(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.*

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JOINT VENTURE BETWEEN EQUATION CORP LIMITED, TENGAH ENGINEERING & HARDWARE PTE. LTD. AND LIM HONG KIA.

1. INTRODUCTION

The Board of Directors ("**Directors**") of Equation Corp Limited ("**Company**") wishes to announce, in accordance with Rule 703 read with pagragraph 9(a) of Appendix 7A of the Catalist Rules, that the Company has entered into a joint venture agreement dated 25 June 2014 ("**JVA**") with Tengah Engineering & Hardware Pte. Ltd. ("**TEH**"), a company incorporated under the laws of Singapore, and Lim Hong Kia ("**LHK**") (collectively, the "**Parties**") for the joint investment ("**Joint Venture**") in Tengah GreenTech Pte. Ltd. ("**JVC**"), a company incorporated in Singapore.

2. DETAILS OF THE JOINT VENTURE

(a) TEH is in the building and construction industry, with businesses including major upgrading works and the wholesale of industrial machinery and equipment. LHK is a sole proprietor in the business of renovation contractors and building construction.

(b) The JVC shall be engaged in the business of providing oil dialysis services and distributing oil dialysis machines for the external cleaning of lubricants using micro filtration ("**Business**").

(c) Pursuant to the terms and subject to the conditions of the JVA, the JVC shall have an aggregate issued and paid-up share capital of S$500,000, consisting of 500,000 ordinary shares in the share capital of the JVC ("**Shares**"). The shareholding structure of the JVC shall be as follows:

(i) The Company shall hold 200,000 Shares comprising 40% of the total number of issued Shares, such interest amounting to a cash investment of S$200,000 in the equity share capital of JVC ("**Investment**") and the Investment being a non-discloseable transaction under Rule 1008(1) of the Catalist Rules;

(ii) TEH shall hold 200,000 Shares comprising 40% of the total number of issued Shares; and

(iii) LHK shall hold 100,000 Shares comprising 20% of the total number of issued Shares.

(d) The board of directors of the JVC ("**Board**") will consist of 3 directors. The Parties shall each be entitled to appoint 1 director to the Board, and the chairman of the Board shall be appointed by the Company.

(e) The Company shall be primarily be a financial investor in the JVC and TEH shall be primarily responsible for procuring all licences (including but not limited to export and import licences), consents, authorisations, orders, warrants, confirmations, permissions, permits, certificates, approvals, registrations and authorisations required for the Business.

3. RATIONALE

The Group's existing core business segments include investment holdings, recycling, trading of scrap metals and electronic waste products and the sale and distribution of audio, video and electronic products. The Directors are of the view that the Joint Venture is in the best interests of the Group as it will enable the Group to expand its business segment into the business of providing oil dialysis services and distributing oil dialysis machines and thus provide additional earning streams for the Group.

4. FINANCIAL EFFECTS

The investment in the JVC will be funded by the proceeds from the recent Rights Issue and is not expected to have any material effect on the consolidated net tangible assets per share and/or earnings per share of the Group for the financial year ending 30 June 2014.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for their respective interests in the issued shares of the Company (as the case may be), none of the controlling shareholders or Directors of the Company have any interest, direct or indirect, in the above Joint Venture, nor are any of them associated with TEH and/or LHK within the meaning of Rule 904(4)(b) of the Catalist Rules.

To the best of the Company's knowledge, none of the shareholders of TEH and LHK is a substantial shareholder of the Company.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

Where information in this announcement 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 announcement in its proper form and context.

FOR AND ON BEHALF OF THE BOARD

Chng Weng Wah
Executive Director
25 June 2014