



(Company Registration No. 197501110N)  
(the "Company")

*This announcement has been reviewed by the Company's Sponsor, KW Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's 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 document, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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**ANNOUNCEMENT MADE BY CENTILLION ENVIRONMENT & RECYCLING LIMITED  
("Centillion") ON 30 SEPTEMBER 2009**

Equation Corp Limited (the "Company") wishes to announce that Centillion, its associated company, has on 30 September 2009 broadcasted an announcement in relation to "Metech: Breach of Loan Covenant".

A copy of the aforesaid announcement made by Centillion on 30 September 2009 is attached to this announcement.

By Order of the Board

Chng Weng Wah  
Director  
1 October 2009





## CENTILLION ENVIRONMENT & RECYCLING LIMITED

("the Company")

(Company Registration No. 199206445M)

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### METECH: BREACH OF LOAN COVENANT

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#### 1. Loan Agreement

- 1.1 On 31 July 2008, Metech International Inc ("**Metech**"), a wholly owned subsidiary of the Company, executed a loan agreement with RBS Citizens National Association ("**RBS**") (the "**Loan Agreement**"), whereunder RBS agrees to grant Metech a loan in the principal amount of US\$2,880,000 (the "**Loan**"). Outstanding principal amount under the Loan as at end of Aug 2009 was US\$2,755,000.
- 1.2 The Loan is secured by, inter alia, a deed of trust, and a mortgage. All the abovementioned security instruments and other documents executed in connection with the Loan Agreement shall hereinafter be collectively known as the "**Loan Documents**".

#### 2. Breach of Covenant

- 2.1 Metech covenants in the Loan Agreement to inter alia, maintain at all times a debt service coverage ratio (the "**Debt Service Coverage Ratio**") (the "**Covenant**").
- 2.2 The Company has been informed by Metech that RBS has notified Metech of its failure to comply with the Debt Service Coverage Ratio. The Company has since verified with the auditors of Metech of the existence of such a breach.
- 2.3 Under the Loan Agreement, non-compliance of the Covenant will result in an event of default therein. This event of default will also constitute a default under the Loan Documents.
- 2.4 RBS has reserved all of its rights and remedies under the Loan Agreement and Loan Documents arising from the abovementioned event of default, including, without limitation, the right to change any default rate of interest applicable under the Loan Documents.
- 2.5 Metech is currently in negotiation with RBS for a waiver of the breach.
- 2.6 Shareholders and investors are advised to exercise caution in their dealing with the Company's shares. Further announcements will be made as and when appropriate in a timely manner.

By Order of the Board

Richard Basil Jacob  
CEO & Director

30 September 2009