



EQUATION CORP LIMITED
(Co. Reg. No. 197501110N)

DILUTION OF EQUITY INTERESTS IN SUBSIDIARY AND CHANGE OF ITS PRINCIPLE ACTIVITIES

The Board of Directors of Equation Corp Limited (“Equation” or the “Company”) wishes to announce that Sylvia Lian Creation Pte Ltd, a dormant wholly owned subsidiary of the Company, has today:

- 1) changed its name to Equation Resources Pte. Ltd. (“ERPL”);
- 2) changed its principal activities to supply and trading of construction materials;
- 3) allotted 1,000 new shares to the Company at a consideration of \$35,000; and
- 4) allotted 429,000 new shares to a new shareholder, Mr Tan Hong Kiat (“Mr Tan”), at a consideration of \$15,000.

Following the above allotment of new shares, ERPL’s issued shares increased from 1,000,000 to 1,430,000 and the Company’s effective stake in ERPL has been diluted to 70%. Such dilution is not expected to have a material effect on the earnings per share and net tangible assets per share of the Company for the financial year ended 30 June 2009.

Mr. Tan has been appointed as the executive director in ERPL and will be instrumental in spearheading the above business unit. The Company will provide the funding to ERPL for its operational expansion and working capital purposes, when required.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction save for their interest (if any) in the share capital of the Company.

By Order of the Board

Chng Weng Wah
Director
16 September 2008