



Summit Limited

(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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PROPOSED PLACEMENT OF UP TO 300,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF EQUATION SUMMIT LIMITED (THE "COMPANY") AT A PLACEMENT PRICE OF S\$0.0099 PER SHARE (THE "PLACEMENT")

1. INTRODUCTION

The Board of Directors ("**Directors**") of Equation Summit Limited ("**Company**") wishes to announce that the Company had, on 24 November 2016 entered into a placement agreement ("**Placement Agreement**") with UOB Kay Hian Private Limited as placement agent (the "**Placement Agent**") for the issue and allotment by the Company to subscribers procured by the Placement Agent of an aggregate of up to 300,000,000 new ordinary shares in the issued and paid-up share capital of the Company ("**Placement Shares**") on the terms and subject to the conditions of the Placement Agreement.

The placement price for each of the Placement Shares will be at S\$0.0099 per Placement Share ("**Placement Price**"). The Placement Price represents a discount of 10.0% to the volume weighted average price of S\$0.011 for trades done on the Company's shares on the SGX-ST for the full market day on 23 November 2016 (being the last full market day prior to the trading halt and signing of the Placement Agreement). The Placement Price was commercially agreed between the Company and the Placement Agent after arm's length negotiations with reference to the recent transacted share prices of the Company.

Assuming the Placement is fully subscribed, the estimated net proceeds from the Placement (after deducting estimated expenses pertaining to the Placement) will be approximately S\$2.8 million.

The Placement Shares will be placed by the Placement Agent to institutional investors pursuant to Section 274 of the Securities and Futures Act (Chapter 289) of Singapore, and/or

accredited investors pursuant to Section 275 of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

In addition, the issuance of the Placement Shares will not be made without the prior approval of the Company's shareholders in a general meeting if such issuance would bring about a transfer of controlling interest.

2. PROPOSED PLACEMENT

2.1 Principal terms of the Placement

Under the terms of the Placement Agreement and subject to the Placement obligations and conditions contained therein, the Placement Agent will, on a best endeavours basis, procure subscribers for up to 300,000,000 Placement Shares at the Placement Price. Pursuant to the Placement Agreement, the Company has agreed to allot and issue to the subscribers the Placement Shares at the Placement Price, subject to the approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing and quotation of the Placement Shares on Catalist of the SGX-ST.

In consideration of the agreement of the Placement Agent to procure subscribers on a best endeavours basis for the Placement Shares, the Company shall pay to the Placement Agent, a placement commission of 5.0% of the Placement Price for each Placement Share subscribed (and if applicable, goods and services tax thereon), according to the relevant number of Placement Shares issued through the Placement Agent pursuant to the Placement hereunder. The Placement will not be under-written and the commission will not be shared with any of the places pursuant to the Placement Agreement.

2.2 Authority for issue and allotment of Placement Shares

The Placement Shares will be allotted and issued to the subscribers by the Company under the general mandate granted to the Directors to issue shares pursuant to the Shareholders' resolution passed at the Annual General Meeting of the Company which was held on 28 October 2016 (the "**2016 AGM**") (the "**Share Issue Mandate**"). The aggregate number of shares to be issued pursuant to the Share Issue Mandate shall not exceed 50% of the total number of issued shares in the capital of the Company excluding treasury shares as at the date of the 2016 AGM, being 5,113,729,645 shares. Accordingly, the maximum number of new shares that the Company may issue pursuant to the Share Issue Mandate is 2,556,864,222 new shares. As announced on 16 November 2016, the Company had issued 600,000,000 shares pursuant to the Share Issue Mandate. As such, the balance shares that can be issued under the Share Issued Mandate prior to the Placement is 1,956,864,222 shares. Assuming the Placement is fully subscribed, the proposed allotment and issuance of up to 300,000,000 Placement Shares will fall within the limit of the Share Issue Mandate.

Assuming that the Placement is fully subscribed, the Placement Shares, when issued, represent approximately 4.94% of the existing issued share capital of the Company comprising 6,108,749,645 ordinary shares as at the date of this announcement and will represent approximately 4.71% of the enlarged issued share capital of the Company comprising 6,408,749,645 ordinary shares after the allotment and issuance of all the Placement Shares. Upon allotment and issuance, the Placement Shares shall rank *pari passu* in all respects with the existing Shares.

The Placement is conditional upon, *inter alia*, the approval in-principle from the Sponsor and/or the SGX-ST (as the case may be) for the listing and quotation of the Placement Shares on the SGX Catalist. The completion of the Placement shall take place upon 3 business days after the listing approval date. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the New Shares has been obtained from the SGX-ST.

2.3 Use of Proceeds

The Company intends to use 100% of the net proceeds from the Placement, estimated to be S\$2.8 million, for the repayment of accrued interest amounting to S\$1.6 million from the convertible loan as announced by the Company on 17 November 2016 and the balance to be used as the Group's working capital. With an improved working capital position, the Group would be better poised to capitalise on business expansion opportunities as and when they arise.

Pending the deployment of the net proceeds, such proceeds may be placed as deposits with financial institutions 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 in the interests of the Company.

The Company will make periodic announcements on the utilisation of the net proceeds as and when the proceeds from the Placement are materially disbursed and whether such a use is in accordance with the stated use. Where there is any material deviation from the stated use of the proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the net proceeds in its annual reports, if applicable.

2.4 Working Capital

The Directors are of the opinion that after taking into consideration the present financial position of the Company and its subsidiaries (the "**Group**"), including:

- (i) its banking facilities, its bank and cash balances, the Group has adequate working capital for its present requirements; and
- (ii) the present bank facilities and net proceeds of the Placement, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding this, the Company has decided to undertake the Placement to strengthen its financial position in order to meet its anticipated general working capital requirements and business expansion.

3. DIRECTORS, CONTROLLING SHAREHOLDERS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for their respective interests in the issued shares in the capital of the Company (as the case may be), none of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct, or indirect in the Placement.

4. COMPLIANCE WITH RULE 812(1) OF THE LISTING MANUAL

The Placement Shares will not be issued to any of the persons set forth in Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

5. 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 Placement, 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.

The Company will be submitting an application to the Sponsor and the SGX-ST for the listing and quotation of the Placement Shares.

Further announcements will be made on this matter as and when appropriate.

BY ORDER OF THE BOARD

Chng Weng Wah
Executive Director
25 November 2016