



(Company Registration No. 197501110N)
(Incorporated in the Republic of Singapore)

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

– **MANAGEMENT AND UNDERWRITING AGREEMENT**

MANAGEMENT AND UNDERWRITING AGREEMENT

The board of directors (the "**Board**" or "**Directors**") of Equation Corp Limited (the "**Company**") refers to the Company's announcements dated 17 February 2014 and 19 March 2014 ("**Announcements**") in relation to the Rights Issue. Unless otherwise defined, all terms and references used herein shall bear the same meanings as defined in the Announcements.

The Directors are pleased to announce that the Company and SAC Capital Private Limited ("**SAC Capital**") have entered into a definitive management and underwriting agreement dated 24 March 2014 ("**Management and Underwriting Agreement**"), 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. For the avoidance of doubt, the obligations of SAC Capital under the Management and Underwriting Agreement to subscribe and pay for, or procure subscriptions and payment for the Underwritten Rights Shares shall cease in the event that valid subscriptions and applications in excess of 480,754,826 Rights Shares have been received by the closing date as determined in the Offer Information Statement to be issued by the Company in relation to the Rights Issue ("**Closing Date**").

The management and underwriting obligations of SAC Capital are conditional upon, *inter alia*, the following:

- (i) the listing and quotation notice from the SGX-ST having been obtained for the listing and quotation 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; and
- (ii) 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 ("**Offer Documents**") having been lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in accordance with and for the purposes of the Securities and Futures Act (Chapter 289) of Singapore.

The Company has received the listing and quotation notice dated 17 March 2014 from the SGX-ST ("**Listing and Quotation Notice**"). The Listing and Quotation Notice 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 Company has undertaken to SAC Capital that it shall not:

- (i) prior to the date which the Shares commence trading ex-rights ("**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
- (ii) without the prior written consent of SAC Capital (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 issue of the Conversion Shares.

SAC Capital may, under the terms of the Management and Underwriting Agreement, terminate the Management and Underwriting Agreement, upon the occurrence of certain events, including but not limited to *force majeure* events. Notwithstanding the foregoing, SAC Capital may not terminate the Management and Underwriting Agreement on or after the Ex-Rights Trading Date.

Further details of the Management and Underwriting Agreement will be set out in the Offer Information Statement to be issued by the Company in relation to the Rights Issue.

FOR AND ON BEHALF OF THE BOARD

Chng Weng Wah
Executive Director
24 March 2014