(Company Registration No. 197501110N)
(Incorporated in the Republic of Singapore)
("Company" and together with its subsidiaries, the "Group")

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

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

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UPDATE ON USE OF RIGHTS ISSUE PROCEEDS

*Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the offer information statement dated 28 March 2014 in relation to the Rights Issue (the "**Offer Information Statement**").*

The Board of Directors (the "**Board**") of Equation Corp Limited (the "**Company**" and together with its subsidiaries the "**Group**") wishes to announce that approximately S$1.1 million of the net proceeds (after deducting related expenses incurred in connection with the Rights Issue) raised from the Rights Issue has been utilised as additional working capital to the Group to repay its trade and non-trade owings which the Group has committed in the ordinary course of business.

The above utilisation of the net proceeds arising from the Rights Issue is consistent with the intended use as disclosed in the Offer Information Statement.

Further to the Company's announcement dated 25 June 2014, the Company has to-date disbursed S$1.3 million of the net proceeds raised from the Rights Issue. The Company will make further announcement(s) via the SGXNET as and when the remaining net proceeds of approximately S$5.3 million are materially disbursed.

BY ORDER OF THE BOARD

Chng Weng Wah
Executive Director
1 August 2014