

OFFER INFORMATION STATEMENT DATED 28 MARCH 2014

(Lodged with the Singapore Exchange Securities Trading Limited acting as agent on behalf of the Monetary Authority of Singapore on 28 March 2014)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

The Rights Shares (as defined herein) offered are issued by Equation Corp Limited ("**Company**"), an entity whose shares are listed for quotation on Catalist (as defined herein).

Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

This offer is made in or accompanied by this offer information statement ("**Offer Information Statement**"), together with copies of the Provisional Allotment Letter ("**PAL**"), the Application Form for Rights Shares and Excess Rights Shares ("**ARE**") and the Application Form for Rights Shares ("**ARS**"), which have been lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore ("**Authority**").

The lodgement of this Offer Information Statement together with copies of the PAL, the ARE and the ARS with the SGX-ST does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, or requirements in the SGX-ST's listing rules, have been complied with.

Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Information Statement. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Information Statement, including the correctness or accuracy of any of the statements or opinions made or reports contained in this Offer Information Statement. Neither the Authority nor the SGX-ST has, in any way, considered the merits of the Rights Adjustment Shares (as defined herein), the Placement Adjustment Shares (as defined herein), the Company, its subsidiaries and their securities, the Rights Issue (as defined herein), and/or the Rights Shares (as defined herein) being offered or in respect of which an invitation is made, for investment.

An application has been made for permission for, *inter alia*, the Rights Shares to be listed for quotation on Catalist. The listing and quotation notice has been obtained from the SGX-ST for the listing of and quotation for, *inter alia*, the Rights Shares on Catalist, subject to compliance with the SGX-ST's listing requirements, and is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Rights Adjustment Shares, the Placement Adjustment Shares, the Company, its subsidiaries and their securities. The Rights Shares will be admitted to Catalist after all the certificates relating thereto have been issued and the notification letters from The Central Depository (Pte) Limited ("**CDP**") have been despatched. Acceptance of applications will be conditional upon the issue and listing on Catalist of the Rights Shares. Monies paid in respect of any application accepted will be returned if the listing of the Rights Shares does not proceed.

This Offer Information Statement has been prepared solely in relation to the issue of the Rights Shares and shall not be relied upon by any other person or for any other purpose.

After the expiration of six (6) months from the date of lodgement of this Offer Information Statement, no person shall make an offer of the Rights Shares, or allot, issue or sell any Rights Shares, on the basis of this Offer Information Statement, and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any Rights Shares or the allotment, issue or sale of any Rights Shares, on the basis of this Offer Information Statement. **Your attention is drawn to the section on "Risk Factors" of this Offer Information Statement which you should review carefully.**

All the documentation relating to the Rights Issue has been seen and approved by the directors of the Company and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after making reasonable enquires and to their best knowledge and belief, there are no other facts or omission which would make any statement in this Offer Information Statement misleading.

This Offer Information Statement 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 Offer Information Statement. 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.



EQUATION CORP LIMITED

(Company Registration Number: 197501110N)

(Incorporated in the Republic of Singapore on 26 June 1975)

RENOUNCEABLE, PARTIALLY UNDERWRITTEN, RIGHTS ISSUE OF UP TO 1,168,888,259 NEW ORDINARY SHARES ("RIGHTS SHARES") IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.007 PER RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) EXISTING ORDINARY SHARES ("SHARES") OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS (AS DEFINED HEREIN) AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED ("RIGHTS ISSUE")

Manager and Underwriter of the Rights Issue



SAC CAPITAL PRIVATE LIMITED

(Company Registration Number: 200401542N)

(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last Date and Time for:

Splitting and trading of "nil-paid" Rights : 9 April 2014 at 5.00 p.m.

Acceptance, renunciation, excess application and payment* : 15 April 2014 at 5.00 p.m.

* The last date and time for acceptance and/or excess application and payment through an ATM of a Participating Bank (as defined herein) is 15 April 2014 at 9.30 p.m.

IMPORTANT NOTES

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the “Definitions” section of this Offer Information Statement.

For Entitled Depositors (which excludes Entitled Scripholders, CPFIS Members, SRS Members and investors who hold Shares through a finance company or Depository Agent), acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through CDP or by way of Electronic Application at any ATM of a Participating Bank.

For Entitled Scripholders, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through the Share Registrar of the Company, Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898.

For Entitled Shareholders who (i) hold Shares through finance companies or Depository Agents; or (ii) bought Shares under the CPF Investment Scheme – Ordinary Account (“CPFIS Members”); or (iii) bought Shares using SRS Funds (“SRS Members”), acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares must be done through their respective finance companies, Depository Agents, CPF Approved Banks or SRS Approved Banks. Such Entitled Shareholders, CPFIS Members and SRS Members are advised to provide their respective finance companies, Depository Agents, CPF Approved Banks or SRS Approved Banks, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances and (if applicable) applications for excess Rights Shares on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Share Registrar and/or the Company will be rejected.

For CPFIS Members, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares can only be made using, subject to applicable CPF rules and regulations, their CPF Funds. In the case of insufficient CPF Funds or stock limit, CPFIS Members could top up cash into their CPF Investment Accounts before instructing their respective CPF Approved Banks to accept the Rights Shares and (if applicable) apply for excess Rights Shares. CPF Funds cannot, however, be used for the purchase of the provisional allotments of Rights Shares directly from the market. Where there are any other circumstances or considerations applicable to the use of CPF funds for the subscription of entitlements, such circumstances or considerations will be disclosed in the OIS as appropriate.

For SRS Members, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares can only be made using, subject to applicable SRS rules and regulations, SRS Funds. SRS Members must instruct their respective SRS Approved Banks to accept their Rights Shares and (if applicable) apply for excess Rights Shares on their behalf in accordance with this Offer Information Statement. In the case of insufficient funds in their SRS Accounts, SRS Members may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept their Rights Shares and (if applicable) apply for excess Rights Shares. SRS Funds may not, however, be used for the purchase of the provisional allotments of Rights Shares directly from the market. SRS Members are advised to provide their respective SRS Approved Banks with the appropriate instructions early in order for their respective SRS Approved Banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date.

For renounees of Entitled Shareholders or purchasers of provisional allotment of Rights Shares traded on Catalist during the provisional allotment trading period prescribed by the SGX-ST (“Purchasers”) whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing

IMPORTANT NOTES

Date. Any acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Share Registrar and/or the Company will be rejected.

The existing Shares are listed and quoted on Catalist.

Persons wishing to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position, performance and prospects of the Group, and the rights and liabilities attaching to the Rights Shares. They should make their own independent enquiries and investigations of any bases and assumptions upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their legal, financial, tax or other professional adviser before deciding whether to acquire the Rights Shares or invest in the Company.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement in connection with the Rights Issue and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Manager, the Underwriter or the Sponsor. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Group. Neither the delivery of this Offer Information Statement nor the issue of the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority. All Entitled Shareholders and their renounees and Purchasers should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

Neither the Company, the Manager, the Underwriter nor the Sponsor is making any representation in this Offer Information Statement to any person regarding the legality of an investment in the Rights Issue, Rights Shares and/or the Shares, by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, legal or tax advice. Each prospective investor should consult his own professional or other adviser for business, legal or tax advice regarding an investment in the Rights Issue, Rights Shares and/or the Shares.

The Manager, the Underwriter and the Sponsor make no representation, warranty, or recommendation whatsoever as to the merits of the Rights Issue, the Rights Shares, the Rights Adjustment Shares, the Placement Adjustment Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or purchase the Rights Shares. Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs, appraisal and determination of the merits of investing in the Company and the Group and shall be deemed to have done so.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue and may not be relied upon by any persons (other than Entitled Shareholders and their renounees and the Purchasers) to whom it is despatched by the Company or for any other purpose.

This Offer Information Statement, the PAL, the ARE and the ARS, may not be used for the purpose of, and do not constitute an offer, invitation or solicitation to anyone in any jurisdiction or under any circumstances in which such offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

IMPORTANT NOTES

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative being complied with) by law in certain jurisdictions under the relevant securities laws of those jurisdictions. Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and observe such prohibitions and restrictions. Please refer to the section entitled “Eligibility of Shareholders to Participate in the Rights Issue” of this Offer Information Statement for further information.

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CORPORATE INFORMATION

Board of Directors	:	Chng Weng Wah (Chief Executive Officer and Executive Director) Toh Hock Ghim (Non-Executive Chairman and Independent Director) Kan Ah Chye (Independent Director) Lau Kay Heng (Independent Director)
Company Secretary	:	Joanna Lim Lan Sim Lee Wei Hsiung
Registered Office	:	80 Robinson Road #02-00 Singapore 068898
Share Registrar	:	Tricor Barbinder Share Registration Services 80 Robinson Road #02-00 Singapore 068898
Sponsor, Manager and Underwriter of the Rights Issue	:	SAC Capital Private Limited 1 Robinson Road #21-02 AIA Tower Singapore 048542
Legal Adviser to the Company in relation to the Rights Issue	:	Colin Ng & Partners LLP 36 Carpenter Street Singapore 059915
Receiving Banker	:	The Bank of East Asia, Limited 60 Robinson Road BEA Building Singapore 068892

DEFINITIONS

For the purposes of this Offer Information Statement, the PAL, the ARE and the ARS, the following terms shall, unless the context otherwise requires, have the following meanings:

“1 st Tranche”	:	An initial loan of an aggregate principal amount of S\$7,000,000, which has been granted by the Sculptor Investors to the Company in May 2012, and which is convertible into new Shares pursuant to the Sculptor Convertible Loan Agreement
“2 nd Tranche”	:	A further loan of an aggregate principal amount of S\$7,000,000, which may be granted by the Sculptor Investors to the Company pursuant to the Sculptor Convertible Loan Agreement
“6M”	:	The six (6) months financial period ended 31 December
“ARE”	:	Application and acceptance form for Rights Shares and excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application and acceptance form for Rights Shares to be issued to purchasers of the provisional allotments of Rights Shares under the Rights Issue traded on Catalist through the book-entry (scripless) settlement system
“associated company” or “associates”	:	A company in which the Company or any of its subsidiaries has at least 20% but not more than 50% of the issued share capital
“ATM”	:	Automated teller machine of a Participating Bank
“Authority”	:	The Monetary Authority of Singapore
“Board”	:	The board of Directors of the Company as at the Latest Practicable Date
“Books Closure Date”	:	5.00 p.m. on 27 March 2014 , being the time and date at and on which the Register of Members and the Share Transfer Books of the Company were closed to determine the provisional allotments of Entitled Shareholders under the Rights Issue
“Business Day”	:	Means a day (excluding Saturday, Sunday and public holidays) on which commercial banks, the SGX-ST, CDP and the Share Registrar are open for business in Singapore
“BVI”	:	British Virgin Islands
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	Section B: Rules of Catalist of the listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited

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“Centillion”	:	Centillion Environment & Recycling Limited
“Closing Date”	:	5.00 p.m. on 15 April 2014 , or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of the Rights Shares under the Rights Issue through the CDP or the Share Registrar, or 9.30 p.m. on 15 April 2014 , or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment of the Rights Shares under the Rights Issue through an ATM of a Participating Bank
“Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as may be amended and/or supplemented from time to time
“Company”	:	Equation Corp Limited
“CPF”	:	Central Provident Fund
“CPF Approved Bank”	:	Any bank appointed by the CPF Board to be an agent bank under the Central Provident Fund (Investment Schemes) Regulations
“CPF Board”	:	The board of the CPF established pursuant to the Central Provident Fund Act, Chapter 36 of Singapore
“CPF Funds”	:	The monies to the credit of the CPFIS Members’ respective CPF Investment Accounts
“CPF Investment Account”	:	Any account opened by a member of CPF with a CPF Approved Bank from which money may be withdrawn for, <i>inter alia</i> , payment for the Rights Shares pursuant to the Rights Issue
“CPFIS Members”	:	Shareholders who had bought Shares under the CPF Investment Scheme-Ordinary Account
“CWW”	:	Chng Weng Wah, being the Chief Executive Officer and Executive Director of the Company
“Directors”	:	Directors of the Company as at the Latest Practicable Date
“Disa”	:	Disa Digital Safety Pte. Ltd.
“Electronic Application”	:	Acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made through an ATM in accordance with the terms and conditions for electronic application through ATMs of Participating Banks as set out in this Offer Information Statement or on the ATM screens of the Participating Banks

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“Entitled Depositors”	:	Shareholders with Shares entered against their names in the Depository Register maintained by CDP as at the Books Closure Date and whose registered addresses with CDP were in Singapore as at the Books Closure Date or who had at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Shareholders with Shares registered in their own names in the Register of Members as at the Books Closure Date and whose registered addresses with the Company were in Singapore as at the Books Closure Date or who had at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“Ex-Rights Trading Date”	:	The date on which Shares commence trading on the SGX-ST on the basis they will not carry the right to the Rights Shares under the Rights Issue
“EPS”	:	Earnings per share
“ERPL”	:	Equation Resources Pte. Ltd.
“Foreign Shareholders”	:	Shareholders whose registered addresses with the Share Registrar or CDP are outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended or, as the case may be, ending 30 June
“Group”	:	The Company and its subsidiaries (as defined in Section 5 of the Companies Act)
“Issue Price”	:	S\$0.007 for each Rights Share
“Latest Practicable Date”	:	24 March 2014, being the latest practicable date prior to the lodgement of this Offer Information Statement with the SGX-ST
“Manager” or “SAC Capital” or “Sponsor” or “Underwriter”	:	SAC Capital Private Limited
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Maximum Base Scenario”	:	Assuming that (i) an aggregate of 743,969,320 Shares are issued and allotted pursuant to the conversion of the 1 st Tranche and the 2 nd Tranche (if and when the 2 nd Tranche is granted to the Company) in full; and (ii) 600,000 outstanding options are exercised and converted into Shares, the share capital as at the Latest Practicable Date will increase to 4,675,553,036 Shares. Based on this enlarged share capital

DEFINITIONS

		and assuming that the Rights Shares are fully subscribed for pursuant to the Rights Undertakings and by all other Entitled Shareholders, up to 1,168,888,259 Rights Shares will be issued pursuant to the Rights Issue
“Minimum Base Scenario”	:	If (i) the 1 st Tranche and the 2 nd Tranche (if and when the 2 nd Tranche is granted to the Company) is not converted into Shares; and (ii) none of the 600,000 outstanding options are exercised and converted into Shares, the share capital as at the Latest Practicable Date will remain at 3,930,983,716 Shares. Based on the share capital as at the Latest Practicable Date and assuming that the Rights Shares are fully subscribed pursuant to the Rights Undertakings and by all other Entitled Shareholders, up to 982,745,929 Rights Shares will be issued pursuant to the Rights Issue
“Minimum Subscription Scenario”	:	Assuming that only the Undertaken Rights Shares are fully subscribed for pursuant to the Rights Undertakings, the Underwritten Rights Shares are taken up by the Underwriter and none of the other Entitled Shareholders subscribe for their Rights Shares, 480,754,826 Rights Shares will be issued pursuant to the Rights Issue
“Offer Information Statement” or “OIS”	:	This offer information statement and, where the context admits, the PAL, the ARE, the ARS (as the case may be) and all accompanying documents including any supplementary or replacement document which may be issued by the Company in connection with the Rights Issue
“Offer Documents”	:	The Offer Information Statement and the official application forms to be used for the purposes of the Rights Shares to be issued together with the Offer Information Statement
“NAV”	:	Net asset value attributable to owners of the Company
“Options”	:	600,000 outstanding share options granted to employees of the Company pursuant to the Equation Share Option Scheme 1999
“p.a.”	:	Per annum
“Participating Banks”	:	DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
“Placement Adjustment Shares”	:	Up to 815,929 additional new ordinary shares in the capital of the Company arising from the adjustments made to the 1 st Tranche as a result of two (2) private placements announced on 26 February 2013
“PRC”	:	The People’s Republic of China
“Provisional Allotment Letter” or “PAL”	:	The provisional allotment letter issued to an Entitled Scripholder setting out the provisional allotment of Rights Shares of such Entitled Scripholder in connection with the Rights Issue

DEFINITIONS

“Purchasers”	:	Purchasers of the provisional allotment of Rights Shares under the Rights Issue traded on Catalist through the book-entry (scripless) settlement system
“Record Date”	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Share Registrar or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	:	Register of members of the Company
“Rights Adjustment Shares”	:	Up to 31,286,670 additional new ordinary shares in the capital of the Company arising from the adjustments made to the 1 st Tranche as a result of the Rights Issue
“Rights Issue”	:	The renounceable partially underwritten rights issue by the Company of up to 1,168,888,259 Rights Shares at an Issue Price of S\$0.007 per Rights Share, on the basis of one (1) Rights Share for every four (4) existing Shares held as at the Books Closure Date, fractional entitlements to be disregarded, on the terms and conditions of this Offer Information Statement
“Rights Shares”	:	Up to 1,168,888,259 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
“Rights Undertakings”	:	Irrevocable undertakings dated 17 February 2014 given by the Rights Undertaking Shareholders as described in Paragraph 1(f) of Part X: Additional Information Required For Offer Of Securities By Way Of Rights Issues of this Offer Information Statement and “Rights Undertaking” shall be construed accordingly
“Rights Undertaking Shareholders”	:	CWW and Starbids, collectively, and “Rights Undertaking Shareholder” shall be construed accordingly
“Sculptor Convertible Loan Agreement”	:	The convertible loan agreement entered into between the Company, Disa and the Sculptor Investors on 2 April 2012
“Sculptor Investors”	:	Sculptor Finance (MD) Ireland Limited, Sculptor Finance (AS) Ireland Limited, and Sculptor Finance (SI) Ireland Limited
“Securities Account”	:	The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as may be amended or modified from time to time
“SGXNET”	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST

DEFINITIONS

“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Tricor Barbinder Share Registration Services
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose Securities Accounts are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SRS”	:	Supplementary Retirement Scheme
“SRS Account”	:	An account opened by a participant in the SRS with an SRS Approved Bank from which money may be withdrawn for, <i>inter alia</i> , payment for the Rights Shares and/or excess Rights Shares
“SRS Approved Bank”	:	An approved bank in which SRS Members hold their accounts under the SRS
“SRS Funds”	:	Monies standing to the credit of the SRS Accounts held by SRS Members
“SRS Members”	:	Members under the SRS
“Starbids”	:	Starbids Ventures Inc., being the beneficial owner of an aggregate of 370,440,000 Shares
“Substantial Shareholder”	:	A person who has an interest in the Shares of which is not less than five per cent. (5%) of all the voting shares of the Company
“Undertaken Rights Shares”	:	The Rights Shares to be subscribed for by the Rights Undertaking Shareholders pursuant to the Rights Undertakings, comprising (i) CWW’s entitlement of 102,444,826 Rights Shares, and (ii) Starbids’ entitlement of 92,610,000 Rights Shares
“Underwritten Rights Shares”	:	Up to 285,700,000 Rights Shares to be underwritten by the Underwriter pursuant to the terms and subject to the conditions of the Underwriting Agreement
“Underwriting Agreement”	:	The management and underwriting agreement dated 24 March 2014 entered into between the Company and the Underwriter in relation to the Rights Issue
“%” or “per cent”	:	Per centum or percentage
“Euro”	:	Euro dollar
“HKD”	:	Hong Kong dollar
“S\$” and “cents”	:	Singapore dollar and cents respectively
“USD” or “US\$”	:	United States dollar

DEFINITIONS

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act. The terms “subsidiary” and “subsidiaries” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference to a time of day in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to Singapore time unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement, the PAL, the ARE or the ARS in relation to the Rights Issue (including but not limited to the Closing Date, and the last dates and times for splitting, acceptance and payment, renunciation and payment, and excess application and payment) shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the SFA, the Companies Act or the Catalist Rules or any statutory or regulatory modification thereof and used in this Offer Information Statement shall, where applicable, have the meaning assigned to it under the SFA, the Companies Act or the Catalist Rules or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Any reference to “**we**”, “**us**” and “**our**” in this Offer Information Statement is a reference to the Group or any member of the Group as the context requires.

Any reference to “**announcement**” of or by the Company in this Offer Information Statement includes announcement by the Company posted at the SGX-ST’s website at <http://www.sgx.com>.

SUMMARY OF THE RIGHTS ISSUE

The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

- Number of Rights Shares** : Based on the Maximum Base Scenario, up to 1,168,888,259 Rights Shares will be issued.
- Based on the Minimum Base Scenario, up to 982,745,929 Rights Shares will be issued.
- Based on the Minimum Subscription Scenario, 480,754,826 Rights Shares will be issued.
- Issue Price** : S\$0.007 for each Rights Share, payable in full on acceptance and/or application.
- The Issue Price represents (i) a discount of approximately 30.0% to the closing price of S\$0.010 per Share on Catalist on 14 February 2014, being the last Market Day on which the Shares were traded on Catalist immediately preceding the date of announcement in respect of the Rights Issue dated 17 February 2014; and (ii) a discount of approximately 46.2% to the closing price of S\$0.013 per Share on the Latest Practicable Date.
- Basis of Provisional Allotment** : Each Entitled Shareholder is entitled to subscribe for one (1) Rights Share for every four (4) existing Shares held by Entitled Shareholders, as at the Books Closure Date, fractional entitlements to be disregarded.
- Fractional entitlements to Rights Shares will be disregarded and will be aggregated with entitlements to the Rights Shares not taken up or allotted for any reason, and shall be used to satisfy applications for excess Rights Shares (if any) or disposal of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of any excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots and the Directors and Substantial Shareholders who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.
- Acceptance, Excess Application and Payment Procedures** : Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or, in the case of Entitled Depositors, trade their provisional allotments of the Rights Shares on Catalist during the provisional allotment trading period prescribed by the SGX-ST, and will be eligible to apply for excess Rights Shares.

SUMMARY OF THE RIGHTS ISSUE

Only Entitled Shareholders (and not the Purchasers or the renounees of Entitled Shareholders) are eligible to apply for additional Rights Shares in excess of their provisional allotments of Rights Shares under the Rights Issue.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices I to III to this Offer Information Statement and in the PAL, the ARE and the ARS.

- Status of the Rights Shares** : The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.
- Eligibility to Participate in the Rights Issue** : As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section entitled "Eligibility of Shareholders to Participate in the Rights Issue" of this Offer Information Statement for details.
- Listing of the Rights Shares** : The Company had on 19 March 2014 announced the receipt of the listing and quotation notice dated 17 March 2014 from the SGX-ST to deal in and for the listing of and quotation for, *inter alia*, the Rights Shares on Catalist, subject to compliance with the SGX-ST's listing requirements. The listing and quotation notice is not an indication of the merits of the Rights Issue, the Rights Shares, the Rights Adjustment Shares, the Placement Adjustment Shares, the Company, its subsidiaries and their securities. Neither the SGX-ST nor the Sponsor assumes any responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.
- Trading of the Rights Shares** : Upon the listing and quotation and after the issue and allotment of the Rights Shares on Catalist, the Rights Shares will be traded on Catalist under the book-entry (scripless) settlement system. For the purposes of trading on Catalist, each board lot of Shares will comprise 1,000 Shares. Please refer to the section entitled "Trading" of this Offer Information Statement for further details.
- Trading of Odd Lots of Shares** : Eligible Shareholders who hold odd lots of the Rights Shares (that is, lots other than board lots of 1,000 Shares) and who wish to trade in odd lots of Shares on Catalist should note that they will be able to trade in odd lots of Shares on the Unit Share Market of the SGX-ST. The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one (1) Share.

SUMMARY OF THE RIGHTS ISSUE

- Use of CPF Funds** : Members under the CPF Investment Scheme – Ordinary Account may use their CPF Funds for the payment of the Issue Price to subscribe for their provisional allotments of Rights Shares and/or apply for excess Rights Shares.
- Such Shareholders who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct their respective approved banks, where they hold their CPF Investment Accounts, to accept and (if applicable) apply for the Rights Shares on their behalf in accordance with the Offer Information Statement. CPF Funds may not, however, be used for the purchase of provisional allotments of Rights Shares directly from the market.
- Underwriting** : The Rights Issue is partially underwritten by SAC Capital Private Limited pursuant to the terms of the Underwriting Agreement. The Underwriter will underwrite up to 285,700,000 Rights Shares which are not taken up by the Entitled Shareholders (by accepting their provisional allotments or applying for excess Rights Shares), their renounees and the Purchasers under the Rights Issue by the Closing Date and which are not subject to the Rights Undertakings, at the Issue Price, on the terms and subject to the conditions of the Underwriting Agreement.
- The Underwritten Rights Shares represents approximately 24.44% of the total number of Rights Shares under the Rights Issue based on the Maximum Base Scenario, and 29.07% of the total number of Rights Shares under the Rights Issue based on the Minimum Base Scenario.
- For the avoidance of doubt, SAC Capital’s underwriting obligations will cease in the event that valid subscriptions and applications for 480,754,826 Rights Shares have been received by the Closing Date.
- Undertaking Shareholders** : The Rights Undertaking Shareholders have undertaken to subscribe for their entire entitlements under the Rights Issue in respect of a total of 195,054,826 Rights Shares pursuant to the Rights Undertakings. Please refer to paragraph 1(f) of Part X: Additional Information Required For Offer Of Securities By Way Of Rights Issues, of this Offer Information Statement.
- Governing Law** : Laws of the Republic of Singapore.
- Risk Factors** : Investing in the Rights Shares involves risks. Please refer to the section entitled “Risk Factors” set out in Paragraph 9 of Part V: Operating and Financial Review and Prospects of this Offer Information Statement.

EXPECTED TIMETABLE OF KEY EVENTS

The important dates and times for the Rights Issue are as follows:

Shares trade on ex-rights basis	:	25 March 2014 from 9.00 a.m.
Books Closure Date	:	27 March 2014 at 5.00 p.m.
Despatch of Offer Information Statement (together with the ARE or PAL as the case may be) to the Entitled Shareholders	:	1 April 2014
Commencement of trading of "nil-paid" rights	:	1 April 2014 from 9.00 a.m.
Last date and time for splitting rights	:	9 April 2014 at 5.00 p.m.
Last date and time for trading of "nil-paid" rights	:	9 April 2014 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares ⁽¹⁾	:	15 April 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks)
Last date and time for acceptance of and payment for Rights Shares by renounees	:	15 April 2014 at 5.00 p.m.
Last date and time for application of and payment for excess Rights Shares ⁽¹⁾	:	15 April 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications via ATM of Participating Banks)
Expected date for issuance of Rights Shares	:	23 April 2014
Expected date for crediting of Rights Shares	:	24 April 2014
Expected date for refund of unsuccessful or invalid applications (if made through CDP)	:	24 April 2014
Expected date for listing and commencement of trading of Rights Shares	:	24 April 2014

Note:

- (1) CPFIS Members, SRS Members and investors who hold Shares through a finance company and/or Depository Agent, where applicable, will receive notification letter(s) from their respective CPF Approved Banks, SRS Approved Banks, finance companies and/or Depository Agents and should refer to such notification letter(s) for details of the last date and time to submit applications to their respective CPF Approved Banks, SRS Approved Banks, finance companies and/or Depository Agents. Any acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Share Registrar and/or the Company will be rejected.

Pursuant to Rule 820(1) of the Catalist Rules, the Rights Issue will not be withdrawn after the Shares have commenced ex-rights trading. Based on the above timetable, the Shares are expected to commence ex-rights trading on 25 March 2014 from 9.00 a.m.

The above timetable is indicative only and is subject to change. As at the Latest Practicable Date, the Company does not expect the timetable to be modified. However, the Company may, upon consultation with its advisers and with the approval of the Sponsor, the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable law. In that event, the Company will publicly announce any change to the above timetable through an SGXNET announcement to be posted at the SGX-ST's website at <http://www.sgx.com>.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

1. Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the PAL or ARE, as the case may be, and other accompanying documents at their respective Singapore addresses. Entitled Depositors who do not receive the AREs may obtain them and this Offer Information Statement from CDP or the Share Registrar during the period up to the Closing Date. Entitled Scripholders who do not receive the PALs may obtain them and this Offer Information Statement from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares on the basis of their shareholdings in the Company as at the Books Closure Date. Entitled Shareholders are at liberty to accept, decline, renounce or in the case of Entitled Depositors only, trade on Catalist (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

All dealings in and transactions of the provisional allotments of Rights Shares through Catalist will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on Catalist.

Fractional entitlements to the Rights Shares, if any, will be disregarded in arriving at the Entitled Shareholders' entitlements and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy applications for excess Rights Shares (if any) or disposed or otherwise dealt with in such manner as the Directors may, in their absolute discretion deem fit in the interests of the Company.

The Rights Shares which are not otherwise taken up or allotted for any reason shall be used to satisfy applications for excess Rights Shares as the Directors may, in their absolute discretion, deem fit in the interest of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots and the Directors and Substantial Shareholders who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the application for excess Rights Shares, including the different modes of acceptances or application and payment are contained in Appendices I to III of this Offer Information Statement and in the PAL, the ARE and the ARS.

2. Foreign Shareholders

This Offer Information Statement and its accompanying documents relating to the Rights Issue have not been and will not be registered or lodged in any jurisdiction other than in Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislations applicable in countries other than in Singapore, where Shareholders may have their registered addresses, this Offer Information Statement and its accompanying documents have not been and will not be despatched to Foreign Shareholders.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application for excess Rights Shares by Foreign Shareholders will be valid.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of the Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Company reserves the right to treat as invalid any PAL or ARE or ARS which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the physical share certificate(s) or (c) purports to exclude any deemed representation or warranty. The Company further reserves the right to reject any acceptances of the Rights Shares and/or applications for excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on Catalist as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and by means of a crossed cheque drawn on a bank and sent to them by ordinary post at their own risk to their mailing address as recorded with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Underwriter, the Sponsor, the Share Registrar or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on Catalist, they will be sold at such price or prices as the Company, may in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Underwriter, the Sponsor, the Share Registrar or CDP in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be or are not sold on Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the Underwriter, the Sponsor, the Share Registrar or CDP in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulatory or legal requirements in such territories.

TRADING

1. Listing of and Quotation for the Rights Shares

The Company had on 19 March 2014 announced the receipt of the listing and quotation notice dated 17 March 2014 from the SGX-ST to deal in and for the listing of and quotation for, *inter alia*, the Rights Shares on Catalist, subject to compliance with the SGX-ST's listing requirements. The listing and quotation notice granted by the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Rights Adjustment Shares, the Placement Adjustment Shares, the Company, its subsidiaries and their securities.

The listing of the Rights Shares will commence after all the securities certificates have been issued and notification letters from CDP have been despatched. Upon listing and quotation on Catalist, the Rights Shares will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through Catalist and/or CDP shall be made in accordance with CDP's "**Terms and Conditions for Operation of Securities Accounts with CDP**" as the same may be amended from time to time. Copies of the above are available from CDP.

2. Arrangement for Scripless Trading

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept and (if applicable) apply for Rights Shares should open Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts.

Entitled Scripholders and their renounees who wish to accept the Rights Shares and/or apply for excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card ("**NRIC**")/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL.

Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical share certificates for the Rights Shares allotted to them and if applicable, the excess Rights Shares allotted to them. Such physical share certificates, if issued, will be forwarded to them by ordinary post at their own risk, but will not be valid for delivery pursuant to trades done on Catalist under the book entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder's address stated in the PAL is different from his address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical share certificate(s) or an Entitled Scripholder who has not deposited his Share certificates with CDP but wishes to trade on Catalist, must deposit his Share certificate with CDP, together with the duly executed instruments of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

3. Rights Trading Period

Entitled Depositors who wish to trade all or part of their provisional allotment of their Rights Shares on Catalist can do so for the period commencing on 1 April 2014 from 9.00 a.m. being the date and time of commencement of the Rights trading period, and ending on 9 April 2014 at 5.00 p.m. being the last date and time of the Rights trading period.

TRADING

4. Trading of “nil-paid” Rights

Shareholders who wish to trade all or part of their provisional allotments of Rights Shares on Catalist during the Rights trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 250 or 1,000 Rights Shares, or any other board lot size which the SGX-ST may require.

5. Trading of Odd Lots

Entitled Shareholders should note that the Rights Issue may result in them holding odd lots of Shares (that is, lots other than board lots of 1,000 Shares).

Shareholders should note that most counters on Catalist trade in lot sizes of 1,000 shares. Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares (that is, lots other than board lots of 1,000 Shares) and who wish to trade in odd lots of Rights Shares on Catalist should note that they will be able to do so on the Unit Share Market of the SGX-ST.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategy, plans and future prospects of the Group’s industry are forward-looking statements. These forward-looking statements, including statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual, future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks and uncertainties that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results may differ materially from those anticipated in these forward-looking statements. Neither the Company, the Manager nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be discussed in those statements.

Further, the Company, the Manager and the Underwriter of the Rights Issue disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. However, the Company may lodge a supplementary or replacement document with the SGX-ST acting as agent on behalf of the Authority, in the event, *inter alia*, it becomes aware of a new circumstance that has arisen since the lodgement of this Offer Information Statement with the SGX-ST acting as agent on behalf of the Authority that is materially adverse from the point of view of an investor. The Company is also subject to the provisions of the Catalist Rules regarding corporate disclosure.

TAKE-OVER LIMITS

The Code regulates the acquisition of ordinary shares of, *inter alia*, public companies including the Company. Unless exempted, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30% to 50% (both inclusive) of the voting rights in the Company, and acquires more than 1% of the voting rights in the Company in any six (6) months period, must extend a take-over offer for the remaining voting Shares in the Company in accordance with the provisions of the Code.

In general, the acquisition of instruments convertible into securities which carry voting rights does not give rise to an obligation to make a mandatory take-over offer under the Code but the exercise of any conversion rights will be considered an acquisition of voting rights for the purposes of the Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of the subscription of all or any of their respective entitlements of Rights Shares pursuant to the Rights Issue should consult the Securities Industry Council and/or their professional advisers immediately.

The Company may, if necessary and upon the approval of the Sponsor and/or the SGX-ST, scale down any Shareholder's application to subscribe for any excess Rights Shares to avoid placing such Shareholder in the position of incurring an obligation to make a mandatory general offer for the Shares under the Code as a result of other Shareholders not taking up their entitlements of the Rights Shares.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART II: IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.
-

Name of Director	Address
Chng Weng Wah	71Q Jalan Lim Tai See, Singapore 266284
Toh Hock Ghim	21 Jervois Road, #06-02 Jervois View, Singapore 249004
Kan Ah Chye	526 East Coast Road, #06-03, Singapore 458968
Lau Kay Heng	68 Tanah Merah Kechil Road, Singapore 466692

Advisers

2. Provide the names and addresses of:
- (a) the issue manager to the offer, if any;
 - (b) the underwriter to the offer, if any; and
 - (c) the legal adviser for or in relation to the offer, if any.
-

Manager and Underwriter of the Rights Issue	: SAC Capital Private Limited 1 Robinson Road #21-02 AIA Tower Singapore 048542
Legal Adviser to the Rights Issue	: Colin Ng & Partners LLP 36 Carpenter Street Singapore 059915

Registrars and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered where applicable.
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Share Registrar	: Tricor Barbinder Share Registration Services 80 Robinson Road #02-00 Singapore 068898
Transfer Agent	: Not applicable
Receiving Banker	: The Bank of East Asia, Limited 60 Robinson Road BEA Building Singapore 068892

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART III: OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of securities being offered.

Method of Offer	:	Renounceable and partially underwritten rights issue of Rights Shares on the basis described below
Basis of Allotment	:	One (1) Rights Share for every four (4) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
Number of Rights Shares	:	Based on the Maximum Base Scenario, up to 1,168,888,259 Rights Shares will be issued Based on the Minimum Base Scenario, up to 982,745,929 Rights Shares will be issued Based on the Minimum Subscription Scenario, 480,754,826 Rights Shares will be issued
Issue Price	:	S\$0.007 for each Rights Share

Method and Timetable

- 2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to –**
- (a) the offer procedure; and**
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**
-

Please refer to Paragraphs 3 to 7 below.

- 3. State the time at, date on, and period during which the offer will be kept open and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangement for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**
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Please refer to the section entitled “Expected Timetable of Key Events” of this Offer Information Statement.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotment of Rights Shares and for the application for excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices I to III of this Offer Information Statement and in the PAL, the ARE and the ARS.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

As at the Latest Practicable Date, the Company does not expect the timetable under the section entitled "Expected Timetable of Key Events" of this Offer Information Statement to be modified. However, the Company may, upon consultation with its advisers and with the approval of the Sponsor, the SGX-ST and/or CDP, modify the timetable subject to any limitations under any applicable laws. In that event, the Company will publicly announce the same through a SGXNET announcement to be posted on the internet at the SGX-ST's website at <http://www.sgx.com>.

4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

The Rights Shares and excess Rights Shares are payable in full upon acceptance and/or application. All payments for Rights Shares and excess Rights Shares must be made either:

- (a) by way of Electronic Application through an ATM of a Participating Bank in the case of Entitled Depositors or the Purchasers; or
- (b) if the application for Rights Shares and/or excess Rights Shares, as the case may be, is made by sending the relevant completed ARE or ARS to the CDP, then remittance must be attached to the duly completed and signed ARE or ARS, as the case may be, in Singapore Dollars in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore for the full amount payable to "**CDP – EQUATION RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**". The applicant's name and Securities Account number must be clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft; or
- (c) if the application for Rights Shares and/or excess Rights Shares is made by sending the duly completed PAL to the Share Registrar, payment for full amount due on acceptance and/or application in relation to the PALs must be made in Singapore currency in the form of a banker's draft or cashier's order drawn on a bank in Singapore and made payable to "**EQUATION RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or accepting party clearly written in block letters on the reverse side of the remittance. The completed PAL and remittance should be addressed and forwarded, at the sender's own risk, to **EQUATION CORP LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 80 ROBINSON ROAD, #02-00, SINGAPORE 068898**.

The last date and time for acceptances, application for excess Rights Shares and payment for Rights Shares and/or excess Rights Shares is on **15 April 2014 at 5.00 p.m.** through CDP or through the Share Registrar (as the case may be) or, in the case of acceptance and/or excess application and payment through an ATM of a Participating Bank, on **15 April 2014 at 9.30 p.m.**

Please refer to the section entitled "Expected Timetable of Key Events" of this Offer Information Statement for the last date and time for payment for the Rights Shares and, if applicable, excess Rights Shares. As at the Latest Practicable Date, the Company does not expect the timetable to be modified. However, the Company may, upon consultation with its advisers and with the approval of the Sponsor, the SGX-ST and/or CDP, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce any changes to the above timetable through a SGXNET announcement to be posted on the internet at the SGX-ST's website at <http://www.sgx.com>.

The detailed procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sale of the provisional allotments of Rights Shares and for the application for excess Rights Shares, including the different modes of acceptances or application and payment are contained in Appendices I to III of this Offer Information Statement and in the PAL, the ARE and the ARS.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

5. **State, where applicable, the methods of and time limits for -**
- (a) **the delivery of the documents evidencing titles to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
 - (b) **the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**
-

The Rights Shares will be provisionally allotted to the Entitled Shareholders on or about 1 April 2014 by crediting the provisional allotments into the Securities Accounts of the respective Entitled Depositors or through the despatch of the relevant PALs to the Entitled Scripholders based on their respective shareholdings in the Company as at the Books Closure Date.

In the case of Entitled Scripholders and their renounees with valid acceptances of Rights Shares and successful applications for excess Rights Shares and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL, physical share certificates representing such number of Rights Shares will be sent to such Entitled Scripholders by ordinary post, at their own risk, to their mailing address in Singapore as maintained with the Share Registrar within ten (10) Market Days after the Closing Date.

In the case of Entitled Depositors, and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form comprised in the PAL) with valid acceptances of Rights Shares and successful applications for excess Rights Shares, physical share certificates representing such number of Rights Shares will be registered in the name of CDP or its nominee and are expected to be despatched to CDP within ten (10) Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Account. CDP will then send a notification letter to the relevant subscribers stating the number of Rights Shares that have been credited to their Securities Account.

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6. **In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**
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Not applicable as there are no pre-emptive rights.

7. **Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**
-

Results of the Rights Issue

The Company will publicly announce the results of the allotment or the allocation of the Rights Shares as soon as it is practicable after the Closing Date through a SGXNET announcement to be posted on the internet at the SGX-ST's website at <http://www.sgx.com>.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Manner of Refund

Where any acceptance for Rights Shares and/or application for excess Rights Shares is invalid or unsuccessful in whole or in part, the amount paid on acceptance and/or application, or the surplus application monies, as the case may be, will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by any one or a combination of the following:

- (a) by crediting the relevant applicant's bank account with the relevant Participating Bank at his own risk if he had applied and/or accepted by way of an Electronic Application through an ATM, the receipt by such bank being a good discharge to the Company, the Manager, the Underwriter and CDP of their obligations, if any, thereunder; or
- (b) by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at the relevant applicant's own risk to his mailing address as maintained with CDP (where the acceptance and/or application is through CDP) or the Share Registrar (where the acceptance and/or application is through the Share Registrar), as the case may be; or
- (c) in such other means as they may have agreed with CDP for the payment of any cash distributions.

The details of refunding excess amounts paid by applicants are contained in Appendices I to III of this Offer Information Statement and in the PAL, the ARE and the ARS (as the case may be).

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART IV: KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.
-

Please refer to Paragraphs 2 to 7 below.

2. Disclose the estimated amount of proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.
-

Under the Maximum Base Scenario and assuming that all Shareholders subscribe fully for their entitlements, the net proceeds from the Rights Issue, after deducting estimated expenses incurred in connection with the Rights Issue of approximately S\$0.3 million ("**Net Proceeds**"), is estimated to be approximately S\$7.9 million.

Under the Minimum Base Scenario and assuming that all Shareholders subscribe fully for their entitlements, the estimated Net Proceeds from the Rights Issue is estimated to be approximately S\$6.6 million.

Under the Minimum Subscription Scenario, the estimated Net Proceeds from the Rights Issue is estimated to be approximately S\$3.1 million.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses from which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.
-

The Company is undertaking the Rights Issue to finance future business ventures relating to the Group's ordinary course of business through acquisitions and/or strategic joint ventures when such opportunities arise and for the Group's general working capital. With an improved working capital position, the Group would be better poised to expand its existing business. The Company intends to utilise 50% of the Net Proceeds from the Rights Issue for the financing of future business ventures relating to the Group's ordinary course of business through acquisitions and/or strategic joint ventures when such opportunities arise, and the remaining 50% for the Group's general working capital. As the final proceeds from the Rights Issue cannot be determined as at the Latest Practicable Date, please see below for an illustration of the breakdown of the Net Proceeds in the event of (i) full subscription of the Rights Shares based on the Maximum Base Scenario, and the Minimum Base Scenario, and (ii) the Minimum Subscription Scenario:

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Use of Net Proceeds	Maximum Base Scenario (S\$ million)	Minimum Base Scenario (S\$ million)	Minimum Subscription Scenario (S\$ million)
Financing of future business ventures relating to the Group's ordinary course of business through acquisitions and/or strategic joint ventures when such opportunities arise	3.9	3.3	1.5
General working capital	4.0	3.3	1.6
Total	7.9	6.6	3.1

Pending the deployment of the Net Proceeds, the funds may be placed as deposits with banks and/or financial institutions, invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements on the SGXNET as and when the Rights Issue proceeds are materially deployed and provide status report(s) on the use of the Rights Issue proceeds in its annual report(s).

In the opinion of the Directors, notwithstanding that the Company will raise minimum Net Proceeds of S\$3.1 million from the Rights Issue pursuant to the Rights Undertaking and the underwriting arrangement, there is no minimum amount that must be raised from the Rights Issue taking into consideration the intended use of proceeds as disclosed above.

4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.

As the final proceeds from the Rights Issue cannot be determined at the Latest Practicable Date, please find below the breakdown based on the gross proceeds in the event of (i) full subscription of the Rights Shares based on the Maximum Base Scenario, and the Minimum Base Scenario, and (ii) the Minimum Subscription Scenario:

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Intended uses	Maximum Base Scenario		Minimum Base Scenario		Minimum Subscription Scenario	
	Estimated amount (\$ million)	Per S\$ of gross proceeds	Estimated amount (\$ million)	Per S\$ of gross proceeds	Estimated amount (\$ million)	Per S\$ of gross proceeds
Financing of future business ventures relating to the Group's ordinary course of business through acquisitions and/or strategic joint ventures when such opportunities arise	3.9	0.47	3.3	0.48	1.5	0.44
General working capital	4.0	0.49	3.3	0.48	1.6	0.47
Estimated expenses incurred in connection with the Rights Issue	0.3	0.04	0.3	0.04	0.3	0.09
Total gross proceeds raised from the Rights Issue	8.2	1.00	6.9	1.00	3.4	1.00

5. **If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**

Not applicable. No proceeds from the Rights Issue will be utilised to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

6. **If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**

Not applicable. No proceeds from the Rights Issue will be utilised to finance or refinance the acquisition of another business other than in the ordinary course of business.

As disclosed in paragraph 3 above, the Company intends to use part of the Net Proceeds to fund future business ventures relating to the Group's ordinary course of business through acquisitions and/or strategic joint ventures when such opportunities arise.

As at the Latest Practicable Date, the Company has not identified any specific business to acquire.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

Not applicable. No proceeds from the Rights Issue will be utilised to discharge, reduce or retire the indebtedness of the Company.

8. In the section containing the information referred to in the paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

In consideration of the Underwriter's agreement to partially underwrite the Rights Issue, the Company will pay the Underwriter an underwriting commission of 2% of the Issue Price for the total number of the Underwritten Rights Shares in accordance with the terms of the Underwriting Agreement. Please refer to paragraph 7 of part VI of this Offer Information Statement for further information on the Underwriting Agreement.

Information on the Relevant Entity

9. Provide the following information:

- 9a. the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);

Registered office

Address : 80 Robinson Road, #02-00, Singapore 068898

Tel : +65 6236 3333

Fax : +65 6236 4399

Principal place of business

Address : 1001 Jalan Bukit Merah, #06-11, Singapore 159455

Tel : +65 6270 7080

Fax : +65 6270 7106

- 9b. the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;
-

Business of the Company and the Group

The Company is an investment holding company with operating subsidiaries that focus on five (5) core business segments, which include Energy Management Services, E-waste/Recycling, Consumer Electronic Products, Technology and the Supply of Construction Materials.

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The Group has offices in Singapore, Germany, the PRC and the United States.

As at the Latest Practicable Date, the subsidiaries of the Company and their principal activities are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective equity held by the Company as at Latest Practicable Date (%)
<u>Held by the Company</u>			
Richsand Pte. Ltd.	Dormant	Singapore	100.0
Equation Resources Pte. Ltd.	Supply and trading of construction materials	Singapore	81.6
Equation Technology Limited	Investment holding	Hong Kong	70.0
Equation Recycling Pte. Ltd.	Recycling and trading of scrap metals and electronic waste products	Singapore	60.0
Equation Energy Pte. Ltd.	Provide energy audit and management, marketing of environmental-friendly systems	Singapore	70.0
Disa Digital Safety Pte. Ltd.	Trading in consumer electronic products and the provision of industrial design services	Singapore	100.0
<u>Held by Equation Technology Limited</u>			
M3 Electronic GmbH	Sales, distribution and marketing of consumer electronic products	Germany	70.0
<u>Jointly held by M3 Electronic GmbH and Disa Digital Safety Pte. Ltd.</u>			
Disa Digital Safety GmbH	Sales, distribution, marketing and development of digital security systems, general commercial and technical consultancy	Germany	68.8
<u>Held by Disa Digital Safety Pte. Ltd.</u>			
Hokuriku (M) Sdn. Bhd. ⁽¹⁾	In liquidation	Malaysia	100.0
Tenary Technologies Limited	Trading of electronic consumer parts	BVI	100.0
Ternary Technologies (Shenzhen) Limited	Trading of electronic products, research & development and market promotion	PRC	100.0

Note:

(1) The company had commenced liquidation in January 2013.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

As at the Latest Practicable Date, the associated companies of the Company and their principal activities are as follows:

Name of associated company	Principal activities	Country of incorporation	Effective equity held by the Company as at Latest Practicable Date (%)
Siam Pattana Equation Co., Ltd.	Dormant	Thailand	29.4
Safuan Resources Pte. Ltd.	Dormant	Singapore	50.0

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- 9c. the general development of the business from beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as case may be, since**
- i. the end of the most recent completed financial year for which financial statements of the relevant entity have been published, or**
 - ii. the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**
-

The general developments of the business of the Group over the last three (3) financial years and from 1 July 2013 to the Latest Practicable Date are set out below:

(a) *General Developments in FY2011*

Agreements to Implement Disa Anti-Theft System in Germany

On 19 July 2010, the Company announced that the Company had, via its subsidiaries, Disa and Disa Digital Safety GmbH signed an agreement with Saturn Management GmbH and was in the final stage of completing a similar agreement with Media Markt Management GmbH to implement a Singapore-invented technology, Disa Anti-Theft System, throughout their stores in Germany. On 20 July 2010, the Company announced that Disa and Disa Digital Safety GmbH signed the agreement with Media Markt Management GmbH.

Issue of New Shares

On 28 July 2010, the Company entered into a placement agreement with Philip Securities Pte. Ltd. to place up to 10,000,000 new Shares, at an issue price of S\$0.045 per Share. The new Shares were listed and quoted on Catalist on 19 August 2010. The Company intended to use the proceeds for its working capital purposes and to fund business growth and investment opportunities as and when they arose.

Issue of New Shares

On 17 August 2010, the Company issued and allotted 45,000,000 new Shares to Neo Ka Chiam at S\$0.045 per Share pursuant to a subscription agreement entered into between the Company and Neo Ka Chiam on 28 July 2010. The new Shares were listed and quoted on Catalist on 19 August 2010. The Company intended to use the proceeds for its working capital purposes and to fund business growth and investment opportunities as and when they arose.

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Exchangeable Loan Agreements

On 29 July 2010, the Company entered into two (2) separate term sheets for an exchangeable loan with Wang Yu Huei and Teo Khiam Chong for the respective sums of S\$3.5 million and S\$1.0 million. Both loans bear interest at the rate of 6% p.a. and are (i) exchangeable into new Shares at an exchange price of S\$0.04932 per Share, or (ii) in the event of a proposed listing of Disa, exchangeable into new ordinary shares of Disa, or (iii) redeemed by the Company during the redemption period between 1 January 2012 and 31 December 2012. On 25 August 2010, the Company announced that the Company had on 24 August 2010 entered into an agreement with each of the investors on substantially the same terms and conditions set out in the term sheets (collectively, the “**Exchangeable Loan Agreements**”). The investments were completed on 15 September 2010. On 30 June 2011, the Company and the investors signed supplemental letters to change the redemption period to be between 1 July 2012 and 31 December 2013. On 26 July 2012, the Company announced that the exchange price per Share under each of the Exchangeable Loan Agreements was adjusted from S\$0.04932 per Share to S\$0.0418473 per Share with effect from 18 July 2012, as a result of the rights issue by the Company completed on 25 July 2012. The exchangeable loan was fully repaid by May 2013.

Loan to Centillion

On 7 October 2010, the Company announced that it had granted a temporary bridging loan for the amount of S\$675,000, at an interest rate of 7% p.a. to Centillion, upon the undertaking by Centillion that it would first utilise the funds from the disposal of its wholly owned subsidiary in China, Centillion Environment & Recycling (Wuxi) Co., Ltd. (“**Centillion Wuxi**”), towards repayment of the loan from the Company.

On 25 October 2010, the Company further announced that the amount of the temporary bridging loan was increased from S\$675,000 to S\$1,350,000, subject to the original terms and conditions. The loan would be used by Centillion for its general working capital and would be repaid upon completion of the disposal of Centillion Wuxi. In January 2011, the bridging loan was fully repaid.

Investment in a Subsidiary

On 27 October 2010, the Company subscribed for 8,308,336 new ordinary shares at S\$1 each in the paid-up capital of its subsidiary, ERPL, by capitalising an inter-company loan of S\$8,308,336 owed by ERPL to the Company, increasing the Company’s effective interest in ERPL from 70.0% to 81.6%.

Press Release by Disa

On 13 February 2011, the Company announced that Disa had issued a press release in relation to Disa’s joint agreement to utilise the Loss Prevention Research Council’s (“**LPRC**”) StoreLab Program to conduct a proof-of-technology pilot program with leading US retailers that are members of the LPRC. The Disa Loss Prevention System provides next generation “benefit denial” protection for very high-loss merchandise including most consumer electronic devices.

Acquisition of Vessels by ERPL

On 25 April 2011, the Company and ERPL entered into a sale and purchase agreement with Fulink Investment Pte. Ltd. (“**Fulink**”) for the purchase of three (3) vessels by ERPL for a consideration of US\$3.0 million to be fully satisfied by the issue and allotment by the Company to Fulink of 74,404,762 new Shares at S\$0.0504 per Share.

Pursuant to a notice of assignment of outstanding charter fees received by ERPL from PT Bintang Samudera Mandiri Lines in favour of Fulink and subject to completion of the sale and purchase agreement and delivery of the vessels by Fulink to ERPL, the parties to the

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

sale and purchase agreement agreed that the outstanding charter fees in the amount of S\$1.95 million for the charterparty of various vessels due from ERPL would be fully settled between ERPL and Fulink by way of a further issue and allotment by the Company to Fulink of 38,690,476 new Shares at S\$0.0504 per Share. The acquisition of the vessels by ERPL would, *inter alia*, facilitate ERPL in carrying out its business activities more efficiently. On 29 June 2011, the Company announced the completion of the acquisition of the vessels by ERPL and the listing and quotation of 113,095,238 Shares on Catalist on 30 June 2011.

Contract for the Supply of Construction Material Awarded to ERPL

On 3 May 2011, the Company announced that ERPL had secured a contract for the supply of construction materials to be executed in two (2) stages. The first stage, valued at S\$12.8 million, was to be executed over a period of three (3) months. The subsequent second stage of the contract, valued at S\$115.0 million, was to be executed upon confirmation from the buyer should the first stage progress satisfactorily. Subsequently, upon further evaluation, ERPL was of the view that the contract was not viable and that more losses would be incurred. Accordingly, ERPL would not proceed into the second phase of the contract.

Acquisition of Vessels by ERPL

On 5 May 2011, the Company announced that ERPL had entered into a memorandum of agreement with Hathaway Marine Pte. Ltd. ("**Hathaway**") for the purchase of four (4) vessels of the same size and type from Hathaway, each amounting to S\$8,125,000 per vessel, for an aggregate consideration of S\$32,500,000. The acquisition of the vessels would allow ERPL to manage the vessels directly instead of chartering from a third party. Subsequently, ERPL purchased only two (2) of the four (4) vessels.

Sale of Property by a Subsidiary, Hokuriku (Malaysia) Sdn. Bhd.

On 18 May 2011, the Company announced that its wholly-owned subsidiary, Hokuriku (Malaysia) Sdn. Bhd. ("**HMSB**") had entered into a conditional sale and purchase agreement with Greenway Link Sdn. Bhd. ("**Greenway**"), for the sale of a piece of freehold land and building for RM17,000,000 by HMSB to Greenway, which was arrived at after arm's length negotiations between HMSB and Greenway after taking into account the prevailing market conditions and the fair market value of the property. The property was a non-core asset and the sale of the property would enable the Group to take advantage of the then favourable property condition to realise the fair value of its interest in the property. The proceeds from the sale would be used to settle the Malayan Bank Berhad's loan of RM5.9 million and the balance would be used for the Group's working capital. Subsequently, the sale was completed in August 2011.

Grant of Options pursuant to the Equation Share Option Scheme 2010

On 23 May 2011, the Company granted 2,000,000 share options to Lee Teck Leng and Teo Soon Chye. The share options have since lapsed following the cessation of Lee Teck Leng and Teo Soon Chye as independent directors of the Company.

Press Release by Disa

On 14 June 2011, the Company announced that Disa had issued a press release that Disa and Hellmann Worldwide Logistics GmbH & Co. KG, a global logistics provider based in Osnabrueck, Germany, had signed a global cooperation agreement to implement a security system for consumer electronic products throughout the entire supply chain with the use of Disa's Anti-Theft Locking Software. This software is a new and innovative loss prevention system, developed and tested by Disa in close cooperation with vendors and retailers.

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(b) *General Developments in FY2012*

Disposal of Vessel By ERPL

On 16 September 2011, ERPL entered into a memorandum of agreement with Hathaway for the sale of a vessel, 'ER 301', to Hathaway for a consideration of S\$2,000,000. On 28 March 2012, the Company announced that this sale was not completed as a result of failure to obtain third party approval. ERPL sold this vessel to PT Pancaran Haluan Samudera in March 2012.

Disposal of the Company's Entire Stake in Centillion

On 25 October 2011, the Company entered into a sale and purchase agreement with Asia Dynamic Pte. Ltd. ("**Asia Dynamic**") and Weng Hua Yu @ Simon Eng ("**Guarantor**"), for the sale by the Company to Asia Dynamic, of the Company's entire interests in Centillion, being 2,271,682,847 ordinary shares, representing approximately 27.46% of the issued share capital of Centillion, for a cash consideration of S\$6,000,000 payable in four (4) tranches over period of 18 months. The disposal would allow the Group to realise the fair value of its interest in Centillion in exchange for cash that would be used to bolster the Group's working capital position. The disposal of Centillion was completed on 27 October 2011 whereupon the Company ceased to be a shareholder of Centillion.

Press Release by Disa Digital Safety GmbH

On 14 December 2011, the Company announced that Disa Digital Safety GmbH had issued a press release that it had signed two (2) agreements with ALDI GmbH Co & KG and Radio City KG, a franchisee of Medi Max Zentrale Electronics GmbH, to launch the commercialisation of Disa's Anti-Theft System in the German market.

Letter of Intent entered between Disa and Blaupunkt Malaysia Sdn. Bhd.

On 6 January 2012, the Company announced that Disa had signed a binding letter of intent with Blaupunkt Malaysia Sdn. Bhd. to enter into a license agreement that would grant Disa an exclusive right to manufacture, introduce, advertise, promote and sell certain products under the contractual designation '*Blaupunkt*' within an agreed territory. The license agreement was terminated in December 2012.

Issue of New Shares and Option for Convertible Bonds to TSH Corporation Limited

On 17 January 2012, the Company entered into a subscription agreement with TSH Corporation Limited ("**TSH**") for 111,111,111 new Shares at S\$0.018 per Share for an aggregate consideration of S\$2,000,000. The new Shares were listed and quoted on Catalist on 13 February 2012. Pursuant to the terms of the subscription agreement, TSH was also granted an option ("**Option**") to subscribe for such number of redeemable convertible bonds having an aggregate principal value of S\$2 million, in the period commencing from 17 January 2012 and the date falling on the second anniversary thereof. The Option was not exercised and had expired on 17 January 2014.

Issue of New Shares

On 15 March 2012, the Company announced the allotment and issue of 105,470,084 new Shares to Peter Tan Shou Yi, Tan Sze Seng, and Wong Hua Choon at S\$0.0234 per Share, pursuant to three (3) separate subscription agreements entered into between the Company and each of the investors respectively on 10 February 2012. The new Shares were listed and quoted on Catalist on 16 March 2012. The Company intended to use the proceeds for the Group's general working capital purposes.

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Disposal of Vessels by ERPL

On 6 March 2012, ERPL entered into two (2) separate memoranda of agreement with PT Pancaran Haluan Samudera for the sale of two (2) vessels, 'ER 303' and 'HM Ocean III', to PT Pancaran Haluan Samudera, for a total cash consideration of S\$3.4 million, determined on an arm's length basis. The sale of the vessels was completed in April 2012. The purpose of the disposal was to streamline ERPL's business for greater efficiency.

Disposal of Vessels by ERPL

On 28 March 2012, ERPL entered into a memorandum of agreement with PT Pancaran Haluan Samudera for the sale of a vessel, 'ER 301', to PT Pancaran Haluan Samudera for a cash consideration of S\$1.25 million, determined on an arm's length basis. The sale of the vessel was completed in May 2012. The purpose of the disposal was to streamline ERPL's business for greater efficiency.

Convertible Loan Agreement

On 4 April 2012, the Company announced that the Company had on 2 April 2012 entered into the Sculptor Convertible Loan Agreement with Disa and the Sculptor Investors pursuant to which, the Sculptor Investors agreed to grant to Disa an initial loan of an aggregate principal amount of S\$7,000,000 ("**1st Tranche**"), and a further option for a loan of an aggregate principal amount of S\$7,000,000 ("**2nd Tranche**"), both of which are convertible either into new Shares at (i) S\$0.020 per Share for the 1st Tranche; and (ii) S\$0.025 per Share for the 2nd Tranche, or new ordinary shares in the capital of Disa in the event of a trade sale or an initial public offering of Disa at the discretion of the Sculptor Investors. Disa intended to use the proceeds for general working capital purposes. On 26 July 2012, the Company announced that as a result of the rights issue by the Company completed on 25 July 2012, the exchange price per Share under the Sculptor Convertible Loan Agreement was adjusted from S\$0.020 per Share to S\$0.0169697 per Share in respect of the 1st Tranche and from S\$0.025 per Share to S\$0.0212121 per Share in respect of the 2nd Tranche, with both adjustments taking effect from 18 July 2012. On 26 March 2013, the Company announced further adjustments pursuant to two (2) subscription agreements entered into on 21 February 2013 and 22 February 2013, respectively, for the issuance of new Shares. The adjustment was from S\$0.0169697 per Share to S\$0.0169362 per Share in respect of the 1st Tranche and from S\$0.0212121 per Share to S\$0.0211702 per Share in respect of the 2nd Tranche, with both adjustments taking effect from 22 March 2013. As at the Latest Practicable Date, the Sculptor Investors have not converted any of the 1st Tranche into Shares, nor have they exercised the 2nd Tranche option.

Change of Continuing Sponsor

On 30 April 2012, the Company announced the appointment of SAC Capital Private Limited in place of KW Capital Pte. Ltd. as its Continuing Sponsor. The change took effect from 1 May 2012.

Renounceable and Non-Underwritten Rights Issue

On 16 May 2012, the Company announced that it had proposed a renounceable and non-underwritten rights issue of up to 1,515,322,417 new Shares at an issue price of S\$0.012 for each rights share on the basis of one (1) rights share for every two (2) existing Shares held by shareholders of the Company. The net proceeds from the rights issue was intended to be utilised for the repayment of director's loans amounting to S\$5.0 million and for the general working capital of the Group.

On 24 July 2012, the Company announced the allotment and issue of an aggregate of 1,237,846,424 Shares, which were listed and quoted on Catalist on 25 July 2012.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Claim against PT Kawasan Dinamika Hamonitama

On 22 June 2012, the Company announced that ERPL had on 22 March 2012 commenced arbitration proceedings against PT Kawasan Dinamika Hamonitama (“**KDH**”) by the filing of a Notice of Arbitration with the Singapore International Arbitration Centre. ERPL claimed against KDH for contractual damages for KDH’s breaches of a sale and purchase and co-operation agreement dated 5 February 2009 and supplemental agreement thereto dated 13 November 2009 for the purchase of the rights, ownership and interest in granite obtained and extracted by KDH (“**Extracted Granite**”) from a mining area in the District of Meral, Karimun Regency, a province of the Riau Islands, in the Republic of Indonesia. On 27 March 2012, ERPL obtained an interim injunction against KDH from the High Court of Singapore restraining KDH from disposing or dissipating the Extracted Granite and KDH’s plant and machinery, until the arbitration tribunal was constituted to hear the case or make any further interim orders.

On 28 January 2014, the Company announced that the arbitration tribunal had awarded in favour of ERPL in respect of its claims against KDH (“**Arbitration Award**”), pursuant to which KDH has been ordered to pay ERPL the following sums:

- (i) S\$12,692,756 and interest of 6% per annum to be computed from 1 March 2012 till the date of payment;
- (ii) S\$200,000 as legal and other costs; and
- (iii) S\$193,160 as costs of arbitration.

ERPL is being advised by its solicitors on the next steps to enforce the Arbitration Award in Indonesia and the Board will disclose the financial impact of this matter (if any) when it is able to assess the progress and outcome thereof.

(c) General Developments in FY2013

Disposal of Vessels by ERPL

On 16 July 2012, ERPL entered into a memorandum of agreement with PT. Pelayaran Internasional Batamas Bahterasentosa for the sale of two (2) vessels, ‘ER 307’ and ‘Indo Artha II’, to PT. Pelayaran Internasional Batamas Bahterasentosa for a cash consideration of S\$2.05 million. The sale of the vessels was completed in July 2013 and August 2013, respectively. The purpose of the disposal was to streamline ERPL’s business for greater efficiency.

Adjustments to Exchangeable Loans and Sculptor Convertible Loan

On 26 July 2012, the Company announced that adjustments were made to the exchange price per Share under the Exchangeable Loan Agreements and Sculptor Convertible Loan Agreement, respectively, as a result of the rights issue by the Company completed on 25 July 2012. The exchange price per Share under the Sculptor Convertible Loan Agreement was adjusted from S\$0.020 per Share to S\$0.0169697 per Share in respect of the 1st Tranche and from S\$0.025 per Share to S\$0.0212121 per Share in respect of the 2nd Tranche, with effect from 18 July 2012. The exchange price per Share under the Exchangeable Loans was adjusted from S\$0.04932 per Share to S\$0.0418473 per Share, with effect from 18 July 2012.

Disposal of Vessels by ERPL

On 3 August 2012, ERPL entered into a memorandum of agreement with PT. Pelayaran Grogol Sarana Utama for the sale of two (2) vessels, ‘ER 305’ and ‘Lintas Samudera XVI’, to PT. Pelayaran Grogol Sarana Utama for a cash consideration of S\$2.35 million. The sale of the vessels was completed in December 2012. The purpose of the disposal was to streamline ERPL’s business for greater efficiency.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Acquisition of a 55% Equity Interest in Eika (Singapore) Pte. Ltd.

On 30 October 2012, the Company entered into a sale and purchase agreement with two (2) existing shareholders of Eika (Singapore) Pte. Ltd. (“**Eika**”), Mr Abidin Herman and Ms Lena Karim, for the acquisition of 440,000 ordinary shares in Eika, representing 55% of the total issued and paid-up share capital of Eika, for a cash consideration of S\$1,000,000 after taking into account an estimated net tangible asset value (“**NTA**”) of S\$2,000,000 as at 31 December 2012. It was agreed that in the event the audited NTA as at 31 December 2012 shall be less than the estimated NTA of S\$2,000,000, the consideration will be reduced proportionately. The acquisition was completed in November 2012. The purpose of the acquisition was to invest in the booming infrastructure of the Indonesian economy and the potential of supplying heavy machinery and equipment to the government and private sectors for the Indonesian market.

Winding-Up Application in respect of ERPL

On 28 September 2012, an application was made in the High Court of Singapore for the winding-up of ERPL in relation to a claim made by Top Rise Shipping Limited (“**TRSL**”) for unpaid freight in the amount of US\$368,693 and alleged demurrage in the amount of US\$991,121.38, with the latter amount disputed by the Company and ERPL.

On 4 December 2012, the Company announced that TRSL and ERPL had agreed to an amicable settlement, and on 30 November 2012, TRSL was granted leave to withdraw its application to wind-up ERPL.

Use of Rights Issue Proceeds

On 6 November 2012, the Company applied S\$2,666,251 from the proceeds of its rights issue completed on 25 July 2012 towards subscribing for non-voting redeemable preference shares (“**RPS**”) under a subscription agreement with JK Integrated Development Pte. Ltd. (“**JKID**”). JKID is in the property development business and the subscription funds was to be applied towards the acquisition for development of a property in Geylang. The rights issue proceeds was applied to fund the subscription for the RPS because it was a more efficient use of funds as compared to borrowing from external sources to fund the investment. Following the subscription, the balance of proceeds from the rights issue was S\$4.5 million.

Disposal of Vessels by ERPL

On 5 December 2012, ERPL entered into two (2) separate memoranda of agreement with Elite Way Marine Services Est. for the sale of two (2) vessels, ‘Pacific Prince’ and ‘Pacific Princess 1’, to Elite Way Marine Services Est. for a cash consideration of US\$8.8 million. The sale of the vessels was completed in January 2013 and February 2013, respectively. The purpose of the disposal was to streamline ERPL’s business for greater efficiency.

Redemption of Exchangeable Loans

On 26 November 2012, Wang Yu Huei and Teo Khiam Chong (“**Investors**”) exercised their rights under the exchangeable loan agreements entered into on 24 August 2010, to redeem the principal amounts of S\$4.5 million advanced to the Company (“**Quantum**”), together with accrued interest thereon, in accordance with the terms of the exchangeable loans.

On 13 December 2012, the Company entered into agreements with the Investors, pursuant to which repayment of part of the Quantum amounting to S\$2.5 million was made to the Investors by way of monthly repayments commencing on 26 December 2012 and ending on 26 April 2013. Interest continued to accrue on the balance Quantum, at the rate specified under each exchangeable loan, and was paid to each Investor together with each scheduled payment. On 30 April 2013, the Company entered into agreements with the Investors for the repayment of the balance Quantum of S\$2.0 million in cash on 23 May 2013. The Company repaid the balance Quantum on 23 May 2013.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Issue of New Shares

On 26 February 2013, the Company announced the allotment and issue of 69,444,444 new Shares to Peter Tan Shou Yi at S\$0.0135 per Share, pursuant to a subscription agreement entered into between the Company and Peter Tan Shou Yi on 21 February 2013. The new Shares were listed and quoted on Catalist on 25 March 2013. The net proceeds from the subscription was utilised for the Group's general working capital purposes.

Issue of New Shares

On 26 February 2013, the Company announced the allotment and issue of 148,000,000 new Shares to Asdew Acquisitions Private Limited and Sino Expert Investment Limited at S\$0.0135 per Share, pursuant to a subscription agreement entered into between the Company and each of the investors on 22 February 2013. The new Shares were listed and quoted on Catalist on 25 March 2013. The net proceeds from the subscription was utilised for the Group's general working capital purposes.

Adjustments to Sculptor Convertible Loan Agreement

On 26 March 2013, the Company announced further adjustments made to the exchange price per Share under the Sculptor Convertible Loan Agreement, as a result of two (2) subscription agreements entered into on 21 February 2013 and 22 February 2013, respectively, for the issuance of new Shares. The exchange price per share was adjusted from S\$0.0169697 per Share to S\$0.0169362 per Share in respect of the 1st Tranche and adjusted from S\$0.0212121 per Share to S\$0.0211702 per Share in respect of the 2nd Tranche, with both adjustments taking effect from 22 March 2013.

(d) General Developments from 1 July 2013 to the Latest Practicable Date

Disposal of the Company's Entire Stake in Hinterland Property Development Pte. Ltd. ("HPD")

On 4 September 2013, the Company entered into a sale and purchase agreement with Mr Agustinus Fernandes Pamikirang ("**HPD Purchaser**"), for the disposal of the Company's entire interests in HPD, a direct 100% owned subsidiary of the Company, for a cash consideration of S\$1, the sufficiency of which was acknowledged and accepted by the Company and the HPD Purchaser after arm's length negotiations.

HPD had a wholly-owned subsidiary, Heighten Land Pte. Ltd., which directly owned a 100% interest in Beijing-Haiteng Real Estate Development Business Co., Ltd. ("**BJHT**"). HPD and its subsidiaries ("**HPD Group**") had been dormant since 2010. The disposal of the HPD Group at a loss was more cost effective for the Company after taking into account the yearly compliance costs involved in complying with the statutory requirements by the HPD Group, costs of maintaining China employees in BJHT and the costs of renting the office premise occupied by BJHT in Beijing. Following the disposal, the HPD Group ceased to be subsidiaries of the Company.

Renounceable and Partially Underwritten Rights Issue

On 17 February 2014, the Company announced the Rights Issue. On 19 March 2014, the Company announced the receipt of the listing and quotation notice dated 17 March 2014 for the listing and quotation of, *inter alia*, the Rights Shares and the Rights Adjustment Shares on Catalist, subject to compliance with the SGX-ST's listing requirements.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- 9d. **the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –**
- i. **in the case of the equity capital, the issued capital, or**
 - ii. **in the case of the loan capital, the total amount of the debentures issued and the outstanding, together with the rate of the interest payable thereon;**
-

As at the Latest Practicable Date, the share capital of the Company is as follows:

Issued and paid-up share capital	:	S\$146,417,569
Number of Shares	:	3,930,983,716

As at the Latest Practicable Date, the Company does not have any loan capital.

- 9e. **Where –**
- i. **the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date, or**
 - ii. **the relevant entity is not corporation, the amount of equity interests in the relevant entity owned by each substantial interest–holder as at the latest practicable date;**
-

The Substantial Shareholders and the number of Shares held by each of them based on information recorded in the Register of Substantial Shareholders maintained by the Company pursuant to Section 81 of the Companies Act as at the Latest Practicable Date are as follows:

Substantial Shareholder	Direct Interests		Deemed Interests	
	No. of Shares	%⁽¹⁾	No. of Shares	%⁽¹⁾
Chng Weng Wah	409,779,306	10.42	370,440,000	9.42 ⁽²⁾
Starbids Ventures Inc.	–	–	370,440,000	9.42 ⁽³⁾

Notes:

- (1) Based on the issued share capital of the Company of 3,930,983,716 Shares as at the Latest Practicable Date.
- (2) Chng Weng Wah's deemed interest of 370,440,000 Shares held by Starbids Ventures Inc.
- (3) Starbids Ventures Inc.'s interest of 370,440,000 Shares held through Citibank Nominees Singapore Pte. Ltd.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- 9f. any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have has in the last 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;
-

Claim against PT Kawasan Dinamika Hamonitama

On 22 June 2012, the Company announced that ERPL had on 22 March 2012 commenced arbitration proceedings against PT Kawasan Dinamika Hamonitama (“**KDH**”), a company incorporated in the Republic of Indonesia, by the filing of a Notice of Arbitration with the Singapore International Arbitration Centre. ERPL claimed against KDH for contractual damages for KDH’s breaches of a sale and purchase and co-operation agreement dated 5 February 2009 and supplemental agreement thereto dated 13 November 2009 (“**Agreement**”) for the purchase of the rights, ownership and interest in the granite obtained and extracted by KDH (“**Extracted Granite**”) from a mining area in the District of Meral, Karimun Regency, a province of the Riau Islands, in the Republic of Indonesia.

Since 18 February 2012, KDH had failed to deliver the Extracted Granite to ERPL or ERPL’s third party buyers or load the transport barges sent by ERPL or ERPL’s third party buyers, for loading by KDH, in breach of the terms of the Agreement.

Pursuant to the Agreement, ERPL sought to recover all lost profit to be derived from Extracted Granite that had not been delivered to ERPL or its third party buyers, amounting to between S\$45,000 and S\$93,600 per month; the prevailing market price (to be determined) of all plant and machinery and all future plant and machinery in the possession or ownership of KDH, and the sum of S\$10,938,007.24 being the proportionate repayment of the consideration paid by ERPL to KDH under the Agreement.

On 27 March 2012, ERPL obtained an interim injunction against KDH from the High Court of Singapore pursuant to Section 12A of the International Arbitration Act (Cap. 143A), restraining KDH from disposing or dissipating the Extracted Granite and KDH’s plant and machinery, until the arbitration tribunal was constituted to hear the case or make any further interim orders.

On 28 January 2014, the Company announced that the arbitration tribunal had awarded in favour of ERPL in respect of its claims against KDH (“**Arbitration Award**”), pursuant to which KDH has been ordered to pay ERPL the following sums:

- (i) S\$12,692,756 and interest of 6% per annum to be computed from 1 March 2012 till the date of payment;
- (ii) S\$200,000 as legal and other costs; and
- (iii) S\$193,160 as costs of arbitration.

ERPL is being advised by its solicitors on the next steps to enforce the Arbitration Award in Indonesia and the Board will disclose the financial impact of this matter (if any) when it is able to assess the progress and outcome thereof.

As at the date of lodgement of this Offer Information Statement, save for the above, the Directors are not aware of any legal or arbitration proceedings which may or which have had a material effect on the Group’s financial position or profitability in the last twelve (12) months before the date of lodgement of this Offer Information Statement.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- 9g. where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –
- i. if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price, or
 - ii. if the securities or equity interest have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and

Date of Listing and Quotation	Price per Share	Number of Shares issued	Transaction
25 March 2013	S\$0.0135	69,444,444	Shares issued to Peter Tan Shou Yi pursuant to a subscription agreement.
25 March 2013	S\$0.0135	148,000,000	Shares issued to Asdew Acquisitions Private Limited and Sino Expert Investment Limited pursuant to a subscription agreement.

- 9h. a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date of general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

The Group entered into the following material contracts in the past two (2) years immediately preceding the date of lodgement of this Offer Information Statement, which were not entered into in the ordinary course of business:

- (a) On 28 March 2012, ERPL entered into a memorandum of agreement with PT Pancaran Haluan Samudera for the sale of a vessel, 'ER 301', to PT Pancaran Haluan Samudera for a cash consideration of S\$1.25 million, determined on an arm's length basis. The sale of the vessel was completed in May 2012. The purpose of the disposal was to streamline ERPL's business for greater efficiency.
- (b) On 4 April 2012, the Company announced that the Company had on 2 April 2012 entered into the Sculptor Convertible Loan Agreement with Disa and the Sculptor Investors pursuant to which, the Sculptor Investors agreed to grant to Disa an initial loan of an aggregate principal amount of S\$7,000,000 ("1st Tranche"), and a further option for a loan of an aggregate principal amount of S\$7,000,000 ("2nd Tranche"), both of which are convertible either into new Shares at (i) S\$0.020 per Share for the 1st Tranche; and (ii) S\$0.025 per Share for the 2nd Tranche, or new ordinary shares in the capital of Disa in the event of a trade sale or an initial public offering of Disa at the discretion of the Sculptor Investors. Disa intended to use the proceeds for general working capital purposes.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (c) On 30 April 2012, the Company announced the appointment of SAC Capital Private Limited in place of KW Capital Pte. Ltd. as its Continuing Sponsor. The change took effect from 1 May 2012.
- (d) On 16 July 2012, ERPL entered into a memorandum of agreement with PT. Pelayaran Internasional Batamas Bahterasentosa for the sale of two (2) vessels, 'ER 307' and 'Indo Artha II', to PT. Pelayaran Internasional Batamas Bahterasentosa for a cash consideration of S\$2.05 million. The sale of the vessels was completed in July 2013 and August 2013, respectively. The purpose of the disposal was to streamline ERPL's business for greater efficiency.
- (e) On 3 August 2012, ERPL entered into a memorandum of agreement with PT. Pelayaran Grogol Sarana Utama for the sale of two (2) vessels, 'ER 305' and 'Lintas Samudera XVI', to PT. Pelayaran Grogol Sarana Utama for a cash consideration of S\$2.35 million. The sale of the vessels was completed in December 2012. The purpose of the disposal was to streamline ERPL's business for greater efficiency.
- (f) On 30 October 2012, the Company entered into a sale and purchase agreement with two (2) existing shareholders of Eika (Singapore) Pte. Ltd. ("**Eika**"), Mr Abidin Herman and Ms Lena Karim, for the acquisition of 440,000 ordinary shares in Eika, representing 55% of the total issued and paid-up share capital of Eika, for a cash consideration of S\$1,000,000 after taking into account an estimated net tangible asset value ("**NTA**") of S\$2,000,000 as at 31 December 2012. It was agreed that in the event the audited NTA as at 31 December 2012 shall be less than the estimated NTA of S\$2,000,000, the consideration will be reduced proportionately. The acquisition was completed in November 2012. The purpose of the acquisition was to invest in the booming infrastructure of the Indonesian economy and the potential of supplying heavy machinery and equipment to the government and private sectors for the Indonesian market.
- (g) On 6 November 2012, the Company entered into an agreement for the subscription of non-voting redeemable preference shares ("**RPS**") under a subscription agreement with JK Integrated Development Pte. Ltd. ("**JKID**") for a cash consideration of S\$2,666,251. JKID is in the property development business and the subscription funds was to be applied towards the acquisition for development of a property in Geylang.
- (h) On 5 December 2012, ERPL entered into two (2) separate memoranda of agreement with Elite Way Marine Services Est. for the sale of two (2) vessels, 'Pacific Prince' and 'Pacific Princess 1', to Elite Way Marine Services Est. for a cash consideration of US\$8.8 million. The sale of the vessels was completed in January 2013 and February 2013, respectively. The purpose of the disposal was to streamline ERPL's business for greater efficiency.
- (i) On 26 November 2012, Wang Yu Huei and Teo Khiam Chong ("**Investors**") exercised their rights under the exchangeable loan agreements entered into on 24 August 2010, to redeem the principal amounts of S\$4.5 million advanced to the Company ("**Quantum**"), together with accrued interest thereon, in accordance with the terms of the exchangeable loans. On 13 December 2012, the Company entered into agreements with the Investors, pursuant to which repayment of part of the Quantum amounting to S\$2.5 million was made to the Investors by way of monthly repayments commencing on 26 December 2012 and ending on 26 April 2013. Interest continued to accrue on the balance Quantum, at the rate specified under each exchangeable loan, and was paid to each Investor together with each scheduled payment. On 30 April 2013, the Company entered into agreements with the Investors for the repayment of the balance Quantum of S\$2.0 million in cash on 23 May 2013. The Company repaid the balance Quantum on 23 May 2013.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (j) On 21 February 2013, the Company entered into a subscription agreement with Peter Tan Shou Yi for the allotment and issue of 69,444,444 new Shares to Peter Tan Shou Yi at S\$0.0135 per Share. The new Shares were listed and quoted on Catalist on 25 March 2013. The net proceeds from the subscription was utilised for the Group's general working capital purposes.
- (k) On 22 February 2013, the Company entered into a subscription agreement with Asdew Acquisitions Private Limited and Sino Expert Investment Limited for the allotment and issue of 148,000,000 new Shares to Asdew Acquisitions Private Limited and Sino Expert Investment Limited at S\$0.0135 per Share. The new Shares were listed and quoted on Catalist on 25 March 2013. The net proceeds from the subscription was utilised for the Group's general working capital purposes.
- (l) On 4 September 2013, the Company entered into a sale and purchase agreement with Mr Augustinus Fernandes Pamikirang ("**HPD Purchaser**"), for the disposal of the Company's entire interests in Hinterland Property Development Pte. Ltd. ("**HPD**"), a direct 100% owned subsidiary of the Company, for a cash consideration of S\$1, the sufficiency of which was acknowledged and accepted by the Company and the HPD Purchaser after arm's length negotiations. HPD had a wholly-owned subsidiary, Heighten Land Pte. Ltd., which directly owned a 100% interest in Beijing-Haiteng Real Estate Development Business Co., Ltd. ("**BJHT**"). HPD and its subsidiaries ("**HPD Group**") had been dormant since 2010. The disposal of the HPD Group at a loss was more cost effective for the Company after taking into account the yearly compliance costs involved in complying with the statutory requirements by the HPD Group, costs of maintaining China employees in BJHT and the costs of renting the office premise occupied by BJHT in Beijing. Following the disposal, the HPD Group ceased to be subsidiaries of the Company.
- (m) On 24 March 2014, the Company entered into the Underwriting Agreement with SAC Capital, pursuant to which (i) SAC Capital has agreed to manage the Rights Issue and underwrite up to 285,700,000 Rights Shares and (ii) the Company has agreed to pay SAC Capital an underwriting commission of 2% of the Issue Price for the total number of Underwritten Rights Shares.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published, and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

CONSOLIDATED INCOME STATEMENT OF THE GROUP

	← Audited →			← Unaudited →	
	FY2011 S\$'000	FY2012 S\$'000	FY2013 S\$'000	6M FY2013 S\$'000	6M FY2014 S\$'000
Revenue	30,747	23,526	15,655	10,061	8,628
Cost of sales	(25,700)	(23,496)	(12,228)	(8,656)	(4,617)
Gross profit	5,047	30	3,427	1,405	4,011
Other income	2,646	7,458	2,249	1,053	2,170
Administrative expenses	(12,979)	(18,969)	(11,944)	(5,632)	(3,857)
Distribution expenses	(5,110)	(7,997)	(3,949)	(2,649)	(2,164)
Other expenses	(1,686)	(8,348)	(8,300)	(4,467)	(31)
Results from operating activities	(12,082)	(27,826)	(18,517)	(10,290)	129
Finance costs	(803)	(1,351)	(1,434)	(745)	(442)
Share of loss of associates, net of tax	(1,135)	–	–	–	–
Loss before income tax	(14,020)	(29,177)	(19,951)	(11,035)	(313)
Income tax credit	752	1,340	1,047	269	132
Loss for the year/period	(13,268)	(27,837)	(18,904)	(10,766)	(181)
Attributable to:					
Owners of the Company	(12,380)	(22,349)	(17,427)	(9,523)	(427)
Non-controlling interests	(888)	(5,488)	(1,477)	(1,243)	246
Loss for the year/period	(13,268)	(27,837)	(18,904)	(10,766)	(181)

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as they case may be, and shall in addition include the following items:
- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
 - (b) earnings or loss per share, and
 - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

No dividends were declared for FY2011, FY2012, FY2013, 6M FY2013 and 6M FY2014. Please see table appended below for information relating to loss per share.

Cents	FY2011	FY2012	FY2013	6M FY2013	6M FY2014
Loss per share before Rights issue⁽¹⁾					
– Basic	(0.60)	(0.96)	(0.47)	(0.27)	(0.01)
– Diluted	(0.60)	(0.96)	(0.47)	(0.27)	(0.01)
Loss per share after adjusting for Rights Issue assuming Minimum Subscription Scenario⁽²⁾					
– Basic	(0.48)	(0.79)	(0.42)	(0.24)	(0.01)
– Diluted	(0.48)	(0.79)	(0.42)	(0.24)	(0.01)
Loss per share after adjusting for Rights Issue assuming full subscription based on Minimum Base Scenario⁽³⁾					
– Basic	(0.40)	(0.67)	(0.37)	(0.21)	(0.01)
– Diluted	(0.40)	(0.67)	(0.37)	(0.21)	(0.01)
Loss per share after adjusting for Rights issue assuming full subscription based on Maximum Base Scenario⁽⁴⁾					
– Basic	(0.31)	(0.53)	(0.31)	(0.17)	(0.01)
– Diluted	(0.31)	(0.53)	(0.31)	(0.17)	(0.01)

Notes:

- (1) Calculated based on the weighted average number of Shares in issue of 2,079,719,000 in FY2011; 2,331,552,000 in FY2012; 3,695,019,000 in FY2013; 3,545,354,000 in 6M FY2013 and 3,930,984,000 in 6M FY2014.
- (2) Calculated based on the weighted average number of Shares in Note (1) above and adjusting for the issue of 480,754,826 Rights Shares and assuming that the Rights Issue had been completed at the beginning of each financial year/period, but without taking into account the effect of the use of proceeds from the Rights Issue on the earnings of the Group.

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- (3) Calculated based on the weighted average number of Shares in Note (1) above and adjusting for the issue of 982,745,929 Rights Shares and assuming that the Rights Issue had been completed at the beginning of each financial year/period, but without taking into account the effect of the use of proceeds from the Rights Issue on the earnings of the Group.
- (4) Calculated based on the weighted average number of Shares in Note (1) above and adjusting for (i) the issue of 1,168,888,259 Rights Shares, (ii) 743,969,320 Shares pursuant to the conversion of the 1st Tranche and the 2nd Tranche and (iii) 600,000 Shares pursuant to the Options; and assuming that the Rights Issue had been completed at the beginning of each period, but without taking into account the effect of the use of proceeds from the Rights Issue on the earnings of the Group.
-

3. In respect of:-

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published, and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

Performance review for FY2012 vs FY2011

Revenue

The Group's revenue decreased by S\$7.2 million from S\$30.7 million for the financial year ended 30 June 2011 ("FY2011") to S\$23.5 million for the financial year ended 30 June 2012 ("FY2012"). The decrease was contributed mainly by the Supply of Construction Materials, Technology, E-waste/Recycling and Energy Management Services segments. These were partially offset by the increase in sales from the Consumer Electronic Products segment. The breakdown of revenue in each of the two (2) financial years is set out below:

	FY2011		FY2012		Increase/(Decrease)	
	S\$'000	%	S\$'000	%	S\$'000	%
Consumer Electronic Products	6,087	19.8	10,010	42.5	3,923	64.4
Technology	6,184	20.1	629	2.7	(5,555)	(89.8)
E-waste/Recycling	3,644	11.9	1,784	7.6	(1,860)	(51.0)
Energy Management Services	3,469	11.3	2,082	8.8	(1,387)	(40.0)
Supply of Construction Materials	10,919	35.5	8,486	36.1	(2,433)	(22.3)
Others	444	1.4	535	2.3	91	20.5
Total	30,747	100.0	23,526	100.0	(7,221)	(23.5)

The increase in revenue from the Consumer Electronic Products segment by S\$3.9 million was mainly contributed by a new business line and improvement of sales in Europe. The decrease in revenue from the Supply of Construction Materials segment by S\$2.4 million was mainly due to reduction in granite sales partially mitigated by the increase in sales of sand. The decrease in revenue from the Technology segment by S\$5.6 million was mainly due to the closure of a subsidiary in the Technology segment. The decrease in revenue from the E-waste/Recycling segment by S\$1.9 million was mainly due to slower sales recorded for the business. The decrease in revenue from the Energy Management Services segment by S\$1.4 million was mainly due to lower Energy Performance Contract ("EPC") value.

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Cost of Sales

Cost of sales (“**COGS**”) decreased by S\$2.2 million from S\$25.7 million for FY2011 to S\$23.5 million for FY2012, primarily due to the closure of a subsidiary’s operation in the Technology segment.

Gross Profit

Gross profit (“**GP**”) decreased by S\$5.0 million from S\$5.0 million for FY2011 to S\$30,000 for FY2012, mainly due to negative GP% (as defined below) recorded by the Supply of Construction Materials segment and lower sales and one-off reversal of accrual income in the sand business. Gross profit margin (“**GP%**”) decreased from 16.4% to 0.1%, mainly due to negative GP% recorded by the sand business in the Supply of Construction Materials segment. The GP% for the other segments for FY2012 remained about the same as FY2011.

Other Income

Other income increased by S\$4.8 million from S\$2.6 million for FY2011 to S\$7.4 million for FY2012, mainly due to gain on disposal of investment in an associated company, Centillion, of S\$6.0 million recorded in FY2012, as compared to an insurance compensation received by a subsidiary of S\$0.7 million recorded in FY2011.

Expenses

Distribution expenses increased by S\$2.9 million from S\$5.1 million for FY2011 to S\$8.0 million for FY2012, mainly due to demurrage cost of S\$2.5 million incurred in the Supply of Construction Materials segment and increase in provision for doubtful debts of S\$0.2 million in the E-waste/Recycling segment. In addition, the Consumer Electronic Products segment recorded higher cost of warranty of S\$0.5 million, which is in line with increase in its business activities. This was partially offset by decrease in marketing and distribution cost of S\$0.3 million in the Consumer Electronic Products segment and the Technology segment.

Administrative expenses increased by S\$6.0 million from S\$13.0 million for FY2011 to S\$19.0 million for FY2012, mainly due to the loss on disposal of vessels of S\$1.5 million, provision of doubtful debts for other receivables and recoverables of S\$0.8 million and bad debts of S\$0.3 million in the Supply of Construction Materials segment. In addition, there were expenses incurred on mobilisation of equipment of S\$0.8 million and deposit written off of S\$0.7 million in the Supply of Construction Materials segment in relation to sand business. The Technology segment also incurred higher professional and legal fees of S\$0.3 million due to issuance of a convertible loan. The Group also recorded higher foreign exchange loss of S\$1.2 million and higher depreciation charge for property, plant and equipment of S\$0.4 million.

Other expenses increased by S\$6.7 million from S\$1.6 million for FY2011 to S\$8.3 million for FY2012, mainly due to cost written off in relation to inferior sand quality of S\$6.0 million. In addition, impairment loss on vessels of S\$2.2 million was recorded in FY2012 as compared to impairment loss on asset classified as held for sales of S\$1.5 million recorded in FY2011.

Finance costs increased by S\$0.5 million from S\$0.8 million for FY2011 to S\$1.3 million for FY2012, mainly due to increase in bank loan, convertible loan and interest payable to other creditors.

Share of loss of associates

Share of loss of associates represents the Group’s share of losses in Centillion and a Thailand joint venture by one of the Group’s subsidiary. As the Group has fully recorded the share of losses against cost of investment in FY2011, there are no further charges to income statement. In FY2012, the Group has disposed its shares in Centillion for sales proceed of S\$6.0 million.

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Loss for the financial year

The net loss for FY2012 was S\$27.8 million as compared to a net loss of S\$13.3 million for FY2011. The increase in S\$14.5 million of loss from FY2011 to FY2012 was mainly due to lower GP and higher expenses as mentioned above.

Performance review for FY2013 vs FY2012

Revenue

The Group's revenue decreased by S\$7.9 million from S\$23.5 million for FY2012 to S\$15.6 million for the financial year ended 30 June 2013 ("FY2013"). The decrease was attributable to decrease in sales in the Supply of Construction Materials, Energy Management Services and E-waste/Recycling segments, partially mitigated by the increase in sales from the Technology segment and Consumer Electronic Products segment. The breakdown of revenue in each of the two (2) financial years is set out below:

	FY2012		FY2013		Increase/(Decrease)	
	S\$'000	%	S\$'000	%	S\$'000	%
Consumer Electronic Products	10,010	42.5	10,521	67.2	511	5.1
Technology	629	2.7	2,583	16.5	1,954	310.7
E-waste/Recycling	1,784	7.6	1,189	7.6	(595)	(33.4)
Energy Management Services	2,082	8.8	419	2.7	(1,663)	(79.9)
Supply of Construction Materials	8,486	36.1	226	1.4	(8,260)	(97.3)
Others	535	2.3	717	4.6	182	34.0
Total	23,526	100.0	15,655	100.0	(7,871)	(33.5)

The Technology segment recorded an increase in revenue of S\$2.0 million contributed by non-recurring ad-hoc sales. The increase in customers' demand in Europe has led to an increase in revenue from Consumer Electronic Products segment of S\$0.5 million. The Supply of Construction Materials segment recorded a decrease in revenue of S\$8.3 million due to cessation of sand and granite supply. This segment ceased to supply sand due to the termination of a sand supply contract and ceased granite shipment due to on-going litigation with a supplier. The decrease in revenue from Energy Management Services segment by S\$1.7 million was mainly due to nil completion of EPC in FY2013. The decrease in revenue from the E-waste/Recycling segment by S\$0.6 million was mainly due to lower collection of recycled materials for the business.

Cost of Sales

COGS decreased by S\$11.3 million from S\$23.5 million for FY2012 to S\$12.2 million for FY2013, primarily due to lower COGS by S\$11.3 million recorded in the Supply of Construction Materials segment due to termination of sand supply contract. In addition, lower COGS of S\$1.2 million recorded in the Energy Management Services segment due to nil EPC completed during FY2013 and lower COGS of S\$0.2 million recorded in the E-waste/Recycling segment was in line with lower sales. These decreases were partially offset by the increase in COGS of S\$1.7 million in the Technology segment which was in line with the increase in sales.

Gross Profit

GP increased by S\$3.4 million from S\$30,000 for FY2012 to S\$3.4 million for FY2013, mainly due to lower gross loss recorded by the Supply of Construction Materials segment of S\$3.1 million, increase in GP contributed by the Consumer Electronic Products segment of S\$0.8 million and the Technology segment by S\$0.3 million. This was partially offset by lower GP contribution by the Energy Management Services segment of S\$0.5 million and the E-waste/Recycling segment of S\$0.4 million. GP% increased from 0.1% to 21.9%, mainly due to a change in composition of revenue contribution. The significant reduction in revenue contribution in the Supply of Construction

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Materials segment has led to significant reduction in gross loss, as a result, the Group reported an improved GP%. The GP% for other segments has improved or remained constant in FY2013 as compared to FY2012.

Other Income

Other income decreased by S\$5.2 million from S\$7.5 million for FY2012 to S\$2.3 million for FY2013, mainly due to a one-off gain of S\$6.0 million on disposal of investment in an associated company, Centillion, recorded in FY2012; offset by insurance compensation received by a subsidiary of S\$0.3 million, increase in rental income of S\$0.2 million and deposit forfeited of S\$0.2 million from a purchaser of a vessel due to non-completion of contract recorded in FY2013.

Expenses

Distribution expenses decreased by S\$4.0 million from S\$8.0 million for FY2012 to S\$4.0 million for FY2013, mainly due to non-recurring demurrage cost of S\$2.5 million incurred by Supply of Construction Materials segment in FY2012. In addition, the segment also recorded lower distribution expenses in FY2013 due to non-recurring settlement discount of S\$0.8 million on full settlement of trade debts and lower manpower costs of S\$0.3 million. The Consumer Electronic Products segment recorded a decrease in manpower and handling costs of S\$0.3 million mainly due to lower sales volume in FY2013.

Administrative expenses decreased by S\$7.0 million from S\$19.0 million for FY2012 to S\$12.0 million for FY2013, mainly due to the following:

- Non-recurring expenses in FY2012 for loss on disposal of vessels of S\$1.5 million, mobilisation of equipment of S\$0.9 million and deposit written off of S\$0.7 million;
- Lower depreciation expense of S\$2.3 million due to the reclassification of vessels to assets classified as held for sales and certain equipment that had been fully depreciated;
- Lower vessel related expenses of S\$0.3 million due to fewer vessels;
- Lower provision of doubtful debt and bad debts written off of S\$0.5 million;
- Lower professional and legal expense of S\$0.5 million;
- Foreign exchange movements of S\$0.9 million; offset by
- Impairment for other current assets of S\$1.0 million related to a deposit paid for an investment in FY2013.

Other expenses in FY2013 remained consistent with FY2012. The fluctuations between the two (2) years were mainly due to higher impairment loss on vessels of S\$2.4 million, loss on disposal of asset classified as held for sales of S\$0.4 million and impairment of intangible assets of S\$3.0 million recorded in FY2013, offset by a non-recurring cost written off in relation to inferior sand qualities of S\$6.0 million recorded in FY2012.

Finance costs in FY2013 remained consistent with FY2012. The increase in interest expenses from convertible loans were partially mitigated by a decrease in bank loan interest due to reduction in bank loan quantum.

Loss for the financial year

The net loss for FY2013 was S\$18.9 million as compared to a net loss of S\$27.8 million for FY2012. The decrease in S\$8.9 million of loss from FY2012 to FY2013 was mainly due to higher GP and lower expenses as mentioned above.

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Performance review for 6M FY2014 vs 6M FY2013

Revenue

The Group's revenue decreased by S\$1.5 million from S\$10.1 million for the financial period ended 31 December 2012 ("**6M FY2013**") to S\$8.6 million for the financial period ended 31 December 2013 ("**6M FY2014**"). The decrease was mainly contributed by Technology and E-waste/Recycling segments. These were partially mitigated by the increase in sales from the Supply of Construction Materials segment and Consumer Electronic Products segment. The breakdown of revenue in each of the two (2) financial periods is set out below:

	6M FY2013		6M FY2014		Increase/(Decrease)	
	S\$'000	%	S\$'000	%	S\$'000	%
Consumer Electronic Products	5,701	56.7	6,390	74.1	689	12.1
Technology	2,555	25.4	85	1.0	(2,470)	(96.7)
E-waste/Recycling	1,061	10.5	218	2.5	(843)	(79.5)
Energy Management Services	148	1.5	108	1.3	(40)	(27.0)
Supply of Construction Materials	226	2.2	1,553	18.0	1,327	587.2
Others	370	3.7	274	3.1	(96)	(25.9)
Total	10,061	100.0	8,628	100.0	(1,433)	(14.2)

The decrease in sales in Technology segment was mainly due to non-recurring ad-hoc sales in 6M FY2013, while E-waste/Recycling segment was mainly due to one-off sales to a customer that purchased in bulk in 6M FY2013. Increase in sales in Consumer Electronic Products segment was mainly due to better sales and appreciation of Euro against Singapore dollar. The increase in sale in Supply of Construction Materials was due to cash received from sand business of S\$1.6 million in relation to a revenue that was not recognised previously as the probability of billing was low upon termination of sand contract.

Cost of Sales

COGS decreased by S\$4.1 million from S\$8.7 million for 6M FY2013 to S\$4.6 million for 6M FY2014. This was mainly due to lower COGS recorded in Technology segment of S\$2.3 million and E-waste/Recycling segment of S\$0.9 million due to one-off sales as mentioned above. Supply of Construction Materials segment reported lower COGS of S\$1.2 million mainly due to (i) one-off impairment of S\$0.7 million on prepayment for rights of granites in 6M FY2013; and (ii) lower running cost for vessels as all vessels had been disposed in the quarter ended 30 September 2013. The decrease in COGS was partially offset by higher COGS in Consumer Electronic Products of S\$0.4 million, which is in line with the increase in sales for the segment.

Gross Profit

GP increased by S\$2.6 million from S\$1.4 million for 6M FY2013 to S\$4.0 million for 6M FY2014, mainly due to higher GP% in 6M FY2014. GP% improved by 32.5% from 14.0% in 6M FY2013 to 46.5% in 6M FY2014. The higher GP% recorded for 6M FY2014 was mainly due to one-off cash income of S\$1.6 million received from sand business (as mentioned in revenue section above). Without this one-off cash income, the GP% for 6M FY2014 should have been 34.7% (adjusted) and the adjusted 6M FY2013 GP% will be 31.1% excluding the non-recurring sales in Technology segment and the negative GP contribution by Supply of Construction Materials segment. The improvement in the GP% was largely contributed by the Consumer Electronic Products segment due to better product mix and tighter control on costs and higher margin in E-waste/Recycling segment due to the better quality of materials collected.

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Other Income

The Group recorded an increase of S\$1.1 million in other income mainly due to (i) S\$0.8 million one-off gain on disposal of a subsidiary, Hinterland Property Development Pte. Ltd.; (ii) gain on disposal of assets classified as held for sale of S\$0.1 million; and (iii) trade payables written off of S\$0.1 million.

Expenses

Distribution expenses decreased by S\$0.5 million from S\$2.7 million for 6M FY2013 to S\$2.2 million for 6M FY2014, mainly due to lower transportation and maintenance costs of S\$0.2 million and lower vessels' insurance costs of S\$0.2 million as the Group had fully disposed all vessels. Consumer Electronic Products segment reported lower advertising and marketing costs of S\$0.1 million as the segment has outsourced its sales and marketing activities.

Administrative expenses decreased by S\$1.8 million from S\$5.6 million for 6M FY2013 to S\$3.8 million for 6M FY2014, mainly attributable to (i) lower staffs costs of S\$0.4 million; (ii) lower provision of doubtful debts for trade receivables of S\$0.3 million; (iii) lower depreciation expense of S\$0.4 million; (iv) lower vessels related expenses of S\$0.2 million; and (v) lower amortisation of intangible assets of S\$0.9 million. These reductions in expenses were partially offset by higher professional fees of S\$0.1 million and foreign exchange movement of S\$0.3 million.

Other expenses decreased by S\$4.4 million from S\$4.4 million for 6M FY2013 to S\$31,000 for 6M FY2014, mainly due to the recognition of an impairment of S\$4.4 million on assets classified as held for sale for the Supply of Construction Materials segment in 6M FY2013, which was non-recurring in 6M FY2014.

Finance costs decreased by S\$0.3 million from S\$0.7 million for 6M FY2013 to S\$0.4 million for 6M FY2014, mainly due to reduction in bank loan quantum and repayment of exchangeable loan in the half year ended 30 June 2013, partially offset by a higher bank factoring costs for 6M FY2014.

Loss for the financial period

The net loss for 6M FY2014 was S\$0.2 million as compared to a net loss of S\$10.8 million for 6M FY2013. The decrease in S\$10.6 million of loss from 6M FY2013 to 6M FY2014 was mainly due to higher GP and lower expenses as mentioned above.

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- 4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of**
- (a) the most recent completed financial year for which audited financial statements have been published, or**
 - (b) if interim financial statements have been published for any subsequent period, that period.**
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SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

STATEMENT OF FINANCIAL POSITION OF THE GROUP

	Audited as at 30 June 2013 S\$'000	Unaudited as at 31 December 2013 S\$'000
Non-current assets		
Financial assets, available-for-sale	2,222	2,222
Property, plant and equipment	391	316
Trade receivables	1,689	1,398
Intangible assets	17,709	16,941
Associates	13	13
Deferred tax assets	435	460
Other non-current assets	11,407	11,830
	33,866	33,180
Current assets		
Inventories	2,674	1,314
Trade and other receivables	7,063	7,729
Other current assets	2,885	2,256
Cash and cash equivalents	3,203	2,152
Assets classified as held for sale	3,018	–
	18,843	13,451
Total Assets	52,709	46,631
Current liabilities		
Trade and other payables	11,480	6,899
Financial liabilities	2,226	653
Provisions for other liabilities and charges	690	426
Current tax payable	4	4
	14,400	7,982
Non-current liabilities		
Other payables	–	585
Financial liabilities	8,188	8,163
Derivative instrument	761	761
Deferred tax liabilities	3,247	3,127
	12,196	12,636
Total Liabilities	26,596	20,618
Net Assets	26,113	26,013
Equity		
Share capital	146,418	146,418
Reserves	488	1,187
Accumulated losses	(111,966)	(112,988)
Equity attributable to owners of the Company	34,940	34,617
Non-controlling interests	(8,827)	(8,604)
Total Equity	26,113	26,013

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
 - (b) net assets or liabilities per share; and
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.
-

For illustrative purposes only, the following is an analysis of the effects of the Rights Issue on the NAV of the Group:

	As at 30 June 2013	As at 31 December 2013
Before the Rights Issue		
NAV (S\$'000)	34,940	34,617
Number of Shares ('000)	3,930,984	3,930,984
NAV per Share (cents)	0.89	0.88
After the Rights Issue assuming Minimum Subscription Scenario		
NAV (S\$'000)	38,005	37,682
Number of Shares ('000)	4,411,739	4,411,739
NAV per Share (cents)	0.86	0.85
After the Rights Issue assuming full subscription based on Minimum Base Scenario		
NAV (S\$'000)	41,519	41,196
Number of Shares ('000)	4,913,730	4,913,730
NAV per Share (cents)	0.85	0.84
After the Rights Issue assuming full subscription based on Maximum Base Scenario		
NAV (S\$'000)	56,846	56,523
Number of Shares ('000)	5,844,441	5,844,441
NAV per Share (cents)	0.97	0.97

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of
- (a) the most recent completed financial year for which financial statements have been published, and
- (b) if interim financial statements have been published for any subsequent period, that period.

CONSOLIDATED STATEMENT OF CASH FLOWS OF THE GROUP

	Audited FY2013 S\$'000	Unaudited 6M FY2014 S\$'000
Cash flows used in operating activities		
Loss for the year/period	(18,904)	(181)
Adjustments for:		
Income tax credit	(1,047)	(132)
Amortisation of intangible assets	3,294	768
Depreciation of property, plant and equipment	593	101
Gain on disposals of property, plant and equipment	(43)	(5)
Gain on disposal of a subsidiary ⁽¹⁾	–	(826)
Gain on disposal of financial assets, available-for-sale	(56)	–
Loss/(gain) on disposal of assets classified as held for sale	350	(65)
Loss on disposal of intangible assets	14	–
Write-off of other non-current assets	31	–
Impairment loss on assets classified as held for sale	4,623	–
Impairment loss on intangible assets	3,000	–
Impairment loss on club membership	8	–
Impairment loss on other current assets	1,169	–
Impairment loss on prepayment for rights, interest in and ownership of granites	703	–
Impairment loss on trade and other receivables (net of reversals)	383	1
Reversal of write-down on inventories	(95)	–
Interest expense	1,434	442
Interest income	(227)	(208)
Utilisation of prepayment for rights, interest in and ownership of granite and rights on use of plant and machinery	117	58
Provision for warranty expense	616	318
	(4,037)	271
Changes in working capital:		
Inventories	819	1,360
Trade and other receivables	(2,426)	(404)
Other current assets	(671)	154
Trade and other payables	(5,546)	(1,146)
Provisions for other liabilities and charges	(638)	(336)
Cash utilised in operations	(12,499)	(101)
Income tax (paid)/recovered	(1)	13
Cash flows used in operating activities	(12,500)	(88)

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

CONSOLIDATED STATEMENT OF CASH FLOWS OF THE GROUP (CONTINUED)

	Audited FY2013 S\$'000	Unaudited 6M FY2014 S\$'000
Cash flows from investing activities		
Interest received	227	208
Deposit paid to secure potential investment	(1,000)	–
Investment in financial assets, available-for-sale	(2,666)	–
Deposit received for sale of assets classified as held for sale	2,200	–
Proceeds from sale of property, plant and equipment	48	36
Proceeds from sale of associated company	3,500	–
Proceeds from sale of assets classified as held for sale	12,653	883
Proceeds from sale of financial assets, available-for-sale	500	–
Purchase of property, plant and equipment	(70)	(31)
Disposal of a subsidiary, net of cash disposed ⁽¹⁾	–	*
Net cash from investing activities	15,392	1,096
Cash flows used in financing activities		
Interest paid	(987)	(174)
Withdrawal of deposits placed with bank as security	106	–
Proceeds from borrowings	680	–
Repayment of borrowings	(14,502)	(702)
Repayment of loan to a third party	–	(1,076)
Repayment of finance lease	(31)	(16)
Repayment of convertible loans	(4,340)	–
Repayment of amount due to a director	(1,969)	–
Repayment to non-controlling shareholders of subsidiaries	(4)	–
Net proceeds from issuance of ordinary Shares	14,476	–
Net cash used in financing activities	(6,571)	(1,968)
Net decrease in cash and cash equivalents	(3,679)	(960)
Cash and cash equivalents at beginning of year/period	6,754	3,142
Effect of exchange rate fluctuation on cash held	67	(91)
Cash and cash equivalents at end of year/period	3,142	2,091

Note:

- (1) On 6 September 2013, the Company announced the disposal of its wholly-owned subsidiary, Hinterland Property Development Pte. Ltd. (“HPD”) at a consideration of S\$1 in cash. The effect of the disposal of HPD is set out below:

	Book Value S\$'000
Property, plant and equipment	1
Cash at bank *	–
Other receivables	29
Trade and other payables	(751)
Provisions for other liabilities and charges	(270)
Net identifiable liabilities	(991)
Realisation of foreign currency translation differences	165
Gain on disposal	(826)

* The net cash outflow on cash disposed was less than one hundred dollar.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

FY2013

Cash and cash equivalents (net of overdrafts and deposits placed with a bank as security) decreased by S\$3.7 million from S\$6.8 million as at 30 June 2012 to S\$3.1 million as at 30 June 2013, mainly due to funds generated/utilised as follows:

The funds were mainly utilised for the following purposes:

- (i) cash used in operating activities (net of non-cash items) of S\$12.5 million;
- (ii) repayment of bank borrowings of S\$14.5 million;
- (iii) repayment of convertible loans of S\$4.3 million;
- (iv) investment in financial assets, available-for-sale of S\$2.7 million;
- (v) repayment of amount due to a director of S\$2.0 million;
- (vi) deposit paid to secure potential investment of S\$1.0 million; and
- (vii) interest paid of S\$1.0 million.

The main sources of funds were generated from the following:

- (i) net proceeds from disposal of assets classified as held for sale of S\$12.7 million;
- (ii) net proceeds from rights issue of S\$11.5 million;
- (iii) proceeds from disposal of an associated company, Centillion, of S\$3.5 million;
- (iv) proceeds from issuance of new Shares of S\$2.9 million;
- (v) deposits received for sale of vessels of S\$2.2 million;
- (vi) proceeds from bank borrowings of S\$0.7 million; and
- (vii) proceeds from sale of financial assets, available-for-sale of S\$0.5 million.

6M FY2014

Cash and cash equivalents (net of overdraft and deposits placed with a bank as security) decreased by S\$1.0 million from S\$3.1 million as at 30 June 2013 to S\$2.1 million as at 31 December 2013, mainly due to funds generated/utilised as follows:

The funds were mainly utilised for the following purposes:

- (i) cash used in operating activities (net of non-cash items) of S\$0.1 million;
- (ii) repayment of loan to a third party of S\$1.1 million;
- (iii) repayment of bank borrowings of S\$0.7 million; and
- (iv) interest paid of S\$0.2 million.

The main sources of funds were generated from the following:

- (i) net proceeds from disposal of assets classified as held for sale of S\$0.9 million; and
- (ii) interest received of S\$0.2 million.

-
- 7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
-

The Directors of the Company are of the reasonable opinion that as at the date of the lodgement of this Offer Information Statement, after taking into account the Group's internal resources, operating cash flows and present banking facilities, the working capital available to the Group is sufficient for its present requirements.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide –
- (a) a statement of that fact;
 - (b) details of the credit arrangement or bank loan; and
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).
-

To the best of the Directors' knowledge, as at the date of the lodgement of this Offer Information Statement, the Group is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities in the Company.

Trend Information and Profit Forecast or Profit Estimate

9. Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.
-

Business and financial prospects for the current financial year

As part of the Group's effort to improve performance, the Group started streamlining business activities in loss making segments and to dispose of excess assets in the Supply of Construction Materials segment. With the disposal of the Group's final vessel in the current financial year, the Group is now better poised for future new business.

The Group will continue its effort to source for supply of construction materials and to seek out new business opportunities.

RISK FACTORS

To the best of the Directors' knowledge and belief, all the risk factors that are material to the Shareholders in making an informed judgement on the Group (save for those which have already been disclosed to the general public) are set out below.

Shareholders should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding to subscribe for the Rights Shares. The Group could be affected by a number of risks that may relate to the industry and country in which the Group operates as well as those that may generally arise from, *inter alia*, economic, business, market and political factors including the risks set out herein. The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Group, or that the Group may currently deem immaterial, which could affect its operations. The business, results of operations, financial condition and prospects of the Group could be materially and adversely affected in the event that any of these risks materialises. In any such case, the market price of the Rights Shares could decline and you may lose all or part of your investment in the Rights Shares.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Risks Relating to the Group's Business and Operations

General social, political and economic conditions. The Group may be affected by adverse trends in the general economy including social, political and economic conditions (and perceptions of such conditions by the Group's customers), business conditions, interest rates, availability of credit as well as levels of taxation for the economy as a whole and in regional and local markets in which the Group operates.

The Group is also subject to general credit, liquidity, market, and interest rate risks, which may be exacerbated by unusual events that have affected global financial markets. If the global credit market deteriorates, the Group's financial position, cash flow, prospects and future plans may be adversely affected.

Inability to achieve profitability and positive cash position in recent years. The Group recorded losses attributable to Shareholders of S\$12.4 million, S\$22.3 million, S\$17.4 million, S\$9.5 million and S\$0.4 million in FY2011, FY2012, FY2013, 6M FY2013 and 6M FY2014 respectively. While the Group will continue to develop its core business segments to enhance the Shareholders' value, there is no assurance that the Group will be able to achieve profitability or significantly improve its financial performance. The Group recorded negative operating cash flows of S\$9.2 million, S\$10.3 million, S\$12.5 million, S\$9.1 million and S\$0.1 million in FY2011, FY2012, FY2013, 6M FY2013 and 6M FY2014 respectively, and there is no assurance that the Group will return to positive operating cash flow in the future.

The Group may be exposed to the business risks associated with the distribution of consumer electronic products. The sale and distribution of consumer electronic products is a competitive business and requires the Group to keep up with the ever changing demands and preferences of consumers. In the event that the Group is not able to adequately anticipate (and meet) the preferences of the consumers in terms of product offering, service quality and price, this may materially and adversely affect this area of the Group's business and the Group's financial performance.

The ability of the Group to continue distributing and marketing consumer electronic products is dependent on its ability to secure renewals of the existing distribution licenses. Any non-renewal or revocation of the distribution licences for whatever reasons may affect the range of consumer electronic products that the Group is offering in the market. This may in turn materially and adversely affect the Group's financial performance.

The Group's Consumer Electronic Products segment is dependent on the continuous growth in the economies of the region and country in which it conducts its businesses. Challenging market conditions in Europe have given rise to declining business and consumer confidence across the region. A prolonged downturn in the European markets may have a negative impact on the demand for consumer electronic products, including those marketed and distributed by the Group. The prospects and risks associated with the Consumer Electronic Products segment are dependent on developments in the global economic environment and, in particular, how events unfold in Europe. Accordingly, the Group's financial performance could be adversely affected.

The Group may be exposed to the business risks associated with recycling activities. The purchase price for electronic waste depends on the composition of non-ferrous metals such as copper, aluminium and other metals in the electronic waste and their prevailing prices at the time of purchase. As these metals are traded as commodities, their prices are subject to the fluctuations of the world commodity markets. Significant fluctuations of such prices may affect the financial performance of the Group.

Any change in environmental protection standards or the introduction of new environmental protection regulations may result in increase in the Group's operating costs. This may in turn materially and adversely affect the Group's financial performance.

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The Group may be exposed to business risks associated with the Energy Management Services segment. The Group's Energy Management Services segment is dependent on consultancy and maintenance contracts for its products and services. The Group provides energy management solutions to the building industry in Singapore together with maintenance services contracts to implement the solutions. In the event that it is unable to secure such contracts, or where it is unable to provide similar maintenance services at more competitive prices and/or the maintenance contracts are terminated for whatever reasons, the Group's financial performance may be adversely affected.

The Group may be exposed to business risks associated with the supply of construction materials. The Group's supply of Construction Materials segment is dependent on the demand for and availability of construction materials including granite, and any fall in the demand for such construction materials by the construction industry or interruption in its availability to the Group such as default or breach of its supply contracts by its suppliers, or increase in the cost of construction materials acquired by the Group could adversely affect the Group's financial performance. The Group could also be placed in default of its supply obligations for its construction materials to its end customers and be subject to claims and/or legal action in the event of any interruption in the availability of such construction materials to the Group and the Group's failure to source alternative supplies.

The Company announced on 22 June 2012 that ERPL had on 22 March 2012 commenced arbitration proceedings against PT Kawasan Dinamika Hamonitama ("**KDH**") by the filing of a Notice of Arbitration with the Singapore International Arbitration Centre. On 27 March 2012, ERPL obtained an interim injunction against KDH from the High Court of Singapore pursuant to Section 12A of the International Arbitration Act (Cap. 143A), restraining KDH from disposing or dissipating the Extracted Granite and KDH's plant and machinery, until the arbitration tribunal was constituted to hear the case or make any further interim orders. On 28 January 2014, the Company announced that the arbitration tribunal had awarded in favour of ERPL in respect of its claims against KDH ("**Arbitration Award**"), pursuant to which KDH has been ordered to pay ERPL the following sums:

- (i) S\$12,692,756 and interest of 6% per annum to be computed from 1 March 2012 till the date of payment;
- (ii) S\$200,000 as legal and other costs; and
- (iii) S\$193,160 as costs of arbitration.

ERPL is being advised by its solicitors on the next steps to enforce the Arbitration Award in Indonesia and the Board will disclose the financial impact of this matter (if any) when it is able to assess the progress and outcome thereof. Further details of the arbitration proceedings are set out in Paragraph 9(f) of Part IV: Key Information of this Offer Information Statement.

There is no assurance that the Group will succeed in enforcing and recovering the Arbitration Award. In the event that the Group is unable to recover the full Arbitration Award, the Group will have to make impairment to its non-current assets and this will have an adverse impact on the Group's financial performance and financial position.

The Group may be exposed to business risks associated with the Technology segment. New technologies and applications are constantly being introduced in the markets in which the Group competes, and this may negate the competitive advantage of the Group's technologies, productivity and systems, and render them obsolete. In addition, technological changes often result in substantial improvements in cost savings which may reduce the prices the Group can charge for its products. If the Group is unable to adapt its business model in a timely manner, this may lead to an adverse impact on its competitiveness and its financial performance may be adversely affected.

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Successful commercialization of the Group's products will depend on the Group achieving user acceptance of its technologies, products and solutions. Failure of acceptance by the market of the Group's technologies, products and solutions, such as Disa's Anti-Theft technology, would affect the Group's ability to commercialise and grow its technology business and revenue and may adversely affect the Group's ability to improve its financial performance.

The Group may require further funding to improve its current business and financial performance. In order for the Group to expand its profitable business areas and/or to improve its current business and financial performance, further investments in and/or acquisitions of businesses by the Group may be required. This may require further funds.

In addition, the distribution and sale of consumer electronic products in which the Group is involved, is a competitive business where the margins are not high. In order to remain commercially viable, the sales volume must be of a certain value. The Group therefore may require adequate funding for this area of business.

If the Company is unable to obtain adequate funding on appropriate terms in such situations, the operations and/or financial performance of the Company may be adversely affected. Additional cash may have to be raised through further issue(s) of shares in the Company or through borrowings from financial institutions. Where further new Shares are issued, Shareholders may face a dilution of their shareholdings in the Company. Where additional debt financing is undertaken, the Company will face higher interest expense and gearing and the Company may also be subject to restrictive covenants in relation to, *inter alia*, the payment of dividends, the conduct of future fund-raising exercises and other financial and operational matters.

The Group may fail to hire or retain services of key skilled personnel and senior management personnel which may adversely affect the Group's operations and results. The Group's success to-date has been largely attributable to the senior management personnel of the Group. The Group's continued success is dependent to a large extent on the Group's ability to retain their services. The loss of the services of any of the Group's senior management personnel without adequate replacement will have a material adverse impact on the Group's business and operations.

The Group is exposed to fluctuations in foreign exchange currencies which may result in the Group incurring foreign exchange losses. The Group's primary exposure to foreign exchange risk arises from sales, purchases and borrowings that are denominated in foreign currencies. The currencies giving rise to the risk are the USD and Euro. Accordingly, the Group is exposed to currency risks relating to fluctuations between these currencies.

The Group does not have any formal hedging policy against foreign exchange fluctuations. Therefore the Group's profitability may be affected in the event of any adverse fluctuations in the exchange rate between the currencies in which the Group's sales and purchases are respectively denominated.

In addition, the financial statements of certain subsidiaries of the Group are prepared in HKD and Euro. To prepare the Group's consolidated financial statements, the financial statements of these subsidiaries are translated to S\$ on the exchange rates prevailing during the year or at the balance sheet date. Any significant fluctuation in the exchange rates between the relevant currencies would have an impact on the Group's consolidated financial statements. There is no assurance that the Group will be able to successfully manage its foreign exchange risks. In addition, there can be no assurance that the foreign exchange policies of the countries in which the Group's subsidiaries operate will not be changed to their detriment.

The Group is exposed to the credit risks of its customers. The Group's financial position and profitability are dependent on the credit worthiness of the customers of the Group. The Group's primary exposure to credit risk arises through its trade receivables. Credit risk is managed through the application of credit approvals, setting credit limits, and monitoring procedures. One of the

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Group's subsidiaries minimises its exposure to credit risks by purchasing credit insurance. Although the Group regularly reviews its credit exposure to its customers, credit risk will nevertheless arise from events or circumstances that are difficult to anticipate or detect, or are beyond the control of the Group. Such events may have an impact on the Group's customers' ability to make timely payment and enforcement by the Group for timely payments may not be effective. There is no assurance that risks of default by the Group's customers will not increase in the future or that it will not experience cash flow problems as a result of such defaults. Accordingly, this will have an adverse impact on the Group's financial performance, financial position and prospects.

The Group has legal proceedings ongoing for 57% of the total outstanding trade and other receivables as at 31 December 2013. Based on legal advice obtained, the Group believes that no impairment allowance is necessary for these receivables as the Group has a reasonably strong prospect of succeeding in these lawsuits. However, there is no assurance that the Group will succeed in these lawsuits, or will be able to recover such receivables even if the Group is successful in these lawsuits. In the event that the Group is unable to recover these receivables, the Group will have to make impairment to such receivables and this will have an adverse impact on the Group's financial performance and financial position.

Risk of businesses of new and potential investments. The Group will continue to streamline and expand its existing businesses to enhance the Shareholders' value.

The ability of the Group to improve its financial performance is dependent on various factors, including but not limited to the customers' needs, industry and regulatory requirements, the demand for the Group's products and services and sufficient financial resources.

In the event that such expansion (including any capital expenditures), investments and/or acquisitions are not commercially successful, the financial performance of the Group may be adversely affected. Further, significant time and effort may be required to successfully integrate the new investments within the Group. If the Group is unable to manage the development and/or integration of the new investments and businesses efficiently and effectively, the financial performance of the Group may be adversely affected.

Risks relating to the Shares

The Company's Share price may fluctuate. There is no assurance that the market price for the Shares will not fluctuate significantly and rapidly as a result of certain factors, some of which are beyond the Company's control. Examples of such factors include, *inter alia*, (i) variation(s) of its operating results; (ii) changes in securities analysts' estimates of the Group's financial performance; (iii) additions or departures of key personnel; (iv) fluctuations in stock market prices and volume; (v) involvement in litigation; and (vi) general economic and stock market conditions.

The Company's Shares may not be traded regularly. There is no assurance that there will be an active trading market for the Company's Shares subsequent to the Rights Issue and even if there is, there is no assurance that an active trading market for the Shares will be sustained.

The Entitled Shareholders who do not or are not able to accept their provisional allotment of Rights Shares will experience a dilution in their ownership of the Company. In the event that Shareholders do not or are not able to accept their provisional allotments of Rights Shares, their proportionate interests in the Company will be reduced. They may also experience a dilution in the value of their Shares. Even if a Shareholder sells his rights entitlements, or such rights entitlements are sold on his behalf, the consideration that he may receive may not be sufficient to compensate him fully for the dilution of his interest in the Company as a result of the Rights Issue.

An active market may not develop for the "nil-paid" rights entitlements during the trading period prescribed by the SGX-ST and, if an active market does develop, the "nil-paid" rights entitlements may be subject to greater price volatility than the Shares. The Company cannot assure Shareholders that an active trading market for the "nil-paid" rights entitlements on the SGX-

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

ST will develop during the trading period or that any over-the-counter trading market for the “nil-paid” rights entitlements will develop. If an active market develops, the trading price of the “nil-paid” rights entitlements, which depends on the trading price of the Shares, may be volatile. In addition, Shareholders in certain jurisdictions are not allowed to participate in the Rights Issue. The “nil-paid” rights entitlements which would otherwise be provisionally allotted to Foreign Shareholders may be sold by the Company, which could affect the trading price of the “nil-paid” rights entitlements.

The Shareholders may experience future dilution in the value of their Shares. The Company may need to raise additional funds in the future for the Group’s existing operations or to finance future investments. If additional funds are raised through the issuance of new Shares other than on a *pro-rata* basis to its existing Shareholders, the percentage interest in the Company of existing Shareholders may be reduced and existing Shareholders may experience dilution in the value of their Shares.

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- 10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

- 11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**
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Not applicable. No profit forecast or profit estimate is disclosed in this Offer Information Statement.

- 12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**
-

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

- 13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –**

(a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or

(b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

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14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. No profit forecast is disclosed in this Offer Information Statement.

15. Disclose any event that has occurred from the end of –
- (a) the most recent completed financial year for which financial statements have been published; or
 - (b) if interim financial statements have been published for any subsequent period, that period,
- to the latest practicable date which may have a material effect on the financial position and results of the relevant entity, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in Paragraphs 9(c) and 9(f) of Part IV: Key Information of this Offer Information Statement and the announcements of the Company on SGXNET from time to time, the Directors are not aware of any event which has occurred from 31 December 2013 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

16. In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.
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Noted.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VI: THE OFFER AND LISTING

Offer and Listing Details

1. **Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.**
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The Issue Price for each Rights Share is S\$0.007, payable in full on acceptance and/or application.

The expense incurred in the Rights Issue will not be charged to subscribers or purchasers of the Rights Shares. An administrative fee will be charged by the relevant Participating Banks for each Electronic Application made through the ATMs of the respective Participating Banks.

2. **If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
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Not applicable. The Shares are, and the Rights Shares will be, traded on Catalist.

The Issue Price of S\$0.007 of each Rights Share represents a discount of approximately 30.0% to the closing price of S\$0.010 per Share on Catalist on 14 February 2014, being the last Market Day on which the Shares were traded on Catalist immediately preceding the date of announcement in respect of the Rights Issue dated 17 February 2014.

The Issue Price of S\$0.007 represents a discount of approximately 46.2% to the closing price of S\$0.013 per Share on Catalist on the Latest Practicable Date.

3. **If –**
- (a) **any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and**
 - (b) **the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Not applicable. None of the Shareholders have pre-emptive rights to subscribe for the Rights Shares.

As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section entitled "Eligibility of Shareholders to Participate in the Rights Issue" of this Offer Information Statement for further information.

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4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange –
- (a) in a case where the first mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
- i. for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
- ii. for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
- (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
- i. for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
- ii. for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
- (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.

-
- (a) The price range and volume of the Shares traded on Catalist during each of the twelve (12) calendar months immediately preceding the Latest Practicable Date and for the period from 1 March 2014 to the Latest Practicable Date are as follows:

Month	Price Range		Share Volume ('000)
	High (\$)	Low (\$)	
March 2013	0.025	0.017	2,005,046
April 2013	0.022	0.017	516,695
May 2013	0.021	0.017	510,296
June 2013	0.019	0.013	268,666
July 2013	0.017	0.013	214,533
August 2013	0.015	0.013	111,409
September 2013	0.017	0.013	494,791
October 2013	0.014	0.010	141,645
November 2013	0.013	0.009	147,238
December 2013	0.012	0.010	28,097
January 2014	0.014	0.010	283,708
February 2014	0.015	0.010	160,953
1 March 2014 to the Latest Practicable Date	0.018	0.012	727,432

Source: Bloomberg⁽¹⁾

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Note:

- (1) Bloomberg L.P. has not consented to the inclusion of the price range and volume of Shares quoted under this paragraph and is thereby not liable for such information under Sections 253 and 254 of the SFA. The Company has included the above price range of Shares in their proper form and context in this Offer Information Statement and has not verified the accuracy of such information.
- (b) Not Applicable. The Shares have been listed on Catalist for more than twelve (12) months immediately preceding the Latest Practicable Date.
- (c) Save for the temporary trading halts to cater for the release of announcements by the Company over SGXNET in accordance with the requirements of the Catalist Rules, there has been no trading suspension that has occurred on the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date.
- (d) Please refer to above table for the volume of Shares traded during each of the twelve (12) calendar months immediately preceding the Latest Practicable Date and for the period from 1 March 2014 to the Latest Practicable Date.

5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide –

- (a) **a statement of the rights, preferences and restrictions attached to the securities being offered; and**
- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.**

Not applicable as the Rights Shares are identical to the securities already issued by the Company.

6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker and dealer.

Number of Rights Shares : Based on the Maximum Base Scenario, up to 1,168,888,259 Rights Shares will be issued.

Based on the Minimum Base Scenario, up to 982,745,929 Rights Shares will be issued.

Based on the Minimum Subscription Scenario, 480,754,826 Rights Shares will be issued.

Basis of Provisional Allotment : The Rights Issue is made on a renounceable and partially underwritten basis to Entitled Shareholders at the Issue Price of S\$0.007 for each Rights Share, on the basis of one (1) Rights Share for every four (4) existing Shares held by Entitled Shareholders as at the Books Closure Date.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Fractional entitlements to Rights Shares will be disregarded and will be aggregated with entitlements to the Rights Shares not taken up or allotted for any reason, and shall be used to satisfy applications for excess Rights Shares (if any) or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of any excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots, and the Directors and Substantial Shareholders who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board of the Company will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares.

The Rights Shares will not be offered through any broker or dealer.

Entitled Shareholders will be at liberty to accept (in part or in full), decline, renounce or in the case of Entitled Depositors only, trade on Catalist (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

As there may be prohibitions or restrictions against the offering of the Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section entitled "Eligibility of Shareholders to Participate in the Rights Issue" of this Offer Information Statement for further details.

Terms and Conditions : The allotment and issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Offer Information Statement, including Appendices I to III, the PAL, the ARE and the ARS.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.

The Underwriter will undertake up to 285,700,000 Rights Shares ("**Underwritten Rights Shares**") which are not taken up by the Entitled Shareholders (by accepting their provisional allotments or applying for excess Rights Shares), their renounees or the Purchasers under the Rights Issue by the Closing Date and which are not subject to the Rights Undertakings, at the Issue Price, on the terms and subject to the conditions of the Underwriting Agreement. The Underwritten Rights Shares represents approximately 24.44% of the total number of Rights Shares under the Rights Issue based on the Maximum Base Scenario, and 29.07% of the total number of Rights Shares under the Rights Issue based on the Minimum Base Scenario.

For the avoidance of doubt, SAC Capital's underwriting obligations will cease in the event that valid subscriptions and excess applications for 480,754,826 Rights Shares have been received by the Closing Date.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

In consideration of the Underwriter's agreement to underwrite the Rights Issue, the Company will pay the Underwriter an underwriting commission of 2% of the Issue Price for the total number of Underwritten Rights Shares in accordance with the terms of the Underwriting Agreement.

The underwriting commitment of the Underwriter under the Underwriting Agreement is conditional upon, *inter alia*, the following:

- (a) the listing and quotation notice from the SGX-ST having been obtained for the quotation and listing of the Rights Shares on Catalist on terms and conditions acceptable to the Company and the Manager and Underwriter and, where such approval is subject to conditions, to the extent that any conditions for the listing and quotation of the Rights Shares on Catalist are required to be fulfilled on or before any given deadline, they are so fulfilled;
- (b) the Offer Documents having been lodged with the SGX-ST acting as agent on behalf of the Authority in accordance with and for the purposes of the SFA; and
- (c) there having been, between the date of the Underwriting Agreement and on or before the Ex-Rights Trading Date, save as disclosed to the Manager and Underwriter prior to that date, no material adverse change, or any development (including but not limited to any event or series of events in the nature of *force majeure*) likely to result in a material adverse change, in the business or financial condition of the Company or the Group as a whole from that set forth in the audited accounts of the Company and the audited consolidated accounts of the Group for FY2013, or the unaudited financial statements for 6M FY2014 as announced by the Company on 12 February 2014 or the Offer Documents, nor the occurrence of any event (including but not limited to any event or series of events in the nature of *force majeure*) nor the discovery of any fact or circumstances rendering untrue or incorrect in any material respect any of the warranties or representations contained in clause 6 of the Underwriting Agreement as if they were repeated on and as of the Ex-Rights Trading Date with reference to the facts and circumstances then subsisting nor the occurrence of any breach by the Company of any of the undertakings and agreements contained in clause 6 of the Underwriting Agreement in any material respect.

Under the Underwriting Agreement, the Company has undertaken that it will not,

- (a) prior to the Ex-Rights Trading Date, issue any new Shares or other securities or otherwise alter its capital structure (save to the extent contemplated by the Rights Issue) or acquire any subsidiaries or associated companies; and
- (b) without the prior written consent of the Underwriter (such consent not to be unreasonably withheld), at any time on or before the expiry of ninety (90) days after the Closing Date, issue any marketable securities (in the form of, or represented or evidenced by, bids, notes, debentures, loan stock or other securities) or shares or options thereof, declare or distribute any dividend or vary, alter, subdivide or otherwise do anything to its capital structure (issued or otherwise), save for, *inter alia*, the issue of Shares pursuant to the exercise of any Options outstanding as at the Closing Date and the conversion of the 1st Tranche and the 2nd Tranche (if granted to the Group) under the Sculptor Convertible Loan Agreement.

The Underwriter may, under the terms of the Underwriting Agreement, terminate the Underwriting Agreement, upon the occurrence of certain events, including but not limited to *force majeure* events.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VII: ADDITIONAL INFORMATION

Statements by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
-

Not Applicable. No statement by experts is included in this Offer Information Statement.

2. **Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert-**
- (a) **state the date on which the statement was made;**
 - (b) **state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) **include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
-

Not Applicable. No statement by experts is included in this Offer Information Statement.

3. **The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**
-

Not Applicable. Paragraphs 1 and 2 of this Part are not applicable.

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
-

The Manager and Underwriter, has given, and has not withdrawn, its written consent to the issue of this Offer Information Statement, with the inclusion of its name and all references thereto, in the form and context in which they appear in this Offer Information Statement.

5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**
- (a) **the relevant entity's business operations or financial position or results; or**
 - (b) **investments by holders of securities in the relevant entity.**
-

As a consequence of the Rights Issue, adjustments will be made to (i) the conversion price of the 1st Tranche and the 2nd Tranche under the Sculptor Convertible Loan Agreement and the resulting number of conversion Shares and (ii) the outstanding options pursuant to the Equation Share Option Scheme 1999. Further details on these adjustments to the conversion price and the number of conversion Shares and the adjustments to the outstanding options will be announced by the Company on the SGXNET accordingly.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Save as disclosed in this Offer Information Statement, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Company's business operations, financial position or results or investments by holders of securities in the Company.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART VIII: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

Not Applicable.

PART IX: ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE SECURITIES

Not Applicable.

PART X: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

1. Provide –

(a) the particulars of the rights issue;

Please refer to the section entitled “Summary of the Rights Issue” of this Offer Information Statement for particulars of the Rights Issue.

(b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;

The last date and time for the splitting of the provisional allotment of the Rights Shares is on **9 April 2014 at 5.00 p.m.**

(c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;

The last date and time for acceptance of and payment for the Rights Shares is on **15 April 2014 at 5.00 p.m. (9.30 p.m. for Electronic Applications).**

(d) the last day and time for renunciation of and payment by the renounee for the securities to be issued pursuant to the rights issue;

The last date and time for acceptance and payment for the Rights Shares by the renounee is on **15 April 2014 at 5.00 p.m.**

Entitled Depositors who wish to renounce their provisional allotments of Rights Shares in favour of a third party should note that CDP requires three (3) Market Days to effect such renunciation. As such, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for the renounee to accept his provisional allotment of Rights Shares.

(e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;

The terms and conditions of the Rights Issue are as set out in this Offer Information Statement, in particular, Appendices I, II and III of this Offer Information Statement and in the PAL, the ARE and the ARS.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and
-

As at the Latest Practicable Date, CWW holds a direct interest in 409,779,306 Shares representing a shareholding interest of approximately 10.42% in the Company's share capital and a deemed interest in 370,440,000 Shares representing an interest of approximately 9.42% in the Company's share capital, held by Citibank Nominees Singapore Pte. Ltd. for Starbids Ventures Inc.

To show their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, each of CWW and Starbids Ventures Inc., being the Rights Undertaking Shareholders, had on 17 February 2014 given the Company an irrevocable undertaking to, *inter alia*:

- (a) not sell, transfer or otherwise dispose of the Shares respectively held by each of them as at the date of the Rights Undertaking during the period commencing from the date of the Rights Undertaking until the completion of the Rights Issue;
- (b) not increase each of their respective interests in the Company in any manner, whether through open market purchases or any other transactions other than in relation to the subscription for and/or procurement of subscriptions for the Rights Shares; and
- (c) subscribe and pay for and/or procure the subscription and payment for each of their respective entitlements of Rights Shares, being CWW's entitlement of 102,444,826 Rights Shares and Starbids' entitlement of 92,610,000 Rights Shares, respectively.

The Rights Undertakings are subject to and conditional upon:

- (a) the Company's receipt of a listing and quotation notice from the SGX-ST (and such notice not having been withdrawn or revoked on or prior to the Closing Date) for the listing of and quotation for the Rights Shares on Catalist and, if such notice is granted subject to conditions, such conditions being acceptable to the Company; and
- (b) the lodgement of this Offer Information Statement, together with any accompanying documents, with the SGX-ST acting as agent on behalf of the Authority.

On 19 March 2014, the Company announced the receipt of the listing and quotation notice dated 17 March 2014 from the SGX-ST to deal in and for the listing of and quotation for, *inter alia*, the Rights Shares on Catalist, subject to compliance with the SGX-ST's listing requirement.

As a result of the Rights Issue, the collective shareholding interest of the Shareholders in the Company may be diluted in certain circumstances. For illustrative purposes, we set out the following scenarios:

(i) Scenario 1

Based on the Minimum Base Scenario and assuming that all Shareholders subscribe fully for their entitlements.

(ii) Scenario 2

Based on the Maximum Base Scenario and assuming that all Shareholders subscribe fully for their entitlements.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

(iii) Scenario 3

Based on the Minimum Subscription Scenario and assuming that only the Rights Undertaking Shareholders subscribe in full to the Undertaken Rights Shares, and the Underwriter subscribes to 285,700,000 Underwritten Rights Shares pursuant to the Underwriting Agreement.

(iv) Scenario 4

Based on the Maximum Base Scenario and assuming that only the Rights Undertaking Shareholders subscribe in full to the Undertaken Rights Shares, and the Underwriter subscribes to 285,700,000 Underwritten Rights Shares pursuant to the Underwriting Agreement.

	← Before the Rights Issue →			
	Minimum Base Scenario		Maximum Base Scenario	
	No. of Shares	%	No. of Shares	%
Undertaking Shareholder				
– Chng Weng Wah ⁽¹⁾	409,779,306	10.42	409,779,306	8.76
– Starbids Venture Inc.	370,440,000	9.42	370,440,000	7.92
Other Shareholders	3,150,764,410	80.16	3,895,333,730	83.32
Total	3,930,983,716	100.00	4,675,553,036	100.00

	← After the Rights Issue →			
	Scenario 1		Scenario 2	
	No. of Shares	%	No. of Shares	%
Undertaking Shareholder				
– Chng Weng Wah ⁽¹⁾	512,224,132	10.42	512,224,132	8.76
– Starbids Venture Inc.	463,050,000	9.42	463,050,000	7.92
Other Shareholders	3,938,455,513	80.16	4,869,167,163	83.32
Total	4,913,729,645	100.00	5,844,441,295	100.00

	← After the Rights Issue →			
	Scenario 3		Scenario 4	
	No. of Shares	%	No. of Shares	%
Undertaking Shareholder				
– Chng Weng Wah ⁽¹⁾	512,224,132	11.61	512,224,132	9.93
– Starbids Venture Inc.	463,050,000	10.50	463,050,000	8.98
Other Shareholders	3,150,764,410	71.42	3,895,333,730	75.55
Underwriter	285,700,000	6.47	285,700,000	5.54
Total	4,411,738,542	100.00	5,156,307,862	100.00

Note:

(1) Chng Weng Wah is deemed interested in the Shares held by Starbids Venture Inc. The direct and indirect interest of Chng Weng Wah under Scenarios 1, 2, 3 and 4 will be 19.84%, 16.68%, 22.11% and 18.91% respectively of the enlarged issued share capital of the Company.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (g) if the Rights Issue is or will not be underwritten, the reason for not underwriting the issue.
-

The Rights Issue is partially underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement.

Please refer to Paragraph 7 of Part VI of this Offer Information Statement for details of the terms of the Underwriting Agreement.

**ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER
APPENDIX 8A OF THE CATALIST RULES**

1. **Provide a review of the working capital for the last three financial years and the latest half year, if applicable.**
-

The working capital of the Group as at 30 June 2011, 30 June 2012, 30 June 2013 and 31 December 2013 are set out below:

	Audited As at 30 June 2011 S\$'000	Audited As at 30 June 2012 S\$'000	Audited As at 30 June 2013 S\$'000	Unaudited As at 31 December 2013 S\$'000
Total current assets	30,789	26,822	18,843	13,451
Total current liabilities	24,572	30,518	14,400	7,982
Working capital	6,217	(3,696)	4,443	5,469

30 June 2012 vs 30 June 2011

The Group's total current assets decreased by S\$4.0 million from S\$30.8 million as at 30 June 2011 to S\$26.8 million as at 30 June 2012. The decrease was mainly due to a decrease of (i) S\$9.6 million in other current assets which mainly comprise of S\$2.9 million of deposits utilised for purchase of a vessel, S\$2.9 million of deposit used to offset against borrowings, reduction in S\$1.6 million of accrued income due to the termination of sand contract, S\$1.1 million decrease in advance payment for sand shipment, S\$0.6 million of cost on mobilisation of equipment written off to income statement and S\$0.5 million decrease in prepaid fees; and (ii) S\$1.3 million in assets classified as held for sale. These decreases were partially offset by an increase of S\$1.1 million in inventories, an increase of S\$2.4 million in trade and other receivables and an increase of S\$3.4 million in cash and cash equivalents as at 30 June 2012.

The Group's total current liabilities increased by S\$5.9 million from S\$24.6 million as at 30 June 2011 to S\$30.5 million as at 30 June 2012. The increase was mainly due to an increase of S\$6.9 million in trade and other payables, which was partially offset by a decrease of S\$0.9 million in financial liabilities and a decrease of S\$0.1 million in provisions for other liabilities and charges as at 30 June 2012.

As a result of above, the Group's working capital decreased by S\$9.9 million from a positive S\$6.2 million as at 30 June 2011 to a negative S\$3.7 million as at 30 June 2012.

30 June 2013 vs 30 June 2012

The Group's total current assets decreased by S\$8.0 million from S\$26.8 million as at 30 June 2012 to S\$18.8 million as at 30 June 2013. The decrease was mainly due to a decrease of (i) S\$0.7 million in inventories; (ii) S\$1.5 million in trade and other receivables; (iii) S\$3.7 million in cash and cash equivalents; and (iv) S\$2.6 million in assets classified as held for sale. These decreases were partially offset by an increase of S\$0.5 million in other current assets as at 30 June 2013.

The Group's total current liabilities decreased by S\$16.1 million from S\$30.5 million as at 30 June 2012 to S\$14.4 million as at 30 June 2013. The decrease was mainly due to a decrease of S\$5.3 million in trade and other payables and a decrease of S\$10.8 million in financial liabilities mainly due to repayment of loans as at 30 June 2013.

As a result of above, the Group's working capital increased by S\$8.1 million from a negative of S\$3.7 million as at 30 June 2012 to a positive of S\$4.4 million as at 30 June 2013.

ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8A OF THE CATALIST RULES

31 December 2013 vs 30 June 2013

The Group's current assets decreased by S\$5.3 million from S\$18.8 million as at 30 June 2013 to S\$13.5 million as at 31 December 2013. The decrease was mainly due to a decrease of (i) S\$3.0 million in assets classified as held for sale due to disposal of vessels, (ii) S\$1.4 million in inventories, (iii) S\$1.0 million in cash and cash equivalents, and (iv) S\$0.6 million in other current assets. These decreases were partially offset by an increase of S\$0.7 million in trade and other receivables as at 31 December 2013.

The Group's total current liabilities decreased by S\$6.4 million from S\$14.4 million as at 30 June 2013 to S\$8.0 million as at 31 December 2013. The decrease was mainly due to a decrease of S\$4.6 million in trade and other payables, a decrease of S\$1.5 million in financial liabilities, and a decrease of S\$0.3 million in provisions for other liabilities and charges as at 31 December 2013.

As a result of above, the Group's working capital increased by S\$1.1 million from S\$4.4 million as at 30 June 2013 to S\$5.5 million as at 31 December 2013.

2. Convertible Securities

(a) where the rights issue or bought deal involves an issue of convertible securities, such as company warrants or convertible debt, the information in Rule 832;

Not applicable. The Rights Issue does not involve an issue of convertible securities.

(b) where the rights issue or bought deal is underwritten and the exercise or conversion price is based on price-fixing formula, to state the exercise or conversion price must be fixed and announced before trading of nil-paid rights commences.

Not applicable. The Rights Issue does not involve an issue of convertible securities.

3. A statement by the Sponsor and Manager that, to the best of its knowledge and belief, the documents constitute full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the Sponsor and Manager are not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the Directors after reasonable enquiry.

To the best of the knowledge and belief of the Sponsor and Manager of the Rights Issue, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, the Rights Shares, the Company and its subsidiaries and the Sponsor and Manager are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading.

APPENDIX I – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement. For the purposes of this Offer Information Statement, any reference to an application by way of an Electronic Application without reference to such an Electronic Application being made through an ATM shall, where the Entitled Depositor is a Depository Agent, be taken to include an application made via the SGX-SSH Service.
- 1.2 CPFIS Members can only use, subject to applicable CPF rules and regulations, their CPF Funds to pay for the Rights Shares and (if applicable) application for excess Rights Shares, if they had previously bought their Shares using CPF Funds. In the case of insufficient CPF Funds or stock limit, CPFIS Members could top-up cash into their CPF Investment Accounts before instructing their respective CPF Approved Banks to accept the Rights Shares and (if applicable) apply for excess Rights Shares. CPF Funds, however, cannot be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

CPFIS Members who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct the respective CPF Approved Banks, where such CPFIS Members hold their CPF Investment Accounts, to accept their provisional allotments of the Rights Shares and (if applicable) apply for excess Rights Shares on their behalf in accordance with this Offer Information Statement. Any acceptance and/ or application by CPFIS Members to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares made directly through CDP, the Share Registrar, the Company, and/or by way of an Electronic Application will be rejected.

- 1.3 SRS Members who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares can only do so, subject to applicable SRS rules and regulations, using SRS Funds. SRS Members who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares using SRS Funds, must instruct their respective SRS Approved Banks to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares on their behalf in accordance with this Offer Information Statement. SRS Members who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their respective SRS Approved Banks before instructing their respective SRS Approved Banks to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares. SRS Members are advised to provide their respective SRS Approved Banks in which they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective SRS Approved Banks in order for their respective SRS Approved Banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance by SRS Members of their provisional allotments of Rights Shares and (if applicable) application for excess Rights Shares made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Share Registrar and/or the Company will be rejected. For the avoidance of doubt, SRS Funds may not be used for the purchase of the provisional allotments of the Rights Shares directly from the market.
- 1.4 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Memorandum and Articles of Association of the Company and the instructions in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares and payment for excess Rights Shares are set out in the Offer Information Statement as well as the ARE.

APPENDIX I – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

- 1.5 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for excess Rights Shares, he may do so by way of an Electronic Application or by completing and signing the relevant sections of the ARE. An Entitled Depositor should ensure that the ARE is accurately completed and signed, failing which the acceptance of the provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares may be rejected.

For and on behalf of the Company, CDP reserves the right to refuse to accept any acceptance(s) and (if applicable) excess application(s) if the ARE is not accurately completed and signed or if the “Free Balance” of the Securities Account is not credited with, or is credited with less than the relevant number of Rights Shares accepted as at the last time and date for acceptance, application and payment or for any other reason(s) whatsoever the acceptance and (if applicable) the excess application is in breach of the terms of the ARE or the Offer Information Statement, at CDP’s absolute discretion, and to return all monies received to the person(s) entitled thereto **BY CREDITING HIS/THEIR BANK ACCOUNT(S) WITH THE RELEVANT PARTICIPATING BANK** (if he/they accept and (if applicable) apply through an ATM of a Participating Bank) or **BY MEANS OF A CROSSED CHEQUE SENT BY ORDINARY POST**, as the case may be, (in each case) **AT HIS/THEIR OWN RISK** or in such other manner as he/they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom (if he/they accept and (if applicable) apply through CDP).

AN ENTITLED DEPOSITOR MAY ACCEPT HIS PROVISIONAL ALLOTMENT OF RIGHTS SHARES SPECIFIED IN HIS ARE AND (IF APPLICABLE) APPLY FOR EXCESS RIGHTS SHARES EITHER THROUGH CDP AND/ OR BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK. WHERE AN ENTITLED DEPOSITOR IS A DEPOSITORY AGENT, IT MAY MAKE ITS ACCEPTANCE AND EXCESS APPLICATION (IF APPLICABLE) VIA THE SGX-SSH SERVICE.

Where an acceptance, application and/or payment does not conform strictly to the terms set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares and/or excess Rights Shares in relation to the Rights Issue or which does not comply with the instructions for an Electronic Application, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares and/or excess Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed, unsigned, signed but not in its originality or which is accompanied by an improperly or insufficiently drawn remittance, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittances at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be entitled to process each application submitted for the acceptance of the provisional allotment of Rights Shares, and where applicable, application for excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for excess Rights Shares.

- 1.6 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS with respect to enforcement against Entitled Depositors or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B, of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

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2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix II of this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

IF AN ENTITLED DEPOSITOR MAKES AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, HE WOULD HAVE IRREVOCABLY AUTHORISED THE PARTICIPATING BANK TO DEDUCT THE FULL AMOUNT PAYABLE FROM HIS BANK ACCOUNT WITH SUCH PARTICIPATING BANK IN RESPECT OF SUCH APPLICATION. IN THE CASE OF AN ENTITLED DEPOSITOR WHO HAS ACCEPTED THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO HIM BY WAY OF THE ARE AND/OR THE ARS AND/OR HAS APPLIED FOR EXCESS RIGHTS SHARES BY WAY OF THE ARE AND ALSO BY WAY OF AN ELECTRONIC APPLICATION THROUGH AN ATM OF A PARTICIPATING BANK, THE COMPANY AND/OR CDP SHALL BE AUTHORISED AND ENTITLED TO ACCEPT HIS INSTRUCTIONS IN WHICHEVER MODE OR COMBINATION AS THE COMPANY AND/OR CDP MAY, IN THEIR ABSOLUTE DISCRETION, DEEM FIT.

2.2 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Part A of Section (II) of the ARE the number of Rights Shares provisionally allotted to him which he wishes to accept, in Part (B) of Section (II) of the ARE the number of excess Rights Shares applied for and in Section (II) of the ARE the respective and total amounts to be made payable to **“CDP – EQUATION RIGHTS ISSUE ACCOUNT”**; and
- (b) deliver the duly completed and original signed ARE accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for:
 - (i) by hand to **EQUATION CORP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807 on or prior to 11 April 2014 and at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588 from 14 April 2014 onwards**; or
 - (ii) by post, **AT THE SENDER’S OWN RISK**, in the self-addressed envelope provided, to **EQUATION CORP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier’s Order or Banker’s Draft drawn on a bank in Singapore and made payable to **“CDP – EQUATION RIGHTS ISSUE ACCOUNT”** and crossed **“NOT NEGOTIABLE, A/C PAYEE ONLY”** with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier’s Order or Banker’s Draft.

NO COMBINED CASHIER’S ORDER OR BANKER’S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

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2.3 Acceptance through the SGX-SSH Service (for Depository Agents only)

Depository Agents may accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through the SGX-SSH service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents. CDP has been authorised by the Company to receive acceptances on its behalf. Such acceptances and (if applicable) applications will be deemed irrevocable and are subject to each of the terms and conditions contained in the ARE and the Offer Information Statement as if the ARE had been completed and submitted to CDP.

2.4 Insufficient Payment

If no remittance is attached or the remittance attached is less than the full amount payable for the provisional allotment of Rights Shares accepted by the Entitled Depositor and (if applicable) the excess Rights Shares applied for by the Entitled Depositor, the attention of the Entitled Depositor is drawn to Paragraphs 1.5 and 5.2 of this Appendix I which set out the circumstances and manner in which the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares in relation to the Rights Issue.

2.5 Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete and sign the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the duly completed and original signed ARE together with payment in the prescribed manner as described in Paragraph 2.2 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in Paragraph 2.1 or 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 250 Rights Shares or 1,000 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST. Entitled Depositors who wish to trade in lot sizes other than mentioned above may do so in the Unit Share Market of the SGX-ST during the provisional allotment trading period.

2.6 Sale of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the purchasers of the provisional allotments of Rights Shares ("**Purchasers**") as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, for and on behalf of the Company, send the ARS, accompanied by this Offer Information Statement and other accompanying documents, **BY ORDINARY POST AND AT THE PURCHASERS' OWN RISK**, to their respective Singapore addresses as maintained in the records of CDP. Purchasers should ensure that their ARSs are accurately completed and signed, failing which their acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement and other accompanying documents, may obtain the same from CDP

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or the Share Registrar, for the period up to **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

PURCHASERS SHOULD INFORM THEIR FINANCE COMPANIES OR DEPOSITORY AGENTS IF THEIR PURCHASES OF SUCH PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ARE SETTLED THROUGH THESE INTERMEDIARIES. IN SUCH INSTANCES, IF THE PURCHASERS WISH TO ACCEPT THE RIGHTS SHARES REPRESENTED BY THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES PURCHASED, THEY WILL NEED TO GO THROUGH THESE INTERMEDIARIES, WHO WILL THEN ACCEPT THE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES ON THEIR BEHALF.

2.7 Renunciation of Provisional Allotments of Rights Shares

Entitled Depositors who wish to renounce in full or in part their provisional allotments of Rights Shares in favour of a third party should complete the relevant transfer forms with CDP (including any accompanying documents as may be required by CDP) for the number of provisional allotments of Rights Shares which they wish to renounce. Such renunciation shall be made in accordance with the “Terms and Conditions for Operations of Securities Accounts with CDP”, as the same may be amended from time to time, copies of which are available from CDP. As CDP requires at least three (3) Market Days to effect such renunciation, Entitled Depositors who wish to renounce are advised to do so early to allow sufficient time for CDP to send the ARS and other accompanying documents, for and on behalf of the Company, to the renounee by ordinary post and **AT HIS OWN RISK**, to his Singapore address as maintained in the records of CDP and for the renounee to accept his provisional allotments of Rights Shares. The last time and date for acceptance of the provisional allotments of Rights Shares and payment for the Rights Shares by the renounee is **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

3. COMBINATION APPLICATION

In the event that the Entitled Depositor or the Purchaser accepts his provisional allotments of Rights Shares by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor or the Purchaser shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and (if applicable) any other acceptance of Rights Shares provisionally allotted to him and/or application for excess Rights Shares (including an Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

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4. ILLUSTRATIVE EXAMPLES (ASSUMPTION: ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) EXISTING ORDINARY SHARE AT AN ISSUE PRICE OF S\$0.007)

As an illustration, if an Entitled Depositor has 8,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 2,000 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

(a) Accept his entire provisional allotment of 2,000 Rights Shares and (if applicable, apply for excess Rights Shares)

Procedures to be taken

- (1) Accept his entire provisional allotment of 2,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained herein for the acceptance in full of his provisional allotment of 2,000 Rights Shares and (if applicable) the number of excess Rights Shares applied for and forward the original signed ARE together with a single remittance for S\$14.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "**CDP – EQUATION RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **EQUATION CORP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807 on or prior to 11 April 2014 and at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588 from 14 April 2014 onwards** or by post, at his own risk, in the self-addressed envelope provided to **EQUATION CORP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

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- (b) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, not apply for excess Rights Shares and trade the balance on the SGX-ST
- (1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$7.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,000 Rights Shares which is not accepted by the Entitled Depositor may be traded on the SGX-ST during the provisional allotment trading period. Entitled Depositors should note that the provisional allotments of Rights Shares would be tradable in the ready market, each board lot comprising provisional allotments size of 250 Rights Shares or 1,000 Rights Shares or any other board lot size which the SGX-ST may require.

- (c) Accept a portion of his provisional allotment of Rights Shares, for example 1,000 provisionally allotted Rights Shares, not apply for excess Rights Shares and reject the balance
- (1) Accept his provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (2) Complete and sign the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 1,000 Rights Shares, and forward the original signed ARE, together with a single remittance for S\$7.00, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,000 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be available for acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

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5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IN RELATION TO THE RIGHTS ISSUE IS:

- (A) 9.30 P.M. ON 15 APRIL 2014 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; OR**
- (B) 5.00 P.M. ON 15 APRIL 2014 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP OR SGX-SSH SERVICE.**

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE, the ARS or the PAL (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or through CDP by **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned by CDP for and on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ordinary post **AT THE ENTITLED DEPOSITOR'S OR PURCHASER'S OWN RISK (AS THE CASE MAY BE)** to their mailing address as maintained in the records of CDP.

IF AN ENTITLED DEPOSITOR OR PURCHASER (AS THE CASE MAY BE) IS IN ANY DOUBT AS TO THE ACTION HE SHOULD TAKE, HE SHOULD CONSULT HIS STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

5.2 Appropriation

Without prejudice to Paragraph 1.5 of this Appendix I, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for excess Right Shares, he acknowledges that, in the case where:
 - (i) the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount actually received by CDP, or
 - (ii) the amounts as stated in Parts (A) and (B) of Section (II) in the ARE, the ARS and/or in any other application form for Rights Shares in relation to the Rights Issue differs from the amount received by CDP, or otherwise payable by him in respect of his acceptance of the Rights Shares provisionally allotted to him and (if applicable) in respect of his application for the excess Rights Shares,

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the Company and CDP shall be authorised and entitled to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares provisionally allotted to him; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for excess Rights Shares. The determination and appropriation by the Company and CDP shall be conclusive and binding;

- (b) if the Entitled Depositor has attached a remittance to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP, he would have irrevocably authorised the Company and CDP, in applying the amounts payable for his acceptance of the Rights Shares and (if applicable) his application for excess Rights Shares, to apply the amount of the remittance which is attached to the ARE, the ARS and/or any other application form for Rights Shares in relation to the Rights Issue made through CDP; and
- (c) in the event that the Entitled Depositor accepts the Rights Shares provisionally allotted to him by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance and/or application for excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their/its absolute discretion, deem fit.

5.3 Availability of Excess Rights Shares

The excess Rights Shares available for application are subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncee(s) or the Purchaser(s) of the provisional allotments of Rights Shares together with the aggregated fractional entitlements to the Rights Shares, any unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. **CDP TAKES NO RESPONSIBILITY FOR ANY DECISION THAT THE DIRECTORS MAY MAKE.** In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares. The Company reserves the right to refuse any application for excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of excess Rights Shares allotted to an Entitled Depositor is less than the number of excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of excess Rights Shares actually allotted to him.

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application moneys, as the case may be, will be refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date, by crediting their

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bank accounts with the relevant Participating Bank **AT THEIR OWN RISK** (if they had applied for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank), the receipt by such banks being a good discharge to the Company and CDP of their obligations, if any, thereunder, or by means of a crossed cheque in Singapore currency drawn on a bank in Singapore and sent **BY ORDINARY POST AT THEIR OWN RISK** to their mailing address as maintained in the records of CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they had applied for excess Rights Shares through CDP).

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (b) the duly completed and original signed ARE or ARS accompanied by a single remittance for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP – EQUATION RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's order or Banker's Draft is submitted by hand to **EQUATION CORP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED**, at **4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807 on or prior to 11 April 2014 and at 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588 from 14 April 2014 onwards** or by post in the self-addressed envelope provided, **AT THE SENDER'S OWN RISK, to EQUATION CORP LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 by 5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (c) acceptance is made by a Depository Agent via the SGX-SSH Service and payment in Singapore currency by way of telegraphic transfer by the Depository Agent/(s) for the Rights Shares is effected by **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All moneys received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom **BY ORDINARY POST** and at the **ENTITLED DEPOSITOR'S OR PURCHASERS' OWN RISK (AS THE CASE MAY BE)** to their mailing addresses as maintained in the records of CDP.

ACCEPTANCES AND/OR APPLICATIONS ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

5.5 Certificates

The certificates for the Rights Shares and excess Rights Shares will be registered in the name of CDP or its nominee. Upon the crediting of the Rights Shares and excess Rights Shares, CDP will send to you, **BY ORDINARY POST AND AT YOUR OWN RISK**, a notification letter showing the number of Rights Shares and excess Rights Shares credited to your Securities Account.

APPENDIX I – PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

5.6 General

For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Rights Shares provisionally allotted and credited to your Securities Account. You can verify the number of Rights Shares provisionally allotted and credited to your Securities Account online if you have registered for CDP Internet Access or through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your telephone pin (T-Pin). Alternatively, you may proceed personally to CDP with your identity card or passport to verify the number of Rights Shares provisionally allotted and credited to your Securities Account.

It is your responsibility to ensure that the ARE and/or ARS is accurately completed in all respects and signed. The Company and/or CDP will be authorised and entitled to reject any acceptance and/or application which does not comply with the terms and instructions contained herein and in the ARE and/or ARS, or which is otherwise incomplete, incorrect, unsigned, signed but not in its originality or invalid in any respect. Any decision to reject the ARE and/or ARS on the grounds that it has been signed but not in its originality, incompletely, incorrectly or invalidly signed, completed or submitted will be final and binding, and neither CDP nor the Company accepts any responsibility or liability for the consequences of such a decision.

EXCEPT AS SPECIFICALLY PROVIDED FOR IN THIS OFFER INFORMATION STATEMENT, ACCEPTANCE OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES AND (IF APPLICABLE) YOUR APPLICATION FOR EXCESS RIGHTS SHARES IS IRREVOCABLE.

No acknowledgement will be given for any submissions sent by post, deposited into boxes located at CDP's premises or submitted by hand at CDP's counters. You can check the status of your acceptance of the provisional allotment of Rights Shares and (if applicable) your application for excess Rights Shares through the CDP Automated Phone Services Hotline number (65) 6535-7511 using your T-Pin.

CDP Phone User Guide

1. Dial (65) 6535-7511
2. Press '1' for English; Press '2' for Mandarin
3. Press '3' for 'Corporate Actions Announcement and Transactions'
4. Press '2' for your rights application status
5. Enter your 12 digit CDP securities account number
6. Enter your 6 digit telephone pin

All communications, notices, documents and remittances to be delivered or sent to you will be sent by **ORDINARY POST** to your mailing address as maintained in the records of CDP, and **AT YOUR OWN RISK**.

APPENDIX II – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

The procedures for Electronic Applications at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (“**Steps**”). Please read carefully the terms and conditions of this Offer Information Statement, the instructions set out on the ATM screens of the relevant Participating Banks and the terms and conditions for Electronic Applications set out in this Offer Information Statement before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept provisional allotments of, and (if applicable) apply for excess Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or his renounee or the Purchaser who accepts or (as the case may be) who applies for the Rights Shares through an ATM of the Participating Banks. An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

For investors who (i) hold Shares through finance companies or Depository Agents; or (ii) bought Shares under the CPF Investment Scheme – Ordinary Account (“**CPFIS Members**”); or (iii) bought Shares using SRS Funds (“**SRS Members**”), acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares must be done through their respective finance companies, Depository Agents, CPF Approved Banks or SRS Approved Banks. Such Entitled Shareholders, CPFIS Members and SRS Members are advised to provide their respective finance companies, Depository Agents, CPF Approved Banks or SRS Approved Banks, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances and (if applicable) applications for excess Rights Shares on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Share Registrar and/or the Company will be rejected.

For renounees of Entitled Shareholders or Purchasers whose purchases are settled through finance companies or Depository Agents, acceptances of the Rights Shares represented by the provisional allotment of Rights Shares purchased must be done through the respective finance companies or Depository Agents, as the case may be. Such renounees and Purchasers are advised to provide their respective finance companies or Depository Agents, as the case may be, with the appropriate instructions early in order for such intermediaries to make the relevant acceptances on their behalf by the Closing Date. Any acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made directly through CDP, Electronic Applications at ATMs of Participating Banks, the Share Registrar and/or the Company will be rejected.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) application liable to be rejected.

APPENDIX II – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

The Electronic Application shall be made in accordance with, and subject to, the terms and conditions of this Offer Information Statement including but not limited to the terms and conditions appearing below:

1. In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of and (if applicable) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to the effecting the Electronic Application and agrees to be bound by the same, and**
 - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, CDP Securities Account number, CPF Investment Account number and application details (“Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, Securities Clearing & Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST, the Company, the Manager and the Underwriter (“Relevant Parties”).**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses “Enter”, “OK”, “Confirm” or “Yes” key, as the case may be. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing “Enter”, “OK”, “Confirm” or “Yes” key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of and the Third Schedule to the Banking Act (Chapter 19) of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars of his account to the Relevant Parties.

2. An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares provisionally allotted and excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of excess Rights Shares or not to allot any number of excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as final and binding.
4. If the Applicant’s Electronic Application is successful, his confirmation (by his action of pressing “Enter”, “OK”, “Confirm” or “Yes” key, as the case may be, on the ATM) of the number of Rights Shares accepted and (if applicable) excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares and/or excess Rights Shares applied for that may be allotted to him.
5. In the event that the Applicant accepts the Rights Shares both by way of ARE and/or ARS (as the case may be) and by way of acceptance through Electronic Application through the ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept such number of Rights Shares not exceeding the number of provisionally allotted Rights Shares which are standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. CDP, in determining the number of Rights Shares which the Applicant has validly given instructions to

APPENDIX II – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE and/or ARS or by way of the acceptance through Electronic Application through the ATM of a Participating Bank.

6. If applicable, in the event that the Applicant applies for excess Rights Shares by way of ARE and by way of application through Electronic Application through the ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of excess Rights Shares which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of excess Rights Shares not exceeding the aggregate number of excess Rights Shares for which he has applied by way of application through Electronic Application through the ATM of a Participating Bank and by way of the ARE. CDP, in determining the number of excess Rights Shares which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the excess Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE or by way of Electronic Application through the ATM of a Participating Bank.
7. The Applicant irrevocably requests and authorises the Company to:
 - (a) register or procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares accepted and/or excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date; and
 - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date.
8. **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
9. The Application irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, loss, theft (in each case whether or not within the control of CDP, the Participating Banks, the Company, the Share Registrar and/or the Manager and the Underwriter) and any event whatsoever beyond the control of CDP, the Participating Banks, the Company, the Share Registrar, the Manager and the Underwriter and if, in any such event, CDP and/or the Participating Banks, the Company, the Share Registrar and/or the Manager and the Underwriter do not record or receive the Applicant's Electronic Application or data relating to the Applicant's Electronic Application by **9.30 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Company, the Participating Banks, the Share Registrar or the Manager and the Underwriter in relation to the Rights Shares and (if applicable) excess Rights Shares, or for any compensation, loss or damages in connection therewith or in relation thereto.

APPENDIX II – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

10. **Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays between 7.00 a.m. to 9.30 p.m., excluding public holidays.**
11. Electronic Applications shall close at **9.30 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).
12. All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
13. The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of the Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
14. Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be returned or refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within fourteen (14) days of the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
15. In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and by making and completing an Electronic Application, the Applicant agrees that:
 - (a) his Electronic Application is irrevocable (whether or not to the extent permitted by law, any supplementary document or replacement document referred to in Section 241 of the SFA is lodged with the SGX-ST acting as agent on behalf of the Authority);
 - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by, and construed in accordance with, the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, the Manager, the Underwriter, CDP, the Share Registrar or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage, transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in Paragraph 9 above or to any cause beyond their respective controls;
 - (d) he will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of his provisional allotment of Rights Shares and (if applicable) his application for excess Rights Shares;
 - (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and

APPENDIX II – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

- (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application with respect to enforcement against the Applicant, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where the third parties are conferred rights under such contracts, those rights are not assignable or transferable.
16. The Applicant should ensure that his personal particulars, as recorded by both CDP and the relevant Participating Banks are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with CDP.
17. The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
18. In the event that the Applicant accepts the provisional allotment of Rights Shares or (if applicable) applies for excess Rights Shares, as the case may be, by way of ARE or ARS or by way of Electronic Application through the ATM of a Participating Bank, the provisional allotment of Rights Shares and/or excess Rights Shares will be allotted in such manner as the Directors or CDP may, in their absolute discretion, deem fit and the amount paid on acceptance and (if applicable) excess application or the surplus acceptance and (if applicable) excess application monies, as the case may be, will be refunded without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by any one or a combination of the following:
- (a) by means of a crossed cheque sent by **ORDINARY POST** at his own risk to his mailing address as maintained with CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions if he accepts and (if applicable) applies through CDP; and
 - (b) crediting the Applicant's Bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM of a Participating Bank, the receipt by such bank being a good discharge to the Company, CDP and Manager of their obligations, if any, thereunder.
19. The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and CDP are entitled and the Applicant hereby authorises the Company and CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares which the Applicant has validly accepted, whether under the ARE(s) or any other form of application (including Electronic Application through an ATM) for the Rights Shares;
 - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the "Free Balance" of the Applicant's Securities Account which is available for acceptance; and
 - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Applicant.

The Applicant hereby acknowledges that the determination of CDP and the Company shall be conclusive and binding on him.

APPENDIX II – ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

20. The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the excess Rights Shares which the Applicant has applied for.
21. With regard to any application which does not conform strictly to the instructions set out in the Offer Information Statement, the ARE, ARS, PAL and/or any other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of the Offer Information Statement, or in the case of an application by the ARE, ARS, PAL and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such application and present the payment or other processes all remittances at any time after receipt in such manner as it may deem fit.
22. The Company and/or CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any other application or any payment that may be submitted by the same Entitled Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for excess Rights Shares.

APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

A. INTRODUCTION

Entitled Scripholders are entitled to receive this Offer Information Statement with the following documents which are enclosed with, and are deemed to constitute a part of, this Offer Information Statement:

Renounceable PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Excess Rights Shares Application Form	Form E

The provisional allotment of the Rights Shares and application for excess Rights Shares are governed by the terms and conditions of this Offer Information Statement and the enclosed PAL and (if applicable) the Memorandum and Articles of Association of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements, if any, having been disregarded). Entitled Scripholders may accept their provisional allotments for Rights Shares in full or in part and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions of the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split their provisional allotments are set out in the PAL.

The full amount payable for the relevant number of Rights Shares accepted/applied for will be rounded up to the nearest whole cent, if applicable.

With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Right Shares in relation to the Rights Issue or with the terms and conditions of this Offer Information Statement, or in the case of an application by the ARE, the ARS, the PAL and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat as invalid any such application or present for payment and/or arrange other processes for remittances at any time after receipt in such manner as it may deem fit.

The Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for excess Rights Shares.

Entitled Scripholders should note that all dealings in and transactions of the provisional allotment of Rights Shares through Catalist will be effected under the book-entry (scripless) settlement system. Accordingly, the PAL will not be valid for delivery pursuant to trades done on Catalist.

APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

Unless expressly provided to the contrary in this Offer Information Statement or the PAL with respect to enforcement against Entitled Scripholders or their renounees, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the PAL has no rights under the Contracts (Rights of Third Parties) Act (Chapter 53B) of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

B. FORM OF ACCEPTANCE (FORM A)

Entitled Scripholders who wish to accept their entire provisional allotments of Rights Shares or to accept any part of it and decline the balance, should complete the Form of Acceptance (Form A) of the PAL for the number of Rights Shares which they wish to accept and forward the PAL, in its entirety, duly completed and signed, together with payment in the prescribed manner to **EQUATION CORP LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 80 ROBINSON ROAD, #02-00, SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore to be applied towards the payment of his acceptance of Rights Shares.

C. REQUEST FOR SPLITTING (FORM B) AND FORM OF RENUNCIATION (FORM C)

Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one person, should first, using the Request for Splitting (Form B) of the PAL, request to have their provisional allotments of Rights Shares under the PAL split into separate PALs ("**Split Letters**") according to their requirements. The duly completed Form B together with the PAL, in its entirety, should be returned to **EQUATION CORP LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 80 ROBINSON ROAD, #02-00, SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on 9 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if the Form B is received after **5.00 p.m. on 9 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters representing the number of Rights Shares, which Entitled Scripholders intend to renounce, may be renounced by completing the Form of Renunciation (Form C) before delivery to the renounees. Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to **EQUATION CORP LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 80 ROBINSON ROAD, #02-00, SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotments of Rights Shares which they wish to renounce and deliver the PAL in its entirety to the renounee(s).

D. FORM OF NOMINATION (WITH CONSOLIDATED LISTING FORM) (FORM D)

Each Entitled Scripholder may consolidate the Rights Shares provisionally allotted in the PAL together with those comprised in any PALs and/or Split Letters renounced in his favour by completing and signing Form A and the Consolidated Listing Form in Form D of the PAL and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed and with the serial number of the Principal PAL (as hereinafter defined) stated on each of them. A renounee who is not an Entitled Scripholder and who wishes to consolidate the provisional allotments of Rights Shares comprised in several renounced PALs and/or Split Letters in one name only or in the name of a joint Securities Account should complete the Consolidated Listing Form in Form D of only one PAL or Split Letter (the “**Principal PAL**”) by entering therein details of the renounced PALs and/or Split Letters and attaching thereto all the said renounced PALs and/or Split Letters, each duly completed and signed, and with the serial number of the Principal PAL stated on each of them. **ALL THE RENOUNCED PALS AND SPLIT LETTERS, EACH DULY COMPLETED AND SIGNED, MUST BE ATTACHED TO FORM A OR FORM D (AS THE CASE MAY BE).**

E. PAYMENT

Payment in relation to PAL must be made in Singapore currency in the form of a Cashier’s Order or Banker’s Draft drawn on a bank in Singapore and made payable to “**EQUATION RIGHTS ISSUE ACCOUNT**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name and address of the Entitled Scripholder or accepting party clearly written on the reverse side of the remittance. The completed PAL and payment should be addressed and forwarded, at the sender’s own risk, to **EQUATION CORP LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 80 ROBINSON ROAD, #02-00, SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

If acceptance and payment in the prescribed manner as set out in this Offer Information Statement is not received by **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares will be deemed to have been declined and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors, in their absolute discretion, deem fit in the interests of the Company. The Company will return all unsuccessful application monies received in connection therewith **BY ORDINARY POST** and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or any share of revenue or benefit arising therefrom within fourteen (14) days after the Closing Date.

F. EXCESS RIGHTS SHARES APPLICATION FORM (FORM E)

Entitled Scripholders who wish to apply for excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the Excess Rights Shares Application Form (Form E) of the PAL and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the excess Rights Shares applied for in the form and manner set out above, at their own risk to **EQUATION CORP LIMITED C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 80 ROBINSON ROAD, #02-00, SINGAPORE 068898**, so as to arrive not later than **5.00 p.m. on 15 April 2014** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

Applications for the excess Rights Shares are subject to the terms and conditions contained in the PAL, Form E and this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for excess Rights Shares will, at the Directors' discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s), or the Purchaser(s), together with the aggregated fractional entitlements to the Rights Shares, the unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and the aggregated fractional entitlements of Rights Shares and any Rights Shares that are otherwise not allotted for any reason. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors, in their absolute discretion, deem fit in the interests of the Company. In the allotment of excess Rights Shares, preference will be given to Shareholders for the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation on the Board (whether direct or through a nominee) will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares. The Directors reserve the right to allot the excess Rights Shares applied for under Form E in any manner they deem fit and to refuse, in whole or in part, any application for excess Rights Shares without assigning any reason whatsoever.

If no excess Rights Shares are allotted to Entitled Scripholders or if the number of excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus application monies, as the case may be, will be refunded to them by the Company without interest or any share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date by means of a crossed cheque drawn on a bank in Singapore and sent **BY ORDINARY POST** to their mailing addresses as maintained with the Share Registrar at their **OWN RISK**.

G. GENERAL

No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.

Entitled Scripholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Upon listing and quotation on Catalist, the Rights Shares will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through Catalist and/or CDP shall be made in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with CDP" as the same may be amended from time to time. Copies of the above are available from CDP.

Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for excess Rights Shares and who wish to trade the Rights Shares issued to them on Catalist under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card ("**NRIC**")/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their

APPENDIX III – PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

Securities Accounts currently maintained with CDP will be issued physical share certificates in their own names for the Rights Shares that are allotted to them and if applicable, the excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on Catalist under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If the Entitled Scripholders' addresses stated in the PALs are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letters on successful allotments will be sent to their addresses last registered with CDP.

A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on Catalist, must deposit with CDP his share certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IS 5.00 P.M. ON 15 APRIL 2014 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).

APPENDIX IV – LIST OF PARTICIPATING BANKS

PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM:

- (a) DBS Bank Ltd. (including POSB);
- (b) Oversea-Chinese Banking Corporation Limited; and
- (c) United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Rights Issue, Rights Shares, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading. Where information in this Offer Information Statement 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 this Offer Information Statement in its proper form and context.

Offer Information Statement

Dated this 28th day of March 2014

For and on behalf of

EQUATION CORP LIMITED

CHNG WENG WAH

TOH HOCK GHIM

LAU KAY HENG

KAN AH CHYE