



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

**CENTILLION ENVIRONMENT & RECYCLING LIMITED ("Centillion") –
SETTLEMENT AGREEMENT ON PROFESSIONAL FEES**

Equation Corp Limited (the "**Company**") refers to the announcement released by Centillion, an associated company, on 19 April 2008 in relation to the terms of settlement of the outstanding professional fees due to nTan Corporate Advisory Pte Ltd ("**nTan**") by Centillion arising from services rendered by nTan to Centillion since 24 January 2005 (the "**Announcement**"). A copy of the Announcement is attached.

Centillion and nTan have arrived at a settlement agreement to settle all claims that nTan has against Centillion at an amount of \$12 million (the "**Settlement**"). Please refer to the Announcement for other salient terms of the settlement agreement.

The Settlement will result in a decrease to the net consolidated income of the Group by approximately \$4.5 million in the current financial year.

For illustrative purposes only, the effect of the Settlement on the net tangible assets per share of the Company for the most recently completed financial year ending 30 June 2007 assuming that the Settlement had been effected at the end of that financial year, is 2.29 cents instead of 2.76 cents. The effect of the Settlement on the basic earnings per share of the Company for the most recently completed financial year ending 30 June 2007, assuming that the transaction had been effected at the beginning of that financial year, is a loss of 0.41 cents instead of a gain of 0.08 cents.

By Order of the Board

Chng Weng Wah
Director
21 April 2008

CENTILLION ENVIRONMENT & RECYCLING LIMITED
(Company Registration No. 199206445M)

SETTLEMENT AGREEMENT – PROFESSIONAL FEES

1. The Board of Directors of Centillion Environment & Recycling Limited (the “Company”) wishes to announce that the Company and nTan Corporate Advisory Pte Ltd (“nTan”) have agreed to term of settlement of all outstanding professional fees due to nTan arising from services rendered by it to the Company since 24 January 2005.
2. The professional services rendered by nTan to the Company included inter alia:-
 - a) The investigations into the affairs of the Company on matters which were the subject of investigations by the authorities;
 - b) Reporting on the failures in the systems of internal controls in the Company;
 - c) Recommending improvements to the systems of internal controls in the Company;
 - d) Identifying and eventually securing new investors for the Company following the suspension of trading of shares in the Company on the Singapore Exchange Securities Trading Limited in 2005; and
 - e) Advising and assisting the Company in implementing its restructuring plan and successfully securing the investment by the new investors.
3. The Company and nTan have agreed that the professional fees shall be paid as follows:-
 - a) The Company shall pay nTan a sum of S\$2.5 Million and the Goods and Services Tax applicable thereon in cash by 31 May 2008.
 - b) The Company shall pay nTan a sum of S\$9.5 Million and the Goods and Services Tax applicable thereon by the issue of new ordinary shares in the share capital of the Company (“Shares”) at the issue price of S\$0.008485 per Share by 31 July 2008.
4. The issue of the Shares is subject to the approval of the shareholders of the Company and compliance with the relevant laws and regulations.
5. The above settlement shall be full and final settlement of all professional fees and expenses due to nTan by the Company, its subsidiaries and associated companies arising from and/or in connection with any work done, fees claimed and disbursements incurred.
6. As part of this settlement agreement, nTan will provide 100 hours of continuing professional advice to the Company without charge or requirement for payment.

7. The financial effects of the above settlement are as follows:

Earnings

Assuming that the settlement agreement had been completed on 1 January 2006 and based on the consolidated financial statements of the Company for the most recently completed financial year for which consolidated financial statements are available, being the financial year ended 31 December 2006, the effect on the earnings per share of the Group is as follows:-

	Before proposed settlement	After proposed settlement
Profit for the year (\$'000)	15,442	3,412
Earnings per share (cents)	1.41	0.31

Net Tangible Assets

Assuming that the settlement agreement had been completed on 31 December 2006 and based on the consolidated financial statements of the Company for the most recently completed financial year for which consolidated financial statements are available, being the financial year ended 31 December 2006, the effect on the Net Tangible Assets per share of the Group is as follows:-

	Before proposed settlement	After proposed settlement
NTA (\$'000)	20,356	17,829
NTA per share (cents)	0.80	0.70

By Order of the Board

RICHARD BASIL JACOB
Director