



EQUATION CORP LIMITED

(Company Registration Number 197501110N)

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

The details of the contact person for the Sponsor is: -

Name : Mr Hoon Tai Meng (Registered Professional, KW Capital Pte. Ltd.)
Address : 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624
Tel : 6238 3377

CESSATION OF BUSINESS OPERATIONS OF 30.6% OWNED SUBSIDIARY IN INDONESIA

The Board of Directors of Equation Corp Limited (the "Company") wishes to announce that its 30.6% owned subsidiary PT CHE Recycling Indonesia (the "subsidiary") had ceased operations after the financial year ended 30 June 2009.

The said subsidiary had incurred an operating losses after tax of IDR2,175,760,751 (equivalent to S\$301,000) in its business operations for financial year ended 30 June 2009. Effectively, the Company had absorbed S\$92,100 (30.6% of S\$301,000) of such losses in the Group level.

The related investment cost amounted to S\$319,000 in the subsidiary had been fully impaired during financial period ended 31 March 2009 at the immediate holding company level. The Company is of the view that the cessation of the subsidiary's business will not have any material impact to the Group's result for the financial year ended 30 June 2009.

None of the Directors and substantial shareholders of the Company have any interest, direct or indirect, in the said transaction.

By Order of the Board

Chng Weng Wah
Executive Director
18 August 2009