



## 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.*

*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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### **PROPOSED SUBSCRIPTION OF 380,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF EQUATION SUMMIT LIMITED (THE "COMPANY") AT THE SUBSCRIPTION PRICE OF S\$0.0099 PER SHARE (THE "SUBSCRIPTION")**

#### **1. INTRODUCTION**

The Board of Directors ("**Directors**") of Equation Summit Limited ("**Company**") wishes to announce that the Company had, on 25 November 2016 entered into a subscription agreement ("**Subscription Agreement**") with Teo Khiam Chong, Island Asset Management Pte Ltd and Chen Dawei (collectively, the "**Subscribers**") for the issue and allotment by the Company to the Subscribers of an aggregate number of 380,000,000 new ordinary shares in the issued and paid-up share capital of the Company ("**Subscription Shares**") on the terms and subject to the conditions of the Subscription Agreement. The subscription price for each of the Subscription Shares will be at S\$0.0099 per Subscription Share ("**Subscription Price**"). The Subscription 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 Subscription Agreement) up to the time of the trading halt. The total consideration for the Subscription is S\$3,762,000 ("**Total Consideration**"). The Subscription Price was commercially agreed between the Company and the Subscribers after arm's length negotiations with reference to the recent transacted share prices of the Company.

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

The Company confirms that the Subscription would not result in any transfer of controlling interest in the Company.

## 2. PROPOSED SUBSCRIPTION

### 2.1 Principal terms of the Subscription

Under the terms of the Subscription Agreement and subject to the conditions precedent contained therein, the Subscribers agreed to subscribe for, and the Company agreed to allot and issue to the Subscribers the Subscription Shares at the Subscription Price.

The Subscription is non-underwritten and no placement agent has been appointed in respect of the Subscription. Therefore, no commission or referral fees will be paid to any party.

### 2.2 Breakdown of the Subscription

The following table shows the number of Subscription Shares to be allocated to each Subscriber and the percentage of the Subscription Shares over the enlarged share capital.

Subscriber	Consideration S\$ (million)	No. of Subscription Shares	% over the enlarged share capital of 6,408,749,645 shares	% over the enlarged share capital of 6,788,749,645 shares <sup>1</sup>
Teo Khiam Chong	2.178	220,000,000	3.43%	3.24%
Island Asset Management Pte Ltd	0.594	60,000,000	0.94%	0.88%
Chen Dawei	0.990	100,000,000	1.56%	1.47%
<b>Total Subscription</b>	<b>3.762</b>	<b>380,000,000</b>	<b>5.93%</b>	<b>5.59%</b>

Note:

1. Assuming the successful issuance and allotment of 300,000,000 Placement Shares (as defined below).

### 2.3 Authority for issue and allotment of Subscription Shares

The Subscription 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. Separately, the Company had on 25 November 2016 announced that it had entered into a placement agreement ("Placement Agreement") with UOB Kay Hian Private Limited as placement agent to issue and allot up to 300,000,000 new ordinary

shares (the “**Placement Shares**”). The Company will be submitting an additional listing application to the Sponsor and the SGX-ST for permission for the listing and quotation of the Placement Shares pursuant to the Placement Agreement. Upon receipt of the listing and quotation notice, the Company will make the appropriate announcements to inform the Shareholders of the Company.

As the Placement Shares have not been issued and allotted as at the date of this announcement, the Company had only issued 600,000,000 shares pursuant to the Share Issue Mandate. Therefore, the balance number of new shares which may be issued other than on a *pro-rata* basis to existing shareholders under the Share Issue Mandate is 1,956,864,222 new shares. Accordingly, the proposed issue and allotment of 380,000,000 Subscription Shares will remain within the limit of the Share Issue Mandate.

Assuming the successful issuance and allotment of the full subscription of the Placement Shares, the balance number of new shares which may be issued other than on a *pro-rata* basis to existing shareholders under the Share Issue Mandate is 1,656,864,222 new shares. Accordingly, the proposed issue and allotment of 380,000,000 Subscription Shares will remain within the limit of the Share Issue Mandate.

The Subscription Shares represent approximately 6.22% of the existing issued share capital of the Company comprising 6,108,749,645 ordinary shares as at the date of this announcement, and approximately 5.93% of the issued share capital of the Company comprising 6,408,749,645 ordinary shares assuming the full issuance and allotment of the Placement Shares.

The Subscription Shares, when issued, will represent approximately 5.93% of the enlarged issued share capital of the Company comprising 6,408,749,645 ordinary shares, and approximately 5.60% of the enlarged issued share capital of the Company comprising 6,788,749,645 ordinary shares assuming the full issuance and allotment of the Placement Shares.

Upon allotment and issuance, the Subscription Shares shall rank *pari passu* in all respects with the existing shares.

The Subscription 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 Subscription Shares on the SGX Catalist. The completion of the Subscription shall take place upon 5 business days from the date that all such conditions have been fulfilled. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Subscription Shares has been obtained from the SGX-ST.

## **2.4 Information on the Subscribers**

Mr. Teo Kham Chong (“**Mr. Teo**”) is an accredited investor who has experience in the financial industry. Mr Teo used to be an analyst with Kim Eng Securities Ptd Ltd, KGI Fraser Securities Pte Ltd and RHB-Cathay Securities Pte Ltd.

Island Asset Management Pte Ltd (“**IAM**”) is a registered fund management company regulated by the Monetary Authority of Singapore. IAM’s clients are predominantly accredited investors based in South-East Asia. It is the sole and exclusive fund manager of IAM

Traditional Asian Growth Fund ("**IAMGF**") which is domiciled in the Cayman Islands. The IAMGF is a long-only, absolute return fund which invests in Asian equities.

Mr. Chen Dawei ("**Mr. Chen**") has extensive experience in Chinese enterprises management, mergers and acquisitions. He accumulated experience in the waste water treatment industry as the founder and CEO of Beijing Revolution Science and Technology Co., Ltd. ("**BRST**"). Mr. Chen was also the Executive Director of Beijing Juntai Investment Management Limited, the President of Tianjin Com-link Water Treatment Engineering & Technology Co., Ltd., as well as China Everbright Water Limited. He is currently the Chairman of HanKore Capital Pte. Ltd. and a director of BRST.

The Subscribers were independently introduced to the Company through mutual business contacts of the Directors and this Subscription is purely for their financial investment purpose.

There is no specific reason for the Subscription apart from purely financial investment purposes and the Subscribers being willing investors in the Company.

To the best of the Company's knowledge, there is no agreement, arrangement or understanding between the Subscribers and any other shareholder of the Company to acquire Shares to obtain or consolidate effective control of the Company, and the Subscribers are not acting in concert with any other shareholder of the Company, as defined in The Singapore Code on Take-Overs and Mergers.

## **2.5 Use of Proceeds**

The Company intends to use 100% of the net proceeds from the Subscription, estimated to be S\$3.8 million, for the expansion of Disa Digital Safety Pte. Ltd., a subsidiary of the Group, through acquisitions and joint ventures. 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 Subscription 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.

## **2.6 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 Subscription, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding this, the Company has decided to undertake the Subscription 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 Subscription.

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

The Subscription 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 Subscription, 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 Subscription Shares.

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

**BY ORDER OF THE BOARD**

Chng Weng Wah  
Executive Director  
28 November 2016