



(Company Registration No. 197501110N)
(Incorporated in Singapore)

This announcement has been reviewed by the Company's Sponsor, KW Capital Pte Ltd ("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 contact person for the Sponsor is Mr Hoon Tai Meng (Registered Professional, KW Capital Pte Ltd)

Address: 80 Raffles Place, #25-01, UOB Plaza 1, Singapore 048624

Telephone number: +65 6238 3377

PROPOSED PLACEMENT OF 10,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF EQUATION CORP LIMITED (the "COMPANY") AT THE PRICE OF S\$0.045 PER SHARE (the "PLACEMENT")

1. INTRODUCTION

The Board of Directors ("**Directors**") of Equation Corp Limited ("**Company**") wishes to announce that the Company has, on 28 July 2010 entered into a Placement Agreement ("**Placement Agreement**") with Philip Securities Pte Ltd (the "**Placement Agent**") to place up to an aggregate number of 10,000,000 new ordinary shares in the capital of the Company ("**Placement Shares**") on the terms and subject to the conditions of the Placement Agreement ("**Placement**"). The Issue Price for each of the Placement Shares will be at S\$0.045 per share ("**Placement Price**").

2. PROPOSED PLACEMENT

2.1 Principal Terms of the Placement

Under the terms of the Placement Agreement and subject to the condition precedents contained therein, the Placement Agent has agreed to manage the placement and procure, on a best efforts basis, subscribers and payment for an aggregate up to 10,000,000 Placement Shares at the Issue Price of S\$0.045 per shares.

The Placement Shares will be allotted and issued through the Placement Agent by the Company under the general mandate granted to the Directors to issue shares pursuant to the Shareholders' resolution passed at the Annual General Meeting of the Company held on 30 October 2009. The Issue Price amounts to a discount of approximately 17.9% to the volume weighted average price of S\$0.0548 of the ordinary shares of the Company (the "**Shares**") traded on the Catalist Board of the SGX-ST ("**SGX Catalist**") for the full market day on 28 July 2010, being the full market day on the execution of the Placement Agreement.

The Company will pay a placement commission of 1.0% of the aggregate Issue Price for the Placement Shares for which the Placement Agent have procured subscribers to the Placement pursuant to the Placement Agreement (the "**Commission**").

The Placement Shares, when issued, represent approximately 0.496% of the issued share capital of the Company as at the date of this announcement and will represent approximately 0.494% of the enlarged issued share capital of the Company after the allotment and issue of the Placement Shares. Upon allotment and issue, the Placement Shares shall rank *pari passu* in all respects with the existing Shares.

The Placement Agreement is conditional upon, *inter alia*, the approval in-principal from the Sponsor and/or the SGX-ST (as the case may be) for the listing and quotation of the Placement Shares on the SGX Catalist.

2.2 Use of Proceeds

The net proceeds from the Placement, after deducting Commission and related expenses in connection with the Placement is estimated to be approximately S\$445,500.

The Company intends to use the net proceeds from the Placement for its working capital purposes and to fund business growth and investment opportunities as and when they arise.

Pending the deployment of the net proceeds, such proceeds may be placed as deposits with financial institutions in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may, in their absolute discretion, deem fit.

2.3 Working Capital

The Directors are of the opinion that after taking into consideration the present financial position of the Company and its subsidiaries (the “**Group**”), including its banking facilities, its bank and cash balances, and the net proceeds of the Placement, the Group will have adequate working capital for its present requirements.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors (other than in his capacity as director or shareholder of the Company) or substantial shareholder of the Company has any interest, direct or indirect, in the Subscription.

4. COMPLIANCE WITH RULE 812(1) OF THE LISTING MANUAL

The Placement Shares will not be placed to any of the persons set out as restricted persons under Rule 812(1) of the Listing Manual of the SGX Catalist.

The Company will be submitting an application to the Sponsor and the SGX-ST for the listing and quotation of the Placement Shares.

Further announcements will be made on this matter as and when appropriate.

BY ORDER OF THE BOARD

Amb. Toh Hock Ghim
Director
28 July 2010