") entered into with PT Kawasan Dinamika Harmonitama ("KDH") on 5 February 2009;
 - v) Inventories decreased \$4.3 million from \$7.8 million as at 30 June 2008 to \$3.5 million as at 30 June 2009, mainly due to sales of goods, impaired value of goods damaged in fire (\$0.6 million) and provision made for impairment of stock values (\$0.4 million) during the financial year;
 - vi) Properties held for sales decreased \$0.2 million from \$0.4 million as at 30 June 2008 to \$0.2 million as at 30 June 2009, due to sales of car parks under property investment and development segment;
 - vii) Trade and other receivables decreased \$1.9 million from \$9.1 million as at 30 June 2008 to \$7.2 million as at 30 June 2009, mainly due to the following:
 - Recovery of \$1.2 million outstanding as at 30 June 2008 in relation to the liquidation of our investment in a deconsolidated subsidiary, Xiamen Xiangyu Presto Trading Ltd;
 - Lower trade receivables from e-waste/recycling segment and electronic consumer products segment as a result of lower revenue but offset with new trade receivables from the construction materials business segment started since second quarter of FY 2009;
 - viii) Other current assets increased \$2.7 million from \$1.5 million as at 30 June 2008 to \$4.2 million as at 30 June 2009, mainly due to the following:
 - Deposits of \$1.7 million paid for a potential investment;
 - Recoverable of \$0.2 million mainly pertaining for cost incurred in a recovery effort for barge during accidents on sea;
 - Prepayments of \$1.1 million relating to operating expenses and offset by;
 - Decrease in deposits for trade purchases of \$0.6 million;
 - ix) Decrease in cash and cash equivalents of \$6.6 million (refer to explanation on "Cashflow" below).
- Total liabilities of the Group increased \$13.2 million from \$17.8 million as at 30 June 2008 to \$31.0 million as at 30 June 2009, mainly due to the following:
- i) Trade and other payables increased \$2.2 million from \$7.9 million to \$10.1 million, as a result of:
 - Increase in amount due to minority shareholder of subsidiary by \$3.8 million and offset by;
 - Lower purchases from suppliers, in line with the decrease in business activities;
 - Decrease in amount due to associate by \$0.3 million;
 - ii) Borrowings increased \$11.2 million from \$8.5 million as at 30 June 2008 to \$19.7 million as at 30 June 2009, due to new \$13.6 million secured bank loans obtained during the financial year offset by repayment of borrowings and lease liabilities amounting to \$2.4 million; and

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2009

(C) Cash Flow

Cash and cash equivalents (net of deposits placed with a bank as security) decreased by approximately \$6.6 million from \$20.8 million as at 30 June 2008 to \$14.2 million as at 30 June 2009.

The funds have been generated/utilised as follows:

- i) Repayment of bank borrowings and lease liabilities of \$2.4 million;
- ii) New capital expenditure of \$19.3 million comprised of 6 barges (\$18.7 million), motor vehicles and renovation costs incurred for new office premises;
- iii) Acquisition of remaining interests in a subsidiary from its minority shareholder for \$0.8 million;
- iv) Prepayment of \$10.0 million for the rights, interest in and ownership of granite and plant and machinery pursuant to the Agreement ;
- v) Net proceeds from Rights Issue of \$7.6 million;
- v) Proceeds from issuance of new shares of \$6.5 million;
- vii) Proceeds from new bank borrowings of \$13.6 million;
- viii) Loan from minority shareholder of a subsidiary of \$3.8 million and;
- ix) For operational and general working capital purposes of \$5.6 million.

Use of Right Issue Proceeds

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 (“Feb 08 Rights Issue”). Net proceeds of \$14.3 million were raised from the Feb 08 Rights Issue. Since the close of the Feb 08 Rights Issue until 30 June 2009, the Company has fully utilised the proceeds from the Feb 08 Rights Issue for general working capital and for other acquisitions and/or investments by the Company in accordance to the intended use as disclosed in Offer Information Statement dated 21 January 2008. Utilisation/disbursements of fund were announced on 27 August 2008, 10 October 2008, 13 November 2008, 3 December 2008, 20 January 2009, 5 February 2009, 12 February 2009 and 4 May 2009 and shown below:

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-underwritten 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 Feb 08 Rights Issue until 30 June 2009, the Company has utilised an aggregate of \$3.7 million of the proceeds from the Apr 09 Rights Issue for general working capital, business expansion and for other acquisitions and/or investments by the Company in accordance to the intended use as disclosed in Offer Information Statement dated 10 March 2009.

	30 June 2009	
	Feb 08 Rights Issue \$'000	Apr 09 Rights Issue \$'000
Purchase of rights, interest in and ownership of granite and use of plant and machinery per Agreement	6,450	-
Downpayment on purchase of barges	320	-
Acquisition of remaining interests in a subsidiary from its minority shareholder	840	
Additional investment in subsidiaries	2,387	749
Share issue expenses	231	22
Loan to associate	-	500
Working capital	4,021	2,440
	14,249	3,711

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 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 effect the group in the next reporting period and the next 12 months.

The Group continue to face challenges ahead in the current market environment, there is still much uncertainty over the timing and shape of recovery of the global economy, the prolonged financial crisis had weaken demand for consumer goods and mark down commodity prices which had dampened growth prospects in the consumer electronic products and recycling/e-waste segments of the Group.

During 2QFY2009, the Group begun supplying and trading of construction materials through its 70% owned subsidiary, Equation Resources Pte. Ltd. ("ERPL") which had so far generated total revenue of \$8.5 million for FY2009.

On 6 April 2009, the Group incorporated a subsidiary, Equation Energy Pte Ltd ("EEPL") and subsequently on 4 May 2009, entered into joint venture agreement with two non-related parties in EEPL to provide energy audit and management, marketing of environmental-friendly systems and professional engineering consultancy for properties and buildings.

On 2 July 2009, the Group entered into a conditional sale and purchase agreement to acquire the entire issued and paid up share capital of Ternary Technologies Pte. Ltd. ("Ternary"). Ternary is currently engaged in the Electronic Manufacturing Services business ("EMS Business") and has acquired an exclusive, worldwide licence right to exploit commercialising the patent on anti-theft technology for digital electronic products (the "Anti-Theft Technology"). The Anti-Theft Technology primarily serves to safeguard retailers and manufacturers of digital electronic products against robbery and theft and facilitates lower packaging costs in connection with the production, sales, transportation and storage of these products. The acquisition is pending for shareholder's approval in an upcoming Extraordinary General Meeting.

On 3 July 2009, the Group entered into a Joint Venture and Shareholders' agreement with three non-related parties and a minority shareholder of ERPL in Weekly Marine Services Pte. Ltd. ("WMPL") for 51% of its issued share capital, WMPL provide marine services includes rental of crane barges, discharging equipment, stevedoring, dumping and discharging of sea sand.

The Group will continue its focus on strengthening the performance of its existing businesses while pursuing other strategic opportunities in achieving its objective of maximising long-term shareholder value.

11. Dividend

(a) Current financial period reported on

No dividend has been declared for the financial year 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.

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2009

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.

(a) <u>Primary reporting format - Business Segments</u> <u>Financial year ended 30 June 2009</u>	Property investment and development \$'000	<u>Recycling</u> \$'000	Consumer electronic products \$'000	Supply of construction materials \$'000	Investment holding and others \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
<u>Revenue and expenses</u>							
- Total external sales	288	6,106	22,569	8,531	382	-	37,876
- Inter-segment sales	-	75	-	-	502	(577)	-
Total	<u>288</u>	<u>6,181</u>	<u>22,569</u>	<u>8,531</u>	<u>884</u>	<u>(577)</u>	<u>37,876</u>
Segment results	158	(6,628)	(963)	(820)	(3,261)	(577)	(12,091)
Finance expense							(343)
Share of loss of an associate	-	(7,853)	-	-	-		(7,853)
Profit before taxation							(20,287)
Income tax expense							337
Loss for the year							<u>(19,950)</u>
<u>Assets and liabilities</u>							
Segment assets	6,021	9,575	9,355	34,666	38,379	(31,413)	66,583
Associate		4,212					4,212
Total assets							<u>70,795</u>
Segment liabilities	(5,445)	(6,456)	(7,349)	(18,969)	(5,901)	32,887	(11,233)
Unallocated liabilities							(19,733)
Total liabilities							<u>(30,966)</u>
<u>Other segment items</u>							
Capital expenditure - property, plant and equipment	-	12	94	18,747	500	-	19,353
Depreciation	1	1,796	108	138	256	-	2,299

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2009

<u>Financial year ended 30 June 2008</u>	<u>Property investment and development</u> \$'000	<u>Recycling</u> \$'000	<u>Consumer electronic products</u> \$'000	<u>Investment holding and others</u> \$'000	<u>Elimination</u> \$'000	<u>Total</u> \$'000
<u>Revenue and expenses</u>						
- Total external sales	432	19,967	28,290	85	-	48,774
- Inter-segment sales	-	-	21	300	(321)	-
Total	<u>432</u>	<u>19,967</u>	<u>28,311</u>	<u>385</u>	<u>(321)</u>	<u>48,774</u>
Segment results	(136)	(1,018)	841	7,912	(321)	7,278
Finance expense						(680)
Share of loss of an associate	-	(5,791)	-	-		(5,791)
Profit before taxation						807
Income tax expense						(1,255)
Loss for the year						<u>(448)</u>
<u>Assets and liabilities</u>						
Segment assets	5,721	18,046	12,447	27,150	(12,557)	50,807
Associate		11,305				11,305
Total assets						<u>62,112</u>
Segment liabilities	(5,675)	(7,168)	(9,095)	(1,043)	14,052	(8,929)
Unallocated liabilities						(8,918)
Total liabilities						<u>(17,847)</u>
<u>Other segment items</u>						
Capital expenditure - property, plant and equipment	2	74	160	357	-	593
Depreciation	1	1,595	113	120	-	1,829

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2009

**(b) Secondary reporting format -
Geographical Segments**

	<u>Total sales</u>	
	2009	2008
	\$'000	\$'000
ASEAN	10,869	4,809
North Asia	4,438	15,675
Europe	22,569	28,290
Total	<u>37,876</u>	<u>48,774</u>
	<u>Total consolidated</u>	
	<u>assets</u>	
	2009	2008
	\$'000	\$'000
ASEAN	56,218	32,660
North Asia	1,010	5,721
Europe	9,355	12,426
	<u>66,583</u>	<u>50,807</u>
Associate	4,212	11,305
	<u>70,795</u>	<u>62,112</u>
	<u>Total consolidated</u>	
	<u>capital expenditure</u>	
	2009	2008
	\$'000	\$'000
ASEAN	19,259	431
North Asia	-	2
Europe	94	160
Total	<u>19,353</u>	<u>593</u>

Full Year Financial Statement and Dividend Announcement for the Year Ended 30 June 2009**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.**

Please refer to item 8 and 13 above.

15. A breakdown of sales as follows:-

	Latest Financial Year \$'000 Group	Previous Financial Year \$'000 Group	% Increase/ (decrease) Group
a) Sales reported for first half year	17,552	24,833	-29.3%
b) (Loss)/Gain after tax but before deducting minority interests reported for first half year	(12,556)	5,322	-335.9%
c) Sales reported for second half year	20,324	23,941	-15.1%
d) Loss after tax but before deducting minority interests reported for second half year	(7,394)	(5,770)	28.1%

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 June 2009

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

BY ORDER OF THE BOARD

HENG LEE SENG
Director
27 August 2009