

NOTICE IS HEREBY GIVEN that the Thirty-Third Annual General Meeting of Equation Corp Limited will be held at 300 Jalan Bukit Ho Swee, Singapore 169566 on Friday, 30 October 2009 at 9.30 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive and consider the Directors' Report and Audited Financial Statements of the Company for the year ended 30 June 2009. **(Resolution 1)**
2. To approve Directors' fees of S\$202,500 for the year ended 30 June 2009. **(Resolution 2)**
3. To re-elect the following Directors who are retiring in accordance with Article 92 and 93 of the Company's Articles of Association:-
 - (a) Ambassador Toh Hock Ghim [Article 92] **(Resolution 3)**
 - (b) Mr Heng Lee Seng [Article 92] **(Resolution 4)**
 - (c) Mr Lee Teck Leng [Article 93] **(Resolution 5)**

Ambassador Toh Hock Ghim shall, upon re-election as Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Remuneration Committee and Audit Committee of the Company, and shall be considered independent for the purpose of Rule 704(7) of the Rules of Catalyst.

Mr Heng Lee Seng shall, upon re-election as Director of the Company, remain as the Chairman and member of the Audit Committee, a member of the Nominating Committee and Remuneration Committee of the Company, and shall be considered independent for the purpose of Rule 704(7) of the Rules of Catalyst.

Mr Lee Teck Leng shall, upon re-election as Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Nominating Committee and Audit Committee of the Company, and shall be considered independent for the purpose of Rule 704(7) of the Rules of Catalyst.

4. To re-appoint Messrs KPMG LLP as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SGX-ST : Singapore Exchange Securities Trading Limited

Rules of Catalyst : Section B of the SGX-ST Listing Manual (Rules of Catalyst)

SPECIAL BUSINESS

To be valid and to have effect, to pass the following as Ordinary Resolutions with or without modifications:-

5. Authority to allot and issue shares

"That pursuant to Section 161 of the Companies Act, (Chapter 50) of Singapore and Rule 806 of the Rules of Catalyst, approval be and is hereby given to the Directors of the Company at any time to allot and issue, and upon such terms and conditions and for such purpose and to such persons as the Directors may in their absolute discretion deem fit:

- (i) shares in the capital of the Company (whether by way of bonus, rights or otherwise);
- (ii) convertible securities;
- (iii) additional convertible securities arising from adjustments made to the number of convertible securities previously issued in the event of rights, bonus or otherwise; or
- (iv) shares arising from the conversion of convertible securities in (ii) and (iii) above,

provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution does not exceed 100% of the total number of issued shares excluding treasury shares or such other limit as may be prescribed by the Rules of Catalyst as at the date of this Resolution, of which the aggregate number of shares and convertible securities in the Company to be issued other than on a pro rata basis to the then existing shareholders of the Company shall not exceed 50% of the total number of issued shares excluding treasury shares or such other limit as may be prescribed by the Rules of Catalyst as at the date of this Resolution, and unless revoked or varied by the Company in general meeting, such authority shall continue in full force until the conclusion of the next Annual General Meeting or such date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. For the purposes of this Resolution and Rule 806(3) of the Rules of Catalyst, the percentage of the total number of issued shares and excluding treasury shares at the date of this Resolution after adjusting for:-

- (a) new shares arising from the conversion or exercise of convertible securities;
- (b) new shares arising from the exercising of share options outstanding or subsisting at the time of passing this Resolution, provided the options were granted in compliance with the Rules of Catalyst; and
- (c) any subsequent bonus issue, consolidation or subdivision of shares." **(Resolution 7)**

6. Authority for an increased discount limit in respect of a share placement

"That notwithstanding Rule 811 of the Rules of Catalyst, the Directors of the Company be and are hereby authorised to issue shares and/or instruments other than on a pro-rata basis pursuant to the aforesaid general mandate at a discount not exceeding 20% to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement in relation to such shares and/or instruments is executed, provided that:-

- (a) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Rules of Catalyst for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and
- (b) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." **(Resolution 8)**

7. Authority to grant options and to issue shares under the Equation Executives' Share Option Scheme (the "ECL Scheme")

"That authority be and is hereby given to the Directors of the Company to offer and grant options from time to time in accordance with the provisions of the ECL Scheme provided always that the aggregate number of shares excluding treasury shares to be issued pursuant to the ECL Scheme shall not exceed 15% of the total number of issued share capital of the Company from time to time, as determined in accordance with the provisions of the ECL Scheme." **(Resolution 9)**

8. Authority to issue shares under ECL Performance Shares Scheme (the "ECL PS Scheme")

"That authority be and is hereby given to the Directors of the Company to allot and/or issue from time to time such number of fully paid-up shares as may be required to be allotted and/or issued pursuant to the vesting of awards under the ECL PS Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of Shares to be allotted and/or issued pursuant to the ECL PS Scheme and any other share based schemes of the Company shall not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time." **(Resolution 10)**

9. Renewal of Share Purchase Mandate

"That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the Directors of the Company be and are hereby authorised to purchase or otherwise acquire from time to time issued ordinary shares in the capital of the Company ("ECL Shares"), up to a maximum of 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution at such price or prices as may be determined by the Directors from time to time at their discretion, up to but not exceeding the Maximum Price (as hereafter defined), and such purchases and acquisitions of the ECL Shares may be effected by way of :-
 - (i) On-market purchases ("Market Purchases") transacted on the SGX-ST through the ready market trading system through one or more duly licensed dealers appointed by the Company for the purpose; and/or
 - (ii) Off-market purchases ("Off-Market Purchases") effected otherwise than on the SGX-ST in accordance with an equal access scheme(s) available to all Shareholders, as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act (Chapter 50) of Singapore and the Rules of Catalyst.

(the "ECL Share Purchase Mandate");

- (b) the ECL Share Purchase Mandate shall, unless varied or revoked by the Company in general meeting, continue in force until the date on which the next annual general meeting of the Company is or is required by law to be held, whichever is the earlier;
- (c) in this Resolution:

"Average Closing Price" means the average of the last dealt prices of an ECL Share for the 5 Market Days on which the ECL Shares are transacted on SGX-ST, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Rules of Catalyst, for any corporate action that occurs after the relevant 5-day period;

"Date of the making of the offer" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price of an Off-Market Purchase) for each ECL Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"Maximum Price" in relation to an ECL Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase of an ECL Share, 105% of the Average Closing Price of the ECL Shares; and
- (ii) in the case of an Off-Market Purchase of an ECL Share, 110% of the Average Closing Price of the ECL Shares;

- (d) the Directors and each of them be authorised, empowered to complete and do and execute all such things and acts as they or he may think necessary or expedient to give effect to this Resolution, with such modifications thereto (if any) as they or he shall think fit in the interests of the Company." **(Resolution 11)**

10. To transact any other business of an Annual General Meeting of which due notice shall have been given.

By Order of the Board
Ms Joanna Lim Lan Sim
Company Secretary

12 October 2009

Statement Pursuant to Article 54 of the Company's Articles of Association

The effect of the resolutions under the heading "Special Business" in this Notice of the Annual General Meeting are:-

- (a) The Ordinary Resolution 7 above, if passed, will empower the Directors of the Company from the date of passing of the Resolution until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is earlier, to allot and issue shares and convertible securities in the Company up to an amount not exceeding in total, 100% of the issued shares excluding treasury shares at the time of passing of the Resolution, of which up to 50% may be issued other than on a pro-rata basis to shareholders.
- (b) The Ordinary Resolution 8 above, if passed, will empower the Directors of the Company from the date of passing of the Resolution until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is earlier, to issue new shares to subscribers or placees at a discount of not more than 20% to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed.
The maximum pricing discount of the 20% is proposed pursuant to the SGX-ST's news release of 19 February 2009 which introduced further measures to accelerate and facilitate the fund raising efforts of listed issuers.
- (c) The Ordinary Resolution 9 above, if passed, will empower the Directors of the Company from the date of passing of the Resolution until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is earlier, to offer and grant options under the ECL Scheme which was approved at the Extraordinary General Meeting of the Company on 23 December 1999 and to allot and issue shares upon the exercise of such options granted in accordance with the ECL Scheme not exceeding 15% of the total number of issued shares excluding treasury shares of the Company from time to time.
- (d) The Ordinary Resolution 10 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or when varied or revoked by the Company in general meeting, whichever is earlier, to issue shares in the Company pursuant to the vesting of awards under the ECL PS Scheme up to a number not exceeding in total (for the entire duration of the ECL PS Scheme) 15% of the total number of issued shares excluding treasury shares in the capital of the Company from time to time.
- (e) The Ordinary Resolution 11 above, if passed, will empower the Directors of the Company from the date of passing of the Resolution until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or when varied or revoked by the Company in general meeting, whichever is earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares) in capital of the Company at the Maximum Price. The rationale for the authority and limitation on the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 30 June 2009 are set out in greater detail in the Appendix to this Notice.

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy in his stead.
2. A proxy need not be a member of the Company.
3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 8 Cross Street #11-00 PWC Building Singapore 048424 not later than 48 hours before the time appointed for the Meeting.