



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

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PRESS RELEASE BY TERNARY TECHNOLOGIES PTE LTD

We refer to the recent Memorandum of Understanding entered into by the Equation Corp Limited to acquire the whole of the shareholding of Ternary Technologies Pte Ltd ("Ternary") on 18 May 2009. Ternary has broadcasted a press release today informing that the Anti-Theft Technology for which it holds the exclusive worldwide licence, has received two prestigious awards from the organisation of Plus X Award Technology, Cologne, Germany. The awards were for the innovative features on the Anti-Theft System.

By Order of the Board

Heng Lee Seng
Director
20 May 2009

PRESS INFORMATION – 20 May 2009

TERNARY TECHNOLOGIES PTE LTD

The organisation for Plus X Award Technology, Cologne, Germany awarded two prestigious Awards for the innovative features on the anti-theft system called "DiSa" which stands for Digital Safety, and the personal USB memory stick with same DiSa technology call "MyDiSa". Both DiSa and MyDiSa were licensed and developed by Ternary Technologies Pte Ltd ("Ternary Technologies"), a Singapore incorporated company having its operations in Singapore, Malaysia and China, which has secured an exclusive, worldwide licence to commercially exploit the technology. The DiSa technology encrypts a security code into small electronics devices such as SD cards, cell phones, USB sticks, notebooks, etc at the manufacturing phase and can only be de-encrypted at the retailers' cashier terminal.

With the DiSa technology, theft can be deterred because if these small electronics items are stolen, they cannot be used, hence the deterrent effect.

Today's way of deterring theft at the retail shops are by means of using huge plastic boxes to encase small electronics items so that it cannot be easily hidden and stolen. The encasing and opening up of such plastic boxes is a very labour intensive and expensive process in Europe. These huge plastic boxes also take up expensive retail space as well.

Major retailers are very forth coming towards in using DiSa technology and trials are underway in Germany now. There are 100s of millions of notebooks, SD memory cards, cell phones, USB sticks, camcorders, that can be encrypted with the DiSa technology. This will bring tremendous revenue income to Ternary Technologies.

The DiSa technology was invented and patented by Mr. Eddie Chng, a director of Ternary Technologies.

The 2009 Plus X Award Technology (www.plusxaward.com) is held in Cologne, Germany. The Plus X Awards were presented to established and extraordinary brands such as Panasonic, Sony, Canon, BOSE, Phillips, etc. Only products of the highest quality will pass the strict organisers' jury process where winning brands and products were tested stringently based on their value for money and consumer friendliness, apart from their innovative feature or novelty design, ease-of-use, ecology and/or ergonomics.

According to key findings from the Global Retail Barometer, Bamfield, J. (2008) Nottingham : Centre for Retail Research, data collected from 920 of the largest retail corporations with a combined sales of US\$814 billion covering 36 countries in North America, Europe, Latin America, Africa and Asia-Pacific. - It was reported that global loss prevention costs were US\$25,478 million, where 0.33% was from retail sales. Operating/current costs were US\$17,737 million and capital costs at US\$7,741 million. Security employees accounted for 54.8% of loss prevention spending, while spending on security equipment amounted to 31.6%. Retailers apprehended 5.3 million store thieves in 2008. Globally, customer theft (shoplifting), dishonest employees, employees' theft, vendors' crime and fraud were among the biggest problems affecting losses in retail revenue.

Running retailers have incurred huge spending in tightening and beefing up security efforts to prevent the loss or theft of their merchandise at retail outlets.

With the increased costs on running retail outlets and having to battle theft losses, it is of paramount importance for retailers to cut down their losses and prevention costs in view of relatively thin margin for expensive electronic mobile devices. Therefore, using the DiSa technology makes commercial sense.

The DiSa technology will revolutionize the way mobile devices are being distributed in the near future.

The Singapore government has been very supportive towards the development of new technologies, which can also be commercialised globally through its various Free Trade Agreements signed with many trade partners.

Ternary Technologies would be able to license this technology to many major electronic suppliers globally.

Equation Corp Limited announced on 18 May 2009 that it had signed a non-legally binding Memorandum of Understanding to acquire 100% of Ternary Technologies on 18 May 2009.