



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

ACQUISITION OF SHARES IN HINTERLAND PROPERTY DEVELOPMENT PTE LTD

1. The Board of Directors of Equation Corp Limited (the "**Company**") wishes to announce that the Company has today entered into a Sale and Purchase Agreement (the "**Agreement**") with Top Land Pte Ltd ("**TL**") for the acquisition (the "**Acquisition**") of 1,500,000 ordinary shares (the "**Shares**") in the issued share capital of Hinterland Property Development Pte Ltd ("**Hinterland**"), an existing 75% owned subsidiary of the Company. The Shares represent a 25% interest in the issued share capital of Hinterland.
2. Hinterland is principally engaged in the investment holding and property development businesses.
3. The purchase price for the Shares is S\$752,900, which was arrived at after negotiating with TL on a willing buyer willing seller basis and after taken into consideration control issue as well as the net cash assets of Hinterland and its subsidiaries.
4. The purchase price of the Shares will be paid for by way of cash to TL on completion. The source of funding for payment of the purchase price will be from the Rights Issue which the Company completed in February 2008.
5. It is a condition of the Agreement that TL shall waive \$321,000 out of the \$408,000 owed by Hinterland to TL. TL shall also novate to the Company the remaining \$87,000 owed by Hinterland to TL.
6. The adjusted net tangible asset of the Shares as at 30 September 2008 was S\$148,250. No formal valuation has been performed on the Shares.
7. The Directors of the Company believe that the acquisition of Shares on the terms and conditions set out in the Agreement is in the best interest of the Company and will not be prejudicial to the interests of Equation and its minority shareholders as the Group is then able to gain complete control of Hinterland and has full liberty to determine the direction of Hinterland and its subsidiaries. A copy of the Directors' confirmation is annexed to this announcement as "**Annex A**".
8. Based on the latest announced consolidated accounts of the Group for the quarter ended 30 September 2008, the relative figures computed pursuant to Rule 1006 of the SGX-ST Listing Manual are as follows:-

(i) **Rule 1006(a) - Net asset comparison**

Not applicable as the transaction is not a disposal.

(ii) **Rule 1006(b) - Net profit comparison**

Net loss attributable to the Group = S\$4,734,000

Net loss attributable to the assets acquired = S\$8,000

Relative figure = 0.2%

(iii) **Rule 1006(c) - Consideration comparison**

Company's market capitalisation as at 2/12/08 = S\$31,408,781

Consideration for the Acquisition = S\$752,900

Relative figure = 2.4%

(iv) **Rule 1006(d) - Equities in issue comparison**

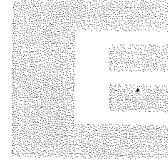
Not applicable as no equity securities will be issued by the Company.

9. The net loss attributable to the Shares being acquired is \$8,000 based on the latest announced consolidated accounts of the Group for the quarter ended 30 September 2008.
10. The financial effects of the Acquisition on the Company are estimated as follows:-
 - (a) The effect of the transaction on the net tangible assets per share of the Company for the most recently completed financial year ending 30 June 2008, assuming that the proposed transaction had been effected at the end of that financial year is a decrease of 0.03 cents, representing a decrease of 0.9% over the actual 3.52 cents.
 - (b) The effect of the transaction on the earnings per share of the Company for the most recently completed financial year ending 30 June 2008, assuming that the transaction had been effected at the beginning of that financial year is a decrease of 0.04 cents, representing a decrease of 80% over the actual earnings per share of 0.05 cents.
11. The date of completion of the Acquisition shall not be later than 31 December 2008.
12. None of the Directors or the Controlling Shareholder of the Company has any interest, direct or indirect, in the acquisition of the Shares save for their interest (if any) in the share capital of the Company.
13. A copy of the executed Agreement is available for inspection during normal business hours at the registered office of the Company, 8 Cross Street #11-00 PWC Building Singapore 048424, for a period of three months from the date of this Announcement.

By Order of the Board

Chng Weng Wah
Director
3 December 2008

Annex A



14 October 2008

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Attention: Ms Karen Ong

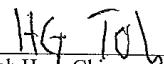
Dear Sirs,

THE PROPOSED ACQUISITION OF 1,500,000 ORDINARY SHARES IN HINTERLAND PROPERTY DEVELOPMENT PTE LTD ("Hinterland") (the "Proposed Transaction")


We refer to your e-mail sent to our legal advisers, TSMP Law Corporation, dated 2 October 2008.

To the best of our knowledge, we, the Board of Directors of Equation Corp Limited ("Equation") hereby confirm that the Proposed Transaction will not be prejudicial to the interests of Equation and its minority shareholders.

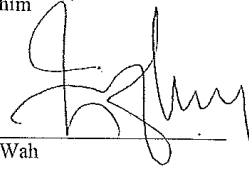
Yours faithfully,




Toh Hock Ghim



Hoon Tai Meng



Chng Weng Wah



Heng Lee Seng



Loh Eu Tse Derek