



EQUATION CORP LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 197501110N)

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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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VARIATION TO LOAN ("ECL LOAN") EXTENDED TO AN ASSOCIATE, CENTILLION ENVIRONMENT & RECYCLING LIMITED ("CENTILLION") AND IRREVOCABLE UNDERTAKING BY EQUATION CORP LIMITED ("THE COMPANY") FOR THE RIGHT ISSUES BY CENTILLION.

This announcement is made further to the announcement made by the Company on 1 July 2009 and 3 July 2009 relating to *inter alia*, the ECL Loan and the Rights Issue by Centillion.

1. Variation to ECL Loan

- 1.1 Centillion and the Company have on 4 September 2009 executed a letter of variation ("**Letter of Variation**") varying certain terms of the ECL Loan.
- 1.2 Under the Letter of Variation, the Company agreed to increase the ECL Loan from S\$500,000 to S\$2,000,000.
- 1.3 Pursuant to the Letter of Variation:-
 - (a) the Company has given an irrevocable undertaking to Centillion to take up and pay for 400,000,000 Rights Shares ("**ECL Undertaking Shares**") (the "**ECL Undertaking**") in accordance with the terms of the Rights Issue by Centillion.
 - (b) the Company agrees that Centillion may apply the ECL Loan towards payment for the Company's application for the ECL Undertaking Shares and all such amount applied shall be deemed *pro tanto* full and final repayment of the ECL Loan.

2. ECL Undertaking

- 2.1 As at the date of this announcement, the Company is a substantial shareholder of the Centillion which holds 1,747,448,344 shares, representing a shareholding interest of approximately 28.07% in the current issued share capital of Centillion. Accordingly the Company will be entitled to subscribe for an aggregate of 524,234,503 Rights Shares (the "**ECL Rights Shares**").
- 2.2 For the avoidance of doubt, the ECL Undertaking Shares forms a portion of the ECL Rights Shares. The Company's subscription of the ECL Undertaking Shares shall not limit or prejudice its right to subscribe for the remaining 124,234,503 ECL Rights Shares (the "**Remaining ECL Rights Shares**") and to apply for Rights Shares in excess of the ECL Rights Shares (the "**ECL Excess Rights Shares**").
- 2.3 Depending on the level of subscription for the Rights Shares, Centillion will, if necessary, scale down the subscription for the Remaining ECL Rights Shares and/or the ECL Excess Rights Shares by the Company to avoid placing the Company in the position of incurring a mandatory general offer obligation under the Code on Takeovers and Mergers in the event the Rights issue is not fully subscribed.
- 2.4 The Company has irrevocably undertaken to Centillion, inter alia, that until the completion of the Rights Issue, it will not sell, transfer or otherwise dispose of its Shares or otherwise create any encumbrances over such Shares.

3. Interests of Directors and Substantial Shareholders

Mr. Chng Weng Wah, the Executive Director and shareholder of the Company, is also Non-Executive Chairman of the Board of Directors in Centillion.

Save as disclosed above, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the extended ECL loan and ECL Undertaking granted to Centillion.

By Order of the Board

Chng Weng Wah
Executive Director
4 September 2009