

**CIRCULAR DATED 8 OCTOBER 2014**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Circular is issued by Equation Corp Limited (“**Company**”).

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depository (Pte) Ltd (“**CDP**”), you need not forward this Circular to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or the transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Your attention is drawn to page 21 of this Circular in respect of actions to be taken if you wish to attend and vote at the Extraordinary General Meeting.

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

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (“**Sponsor**”), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Circular. The contact person for the Sponsor is Mr. Ong Hwee Li (Telephone: 65 6221 5590) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.



(Incorporated in the Republic of Singapore)  
(Company Registration Number: 197501110N)

## **CIRCULAR TO SHAREHOLDERS**

in relation to

- 1. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- 2. THE PROPOSED CHANGE OF NAME TO “EQUATION SUMMIT LIMITED”.**

### **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	28 October 2014, at 11:30 a.m.
Date and time of Extraordinary General Meeting	:	30 October 2014, at 11:30 a.m. (or as soon thereafter immediately following the conclusion or adjournment of the 38th Annual General Meeting of the Company to be held at 10:30 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	2 Bukit Merah Central Podium Block, Level 3, Room P303 Singapore 159835

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## DEFINITIONS

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

<b>“ACRA”</b>	:	The Accounting and Corporate Regulatory Authority of Singapore
<b>“Act”</b>	:	The Companies Act (Cap. 50) of Singapore as amended or modified from time to time
<b>“AGM”</b>	:	Annual general meeting
<b>“Articles”</b>	:	The Articles of Association of the Company
<b>“Associated Company”</b>	:	A company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company or the Group and over which the Company has control
<b>“Board”</b>	:	The board of Directors of the Company from time to time
<b>“Catalist”</b>	:	The sponsor-supervised listing platform of the SGX-ST
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular to Shareholders dated 8 October 2014
<b>“Company”</b>	:	Equation Corp Limited
<b>“Controlling Shareholder”</b>	:	A person who:  (a) holds directly or indirectly fifteen per cent. (15%) or more of the nominal amount of all voting shares in the Company; or  (b) in fact exercises control over the Company
<b>“Director”</b>	:	A director of the Company (whether executive or non-executive) as at the date of this Circular and the term <b>“Directors”</b> shall be construed accordingly
<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be held on 30 October 2014, at 11:30 a.m. (or as soon thereafter immediately following the conclusion or adjournment of the 38th Annual General Meeting of the Company to be held at 10:30 a.m. on the same day and at the same place), notice of which is set out on pages 23 to 25 of this Circular
<b>“EPS”</b>	:	Earnings per Share
<b>“Group”</b>	:	The Company and its subsidiaries

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## DEFINITIONS

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<b>“Latest Practicable Date”</b>	:	24 September 2014, being the latest practicable date prior to the printing of this Circular
<b>“Market Day”</b>	:	A day on which SGX-ST is open for securities trading
<b>“Market Purchase”</b>	:	An on-market purchase of Shares by the Company effected on Catalist through one or more duly licensed stockbrokers or dealers appointed by the Company for the purpose
<b>“Memorandum”</b>	:	The Memorandum of Association of the Company
<b>“Non-Executive Director”</b>	:	A director (including an independent director) who does not perform any executive function in the Company or its subsidiaries
<b>“Notice of EGM”</b>	:	The notice of the EGM as set out on pages 23 to 25 of this Circular
<b>“NTA”</b>	:	Net tangible assets
<b>“Off-Market Purchase”</b>	:	An off-market purchase of Shares by the Company, otherwise than on a stock exchange, in accordance with an equal access scheme
<b>“Ordinary Resolution”</b>	:	The ordinary resolution (Resolution 1) as set out in the Notice of EGM
<b>“Proposed Change of Name”</b>	:	The proposed change of name of the Company from Equation Corp Limited to “Equation Summit Limited”
<b>“Proxy Form”</b>	:	The proxy form in respect of the EGM as set out in this Circular
<b>“Resolutions”</b>	:	The resolutions as set out in the Notice of EGM
<b>“Rules of Catalist”</b>	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended or modified from time to time
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons to whose direct securities accounts maintained with CDP are credited with the Shares and any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders’ Securities Accounts
<b>“Share(s)”</b>	:	Ordinary share(s) in the capital of the Company

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## DEFINITIONS

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“Share Purchase”	:	A purchase of Shares by the Company pursuant to the Share Purchase Mandate
“Share Purchase Mandate”	:	A general mandate given by the Shareholders at a general meeting of the Company, authorising the Directors to purchase Shares or otherwise acquire its issued Shares
“Special Resolution”	:	The special resolution (Resolution 2) as set out in the Notice of EGM
“Sponsor”	:	SAC Capital Private Limited, being the continuing sponsor of the Company
“Substantial Shareholder”	:	A person who has an interest in not less than five per cent. (5%) of all the issued voting Shares
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers
“treasury shares”	:	Has the meaning ascribed to it in Section 4 of the Act
“S\$” or “cents”	:	Singapore dollars and cents respectively
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Act or any statutory modification thereof, as the case may be.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Act.

Words importing the singular shall, where applicable, include the *plural* and *vice versa*, and words importing the one gender shall, where applicable, include all other and neuter genders. References to natural persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act or the Rules of Catalist or any statutory modification thereof and used in this Circular shall, unless otherwise provided, have the meaning ascribed to it under the Act or the Rules of Catalist or such modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

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## LETTER TO SHAREHOLDERS

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### EQUATION CORP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 197501110N)

#### Board of Directors:

Toh Hock Ghim (Non-Executive Chairman and Independent Director)  
Chng Weng Wah (Chief Executive Officer and Executive Director)  
Kan Ah Chye (Independent Director)  
Lau Kay Heng (Independent Director)

#### Registered Office:

50 Raffles Place  
#25-03 Singapore Land Tower  
Singapore 048623

8 October 2014

To: The Shareholders of Equation Corp Limited (“**Company**”)

Dear Sir/Madam,

- (1) **THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- (2) **THE PROPOSED CHANGE OF NAME OF THE COMPANY TO “EQUATION SUMMIT LIMITED”**

#### 1. BACKGROUND

##### 1.1 The Proposed Renewal of the Share Purchase Mandate

At the Company’s extraordinary general meeting held on 30 October 2013 (“**2013 EGM**”), the Shareholders approved, *inter alia*, the renewal of the Share Purchase Mandate which was first approved by the Shareholders on 31 October 2008.

The Share Purchase Mandate will expire on the date of the forthcoming AGM of the Company, which is scheduled to be held on 30 October 2014 (“**2014 AGM**”). Accordingly, the Company is proposing to seek Shareholders’ approval for the renewal of the Share Purchase Mandate at the EGM immediately following the 2014 AGM.

If approved at the EGM, the authority conferred by the Share Purchase Mandate will continue in force until the date the next AGM of the Company is held or is required by law to be held, whichever is earlier (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in a general meeting.

The Company has not undertaken any purchase or acquisition of Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2013 EGM up to the Latest Practicable Date.

More details on the proposed renewal of the Share Purchase Mandate are set out in paragraph 2 below, of this Circular.

The resolution to approve the proposed renewal of the Share Purchase Mandate is set out in Ordinary Resolution No. 1 in the Notice of EGM.

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## LETTER TO SHAREHOLDERS

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### 1.2 The Proposed Change of Name

The Directors have proposed that the name of the Company be changed from “Equation Corp Limited” to “Equation Summit Limited”.

More details on the Proposed Change of Name are set out in paragraph 3 below, of this Circular.

The resolution to approve the Proposed Change of Name is set out in Special Resolution No. 2 in the Notice of EGM.

### 1.3 Circular

The purpose of this Circular is to explain the rationale for, and to provide Shareholders with relevant information relating to the proposed renewal of the Share Purchase Mandate and the Proposed Change of Name.

## 2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

### 2.1 Rationale for the Share Purchase Mandate

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) In managing the business of the Group, the Directors strive to increase Shareholders’ value by improving, *inter alia*, the return on equity of the Group. Share purchase is one of the ways through which the return on equity of the Group can be enhanced.
- (b) Share purchase or acquisitions are an efficient, expedient and cost-efficient way for the Company to return surplus cash which is in excess of the capital requirements and possible investment needs of the Group to the Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company’s share capital structure, cash reserves and its dividend policy.
- (c) Share repurchase or acquisitions also help buffer short-term share price volatility and offset the effects of short-term speculators and investors and, in turn, bolster Shareholder confidence and employee morale.
- (d) Repurchased Shares which are held in treasury may be transferred for the purposes of or pursuant to employees’ share schemes as may be implemented by the Company.

The Share Purchase Mandate would afford the Company the flexibility to undertake share purchase or acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. The purchase or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, enhance the EPS of the Company, and will only be made when the Directors believe that such purchase or acquisitions would benefit the Company and its Shareholders and in circumstances which would not have a material adverse effect on the financial position of the Company.



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## LETTER TO SHAREHOLDERS

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While the proposed renewal of the Share Purchase Mandate would authorise a purchase or acquisition of Shares by the Company up to the 10% limit described in paragraph 2.2(a) below, Shareholders should note that the purchase or acquisition of Shares pursuant to the Share Purchase Mandate might not be carried out by the Company to the full 10% limit as authorised.

### 2.2 Authority and Limits of the Share Purchase Mandate

The terms of the Share Purchase Mandate, if renewed at the EGM, are substantially the same as previously approved by Shareholders at the 2013 EGM. The authority for and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate are as follows:

(a) **Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares of the Company, ascertained as at the date of the general meeting at which the Share Purchase Mandate is approved, i.e. the date of the EGM, unless:

- (i) the Company has, at any time during the period commencing from the date on which the last AGM of the Company was held or if no such meeting was held, the date it was required by law to be held before the resolution for the Share Purchase Mandate is passed, and expiring on the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier, after the resolution for the Share Purchase Mandate is passed (“**Relevant Period**”), reduced its share capital by a special resolution under Section 78B or 78C of the Act; or
- (ii) the High Court of the Republic of Singapore has, at any time during the Relevant Period, made an order under Section 78I of the Act confirming the reduction of share capital of the Company.

Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only, based on the issued and paid-up share capital of the Company as at the Latest Practicable Date, comprising 4,913,729,645 Shares, and assuming that no further Shares are issued on or prior to the date of the EGM, not more than 491,372,964 Shares (representing ten per cent. (10%) of the total number of issued Shares of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

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## LETTER TO SHAREHOLDERS

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(b) **Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the EGM, at which the proposed renewal of the Share Purchase Mandate is approved, up to the earlier of:

- (i) the date on which the next AGM is held or required by law to be held; or
- (ii) the date on which the aggregate purchases or acquisition of the Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated as described in paragraph 2.2(a) above; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied,

whichever is the earliest.

(c) **Solvency**

Purchases or acquisitions of Shares may only be made if the Company is solvent.

The Company is considered solvent if:

- (i) the Company is able to pay its debts in full at the time of the payment for the purchase or acquisition of the Shares and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of the payment, and
- (ii) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase or acquisition become less than the value of its liabilities (including contingent liabilities).

(d) **Manner of Share Purchase or Acquisition of Shares**

Purchases or acquisitions of Shares may be made by way of:

- (i) Market Purchases, and/or
- (ii) Off-Market Purchases.

For Off-Market Purchases, the Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Rules of Catalist and the Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Such scheme or schemes must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

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## LETTER TO SHAREHOLDERS

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- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (i) terms and conditions of the offer;
- (ii) period and procedures for acceptances;
- (iii) the reasons for the proposed Share purchase or acquisition;
- (iv) the consequences, if any, of Share purchases or acquisitions by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the Share purchase or acquisition, if made, would have any effect on the listing of the Shares on Catalist;
- (vi) details of any Share purchases or acquisitions made by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased or acquired, the purchase or acquisition price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(e) **Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid by the Company for the Shares as determined by the Directors ("**Maximum Price**" in each case below) must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares, and
- (ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares,

in either case, excluding related expenses of the purchase or acquisition.

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## LETTER TO SHAREHOLDERS

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For the above purposes:

“**Average Closing Price**” means the average of the last dealt prices (excluding any transaction that the SGX-ST requires to be excluded for this purpose) of a Share for the five (5) consecutive Market Days on which the Shares are transacted on Catalist, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (pursuant to an Off-Market Purchase), and deemed to be adjusted in accordance with the Rules of Catalist for any corporate action which occurs after the relevant five-day period, and

“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

### 2.3 Status of Purchased Shares

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, and which are not held as treasury shares.

### 2.4 Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Act are summarised below:

(a) **Maximum Holdings**

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

(b) **Voting and Other Rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

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## LETTER TO SHAREHOLDERS

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(c) **Disposal and Cancellation**

Where Shares are held as treasury shares, the Company may at any time, but subject always to the Take-over Code:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

### 2.5 Source of Funds

Any purchase or acquisition of Shares must be made out of the Company's profits and/or capital, and the Company may use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance such purchase or acquisition. However, in considering the option of external financing, the Directors will also consider the financial position of the Group, particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions of the Shares in circumstances that they believe will not result in any material adverse effect to the liquidity (for example, share trading volume), working capital and the overall financial position of the Group.

### 2.6 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired and the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Where the Company finances the purchase or acquisition of Shares through external borrowings, the gearing level of the Group will increase and the current ratio of the Group will decrease.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the Shares purchased or acquired by the Company are subsequently cancelled by the Company, the share capital of the Company will be correspondingly reduced.

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## LETTER TO SHAREHOLDERS

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The illustrative financial effects on the Group, based on the audited financial statements of the Group for the financial year ended 30 June 2014, are based on the assumptions set out below:

(a) **Share Purchase Mandate**

It has been assumed that the Share Purchase Mandate was effective as at the Latest Practicable Date.

(b) **Number of Shares Acquired or Purchased**

Purely for illustrative purposes, on the basis of 4,913,729,645 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued, on or prior to the EGM, the purchase by the Company of 1% of its issued Shares will result in the purchase or acquisition of 49,137,296 Shares.

(c) **Maximum Price Paid for Shares Acquired or Purchased**

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 1% of its issued Shares at the maximum price of S\$0.0067 for one (1) Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 49,137,296 Shares is S\$0.329 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 1% of its issued Shares at the maximum price of S\$0.0070 for one (1) Share (being the price equivalent to 10% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 49,137,296 Shares is S\$0.344 million.

(d) **Illustrative Financial Effects**

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.6(a) and 2.6(b) above and the following:

- (i) the purchase or acquisition of 49,137,296 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases made entirely out of capital and held in treasury; and
- (ii) the purchase or acquisition of 49,137,296 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made entirely out of capital and held in treasury,

## LETTER TO SHAREHOLDERS

the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group for the financial year ended 30 June 2014 are set out below:

### **Scenario 1**

*Market Purchases of 1% of issued Shares made entirely out of capital and held in treasury.*

S\$'000	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
Share capital	153,074	153,074	153,074	153,074
Treasury shares	–	(329)	–	(329)
Non-distributable reserves	688	688	180	180
Accumulated losses	(115,147)	(115,147)	(107,211)	(107,211)
Shareholders' fund	38,615	38,286	46,043	45,714
Non-controlling interests	(8,856)	(8,856)	–	–
Total equity	29,759	29,430	46,043	45,714
Net tangible assets	13,586	13,257	46,043	45,714
Cash and cash equivalents	8,265	7,936	6,861	6,532
Current assets	18,285	17,956	7,414	7,085
Current liabilities	8,553	8,553	3,157	3,157
Total borrowings <sup>(1)</sup>	8,732	8,732	248	248
Net loss after tax attributable to shareholders	(3,080)	(3,080)	(3,189)	(3,189)
Number of Shares ('000)	4,913,730	4,864,592	4,913,730	4,864,592
<b><u>Financial Ratios</u></b>				
NTA per share (cents)	0.28	0.27	0.94	0.94
Gearing (times) <sup>(2)</sup>	0.01	0.02	N.A. <sup>(5)</sup>	N.A. <sup>(5)</sup>
Current ratio (times) <sup>(3)</sup>	2.14	2.10	2.35	2.24
Loss per share (cents) <sup>(4)</sup>	(0.06)	(0.06)	(0.06)	(0.07)

## LETTER TO SHAREHOLDERS

### Scenario 2

*Off-Market Purchases of 1% of issued Shares made entirely out of capital and held in treasury.*

<b>S\$'000</b>	<b>Group</b>		<b>Company</b>	
	<b>Before Share Purchase</b>	<b>After Share Purchase</b>	<b>Before Share Purchase</b>	<b>After Share Purchase</b>
Share capital	153,074	153,074	153,074	153,074
Treasury shares	–	(344)	–	(344)
Non-distributable reserves	688	688	180	180
Accumulated losses	(115,147)	(115,147)	(107,211)	(107,211)
Shareholders' fund	38,615	38,271	46,043	45,699
Non-controlling interests	(8,856)	(8,856)	–	–
Total equity	29,759	29,415	46,043	45,699
Net tangible assets	13,586	13,242	46,043	45,699
Cash and cash equivalents	8,265	7,921	6,861	6,517
Current assets	18,285	17,941	7,414	7,070
Current liabilities	8,553	8,553	3,157	3,157
Total borrowings <sup>(1)</sup>	8,732	8,732	248	248
Net loss after tax attributable to shareholders	(3,080)	(3,080)	(3,189)	(3,189)
Number of Shares ('000)	4,913,730	4,864,592	4,913,730	4,864,592
<b><u>Financial Ratios</u></b>				
NTA per share (cents)	0.28	0.27	0.94	0.94
Gearing (times) <sup>(2)</sup>	0.01	0.02	N.A. <sup>(5)</sup>	N.A. <sup>(5)</sup>
Current ratio (times) <sup>(3)</sup>	2.14	2.10	2.35	2.24
Loss per share (cents) <sup>(4)</sup>	(0.06)	(0.06)	(0.06)	(0.07)

**Notes:**

- (1) Total borrowings comprise of liabilities arising from borrowings from banks and other financial institutions and outstanding debt securities.
- (2) Gearing is computed based on the ratio of total borrowings after deducting cash and cash equivalents to Shareholders' funds.
- (3) Current ratio is derived based on current assets over current liabilities.
- (4) Loss per share is derived based on net loss after tax attributable to shareholders over number of shares.
- (5) Not applicable.



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## LETTER TO SHAREHOLDERS

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**SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE FOR ILLUSTRATIVE PURPOSES ONLY (BASED ON THE ABOVEMENTIONED ASSUMPTIONS). Although the proposed renewal of the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury. Shareholders should note that the above analysis is based on the audited financial statements of the Group for the financial year ended 30 June 2014 and is not necessarily representative of future financial performance.**

### **2.7 Tax Implications**

Pursuant to Section 10J of the Income Tax Act (Cap. 134) of Singapore, where a company buys back its own shares and makes payment out of contributed capital, it will not be regarded as a payment of dividend. Where a company buys back its own shares using its distributable profits, it is deemed as having paid a dividend to the shareholders from whom the shares are purchased or acquired.

**Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional tax advisers.**

### **2.8 Reporting Requirements under the Act**

Within thirty (30) days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the ACRA. Within thirty (30) days of a purchase of Shares on Catalist or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including *inter alia*, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

### **2.9 Rules of Catalist**

The Rules of Catalist require a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed, is at all times held by the public. The "public", as defined under the Rules of Catalist, are persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the associates of such persons. As at the Latest Practicable Date, approximately 80.16% of the issued Shares are in the hands of the public. No Shares were held by the Company as treasury shares as at the Latest Practicable Date. Assuming the Company had purchased or acquired Shares from the public up to the full 10% limit pursuant to the Share Purchase Mandate on the Latest Practicable Date, the percentage of the issued Shares held by public Shareholders as at that date would approximately be 77.95%.

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## LETTER TO SHAREHOLDERS

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The Company will not undertake purchases or acquisitions of its Shares pursuant to the Share Purchase Mandate to the extent that (i) the number of Shares held by the public would fall below 10% of the total number of issued Shares, thereby affecting the listing status of the Shares on Catalist, (ii) such purchases or acquisitions would cause market illiquidity or adversely affect the orderly trading of the Shares.

### 2.10 Take-over Implications under the Take-over Code

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

#### 2.10.1 Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code unless the conditions for exemption pursuant to paragraph 3(a) of Appendix 2 of the Take-over Code are satisfied.

#### 2.10.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
  - (i) a company;
  - (ii) the parent company of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of any of (i), (ii), (iii) or (iv);
  - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
  - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;

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## LETTER TO SHAREHOLDERS

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- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (c) an individual and, *inter alia*, the close relatives thereof or any person who is accustomed to act in accordance with the instructions thereof.

The circumstances under which the Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

### 2.10.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted pursuant to paragraph 3(a) of Appendix 2 of the Take-over Code, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a takeover offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

**SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.**

### 2.10.4 Application of the Take-over Code

The number of Shares held by the Directors and Substantial Shareholders are set out in paragraph 4 below. In the event the Company purchases the maximum % of Shares permissible under the Share Purchase Mandate, the shareholdings and voting rights of:

- (a) each of the Directors and their concert parties (as defined in the Take-over Code) remain below 30%; and

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## LETTER TO SHAREHOLDERS

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- (b) the Substantial Shareholders and their concert parties (as defined in the Take-over Code) remain below 30%,

and accordingly, no mandatory take-over offer is required to be made pursuant to the Take-over Code.

The Directors are not aware of any other Shareholder who may become obligated to make a mandatory take-over offer for the Company in the event that the Company purchases or acquires the maximum number of Shares under the Share Purchase Mandate.

### **2.11 Announcement Requirements**

The Rules of Catalist specify that a listed company shall announce all purchases or acquisitions of its shares not later than 9:00 a.m. (i) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer made by the Company. Such announcement (which must be in the form of Appendix 8D to the Rules of Catalist) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

### **2.12 No Purchases during Price Sensitive Developments**

While the Rules of Catalist do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed renewal of the Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision, until the price sensitive information has been publicly announced.

In particular, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one month immediately preceding the announcement of the Company’s full-year results and the period of two weeks before the announcement of each of the first three quarters of its financial year.

### **2.13 No Previous Purchase of Shares**

The Company has not undertaken any purchase or acquisition of Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2013 EGM up to the Latest Practicable Date.

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## LETTER TO SHAREHOLDERS

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### 3. THE PROPOSED CHANGE OF NAME

#### 3.1 Rationale for the Change of Name

The Company proposes to change its name to “**Equation Summit Limited**” to better represent the Group’s current expanded corporate profile and Group structure, which now encompasses investment holdings, recycling, trading of scrap metals and electronic waste products and the sale and distribution of audio, video and electronic products as well as research and development of hardware and software. While the Group will continue to focus on and look out for opportunities to grow its various business segments, it intends to increase its involvement in the technology segment, such as research and development of hardware and software, so as to provide additional revenue streams for the Group. The Directors believe that the Proposed Change of Name will better reflect the Company’s current corporate profile and marketing direction going forward and allow the public and the Company’s business partners to identify and recognise the Company and Group under this new name. The Proposed Change of Name will not affect any of the Shareholders’ rights or the Group’s daily business operations and financial standing.

#### 3.2 Approvals

Application had been made to ACRA for the reservation of the name of “**Equation Summit Limited**” on 13 August 2014, which was approved on the same date. The proposed name has been reserved for two (2) months from 13 August 2014 and will be renewed prior to the expiry of the reservation.

The Proposed Change of Name is subject to Shareholders’ approval, and is set out in Special Resolution No. 2 in the Notice of EGM.

Subject to Shareholders’ approval and registration by ACRA, the Company shall change its name to “**Equation Summit Limited**” with effect from the issue by ACRA of the certificate confirming the incorporation of the Company under the new name. The new name “**Equation Summit Limited**” shall be substituted for “**Equation Corp Limited**” wherever the latter name appears in the Company’s Memorandum and Articles.

The Company will make an announcement when the Proposed Change of Name takes effect.

#### 3.3 Existing Share Certificates

Shareholders should note that the Proposed Change of Name does not affect the legal status of the Company. The Company will not be recalling existing share certificates. The existing share certificates of the Company bearing the current name, that is, “**Equation Corp Limited**” issued prior to the date on which the Proposed Change of Name takes effect, will continue to be *prima facie* evidence of legal title. **No further action is required to be taken on the part of the Shareholders.**

## LETTER TO SHAREHOLDERS

### 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Number of Shares comprised in outstanding options or awards granted by the Company	Total Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>		No. of Shares	% <sup>(1)</sup>
<b><u>Directors</u></b>							
Toh Hock Ghim	–	–	–	–	–	–	–
Chng Weng Wah	512,224,132	10.42	463,050,000 <sup>(2)</sup>	9.42	–	975,274,132	19.84
Kan Ah Chye	–	–	–	–	–	–	–
Lau Kay Heng	–	–	–	–	–	–	–
<b><u>Substantial Shareholder</u></b>							
Starbids Ventures Inc	–	–	463,050,000 <sup>(3)</sup>	9.42	–	463,050,000	9.42

**Notes:**

- (1) Based on 4,913,729,645 issued Shares as at the Latest Practicable Date.
- (2) This represents Mr. Chng Weng Wah's interest of 463,050,000 Shares held by his family trust, Starbids Ventures Inc.
- (3) This represents Starbids Ventures Inc's interest of 463,050,000 Shares held through Citibank Nominees Singapore Pte. Ltd.

Save for their respective interests in the Company, none of the Directors or Substantial Shareholders has any direct or indirect interest in the proposed renewal of the Share Purchase Mandate and the Proposed Change of Name.

### 5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 23 to 25 of this Circular, will be held at 2 Bukit Merah Central, Podium Block, Level 3, Room P303, Singapore 159835, on 30 October 2014, at 11:30 a.m. (or as soon thereafter immediately following the conclusion or adjournment of the 38th Annual General Meeting of the Company to be held at 10:30 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing with or without modifications, the Resolutions set out in the Notice of EGM.

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## LETTER TO SHAREHOLDERS

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### 6. DIRECTORS' RECOMMENDATION

#### 6.1 Proposed Renewal of the Share Purchase Mandate

Having considered, *inter alia*, the rationale of the proposed renewal of the Share Purchase Mandate, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate would be beneficial to, and is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution No. 1 relating to the proposed renewal of the Share Purchase Mandate as set out in the Notice of EGM (on pages 23 to 25 of this Circular).

#### 6.2 Proposed Change of Name

Having considered, *inter alia*, the rationale of the Proposed Change of Name, the Directors are of the opinion that the Proposed Change of Name would be beneficial to, and is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Special Resolution No. 2 relating to the Proposed Change of Name as set out in the Notice of EGM (on pages 23 to 25 of this Circular).

### 7. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 7.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

#### 7.2 When Depositor Regarded as Shareholder

In view of Section 130D of the Act, a Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register forty-eight (48) hours before the EGM.

Depositors who wish to attend and vote at the EGM, and whose names are shown in the records of CDP as at a time no later than forty-eight (48) hours prior to the time of the EGM, may attend as CDP's proxies. Depositors who are individuals and who wish to attend the EGM in person need not take any further action and can attend and vote at the EGM without the lodgement of any proxy form.

Individual Depositors who are unable to attend the EGM personally and wish to appoint their nominee(s) to attend, and Depositors who are not individuals, must complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event, so as to reach the registered office of the Company at 50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time fixed for the EGM.

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## LETTER TO SHAREHOLDERS

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### 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate and the Proposed Change of Name, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

### 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the principal place of business of the Company at Blk 1001, Jalan Bukit Merah, #06-11, Singapore 159455 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Memorandum and Articles of the Company; and
- (b) the annual report of the Company for the financial year ended 30 June 2014.

Yours faithfully,  
For and on behalf of the Board

Chng Weng Wah  
Executive Director



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### EQUATION CORP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 197501110N)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of the shareholders of Equation Corp Limited (“**Company**”) will be held at 2 Bukit Merah Central, Podium Block, Level 3, Room P303, Singapore 159835, on 30 October 2014, at 11:30 a.m., or as soon thereafter immediately following the conclusion or adjournment of the 38th Annual General Meeting of the Company to be held at 10:30 a.m. on the same day and at the same place, for the purpose of considering and, if thought fit, passing with or without amendments, the resolutions as set out below. All capitalised terms used in this notice which are not defined herein shall have the meanings ascribed to them in the circular dated 8 October 2014 to shareholders of the Company.

#### ORDINARY RESOLUTION:

#### 1. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

That:

- (a) for the purposes of Sections 76C and 76E of the Act, the Directors of the Company be and are hereby authorised to purchase or otherwise acquire from time to time issued ordinary shares in the capital of the Company (“**Shares**”), up to a maximum of ten per cent. (10%) of the issued ordinary share capital of the Company as at the date of the passing of this Resolution at such price or prices as may be determined by the Directors from time to time at their discretion, up to but not exceeding the Maximum Price (as hereafter defined), and such purchases and acquisitions of the Shares may be effected by way of:
- (i) On-market purchases (“**Market Purchases**”) transacted on the SGX-ST through the ready market trading system through one or more duly licensed dealers appointed by the Company for the purpose; and/or
  - (ii) Off-market purchases (“**Off-Market Purchases**”) effected otherwise than on the SGX-ST in accordance with an equal access scheme(s) available to all Shareholders, as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Rules of Catalyst.

(“**Share Purchase Mandate**”);

- (b) the Share Purchase Mandate shall, unless varied or revoked by the Company in general meeting, continue in force until the date on which the next annual general meeting of the Company is or is required by law to be held, whichever is the earlier;
- (c) in this Resolution:

“**Average Closing Price**” means the average of the last dealt prices of a Share for the five (5) consecutive Market Days on which the Shares are transacted on SGX-ST, immediately preceding the date of the Market Purchase by the Company or, as the case

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Rules of Catalist, for any corporate action that occurs after the relevant five-day period;

**“Date of the making of the offer”** means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price of an Off-Market Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

**“Market Day”** means a day on which SGX-ST is open for securities trading; and

**“Maximum Price”** in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed (i) in the case of a Market Purchase of a Share, one hundred and five per cent. (105%) of the Average Closing Price of the Shares; and (ii) in the case of an Off-Market Purchase of a Share, one hundred and ten per cent. (110%) of the Average Closing Price of the Shares; and

- (d) the Directors and each of them be authorised and empowered to complete and do and execute all such things and acts (including, without limitation, executing all such documents as may be required) as they or he may think necessary or expedient to give effect to this Resolution, with such modifications thereto (if any) as they or he shall think fit in the interests of the Company.

### **SPECIAL RESOLUTION:**

#### **2. THE PROPOSED CHANGE OF THE COMPANY’S NAME TO “EQUATION SUMMIT LIMITED”**

That:

- (a) the name of the Company be changed from “Equation Corp Limited” to “Equation Summit Limited” and that the name “Equation Summit Limited” be substituted for “Equation Corp Limited” whenever the latter name appears in the Memorandum of Association and Articles of Association of the Company; and
- (b) the Directors and each of them be authorised and empowered to complete and do and execute all such things and acts (including, without limitation, executing all such documents as may be required) as they or he may think necessary or expedient to give effect to this Resolution, with such modifications thereto (if any) as they or he shall think fit in the interests of the Company.

### **BY ORDER OF THE BOARD**

Mr. Yoo Loo Ping  
Company Secretary  
8 October 2014

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:

1. A member of the Company entitled to attend and vote at the EGM of the Company is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as percentage of the whole) to be represented by each proxy.
3. The instrument appointing a proxy or proxies must be deposited together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof must be lodged at the registered office of the Company at 50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the time appointed for the EGM.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
5. A corporation which is a member may, by resolution of its directors or other governing body, appoint such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This notice has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this notice. The contact person for the Sponsor is Mr. Ong Hwee Li (Telephone: 65 6221 5590) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

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

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## PROXY FORM

### EQUATION CORP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 197501110N)

### PROXY FORM

**IMPORTANT:**

1. For investors who have used their CPF monies to buy shares in Equation Corp Limited, this Circular is sent to them at the request of their CPF Approved Nominees, and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is therefore, not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No.\*)  
of \_\_\_\_\_ (Address)  
being a member/members of Equation Corp Limited ("**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her\*, the Chairman of the Extraordinary General Meeting ("**EGM**") as my/our\* proxy/proxies\* to vote for me/us\* on my/our\* behalf at the EGM of the Company to be held at 2 Bukit Merah Central, Podium Block, Level 3, Room P303, Singapore 159835, on 30 October 2014 at 11:30 a.m. (or as soon thereafter immediately following the conclusion or adjournment of the 38th Annual General Meeting of the Company to be held at 10:30 a.m. on the same day and at the same place) and at any adjournment or postponement thereof. I/We\* direct my/our\* proxy/proxies\* to vote for or against the Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment or postponement thereof, the proxy/proxies\* will vote or abstain from voting at his/her\* discretion.

	For <sup>(1)</sup>	Against <sup>(1)</sup>	No. of votes for <sup>(2)</sup>	No. of votes against <sup>(2)</sup>
<b>Ordinary Resolution</b>				
The Proposed Renewal of the Share Purchase Mandate <b>(Resolution 1)</b>				
<b>Special Resolution</b>				
The Proposed Change of Name of the Company to Equation Summit Limited <b>(Resolution 2)</b>				

**Notes:**

- (1) Please indicate your vote "For" or "against" with a tick within the box provided.
- (2) If you wish to exercise all your votes "For" or "Against", please indicate with a tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s)  
or, Common Seal of Corporate Shareholder

\* Delete where inapplicable

**IMPORTANT: PLEASE READ NOTES ON THE REVERSE**

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## PROXY FORM

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### Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act (Cap. 50) of Singapore, you should insert the number of Shares. If you have Shares registered in your name in the Depository Register and Shares registered in your name in the Register of Shareholders, you should insert the aggregate number of Shares entered against your name in the Depository Register and the number of Shares registered in your name in the Register of Shareholders. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A Shareholder of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his stead.
3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the time set for the EGM.
4. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney shall be notarised. The notarised letter or power of attorney together with the proxy form shall be deposited at the registered office of the Company at 50 Raffles Place, #25-03 Singapore Land Tower, Singapore 048623, failing which the instruments will be treated as invalid.
5. Where a number of proxies have been appointed, the instrument shall specify the proportion of votes as to be represented by each proxy. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or its duly appointed attorney or a duly authorised officer.
7. Where a Shareholder is a legal person, its legal representative, or such other person authorised by a resolution of its board of directors or other decision-making body, shall act as its corporate representative in attending the meeting.
8. A proxy need not be a member of the Company.
9. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him from attending and voting in person at the EGM if he is able to do so.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the Shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 8 October 2014.

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