



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

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

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The Board of Directors of Equation Corp Limited (the "**Company**") refers to the announcement made on 2 July 2009 ("**Prior Announcement**") in relation to the proposed acquisition of the entire and paid up share capital of Ternary Technologies Pte. Ltd. ("**Ternary**").

Terms used herein shall have the same meanings as those defined in the Prior Announcement unless otherwise specified.

#### **DESPATCH OF CIRCULAR AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

The Board of Directors of the Company wishes to announce that the Company has:

Dispatched to the shareholders of the Company ("**Shareholders**") a circular dated 4 December 2009 (the "**Circular**") which contains, *inter alia*, a notice for convening an extraordinary general meeting ("**EGM**") for the purposes of seeking Shareholders' approval for the resolutions set out in the notice of the EGM. The notice of EGM is attached herewith for information.

#### **EXTENSION OF LONG STOP DATE**

The Board of Directors of the Company also makes reference to the sale & purchase agreement dated 2 July 2009 ("**SPA**") entered into between the Company and the shareholders of Ternary ("**Vendors**").

The Company and the Vendors have entered into a supplemental agreement dated 4 December 2009 to extend the Long Stop Date (as defined in the SPA) from 31 December 2009 to 31 January 2010 (or such later date as the parties may agree in writing).

By Order of the Board

Chng Weng Wah  
Executive Director  
4 December 2009



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

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Equation Corp Limited ("Company") will be held at 300 Jalan Bukit Ho Swee, Equation Building, Singapore 169566 on 21 December 2009 at 10.00 am for the purpose of considering and, if thought fit, passing the following ordinary resolutions, with or without any modifications:

### ORDINARY RESOLUTIONS:

#### Resolution 1: The Proposed Acquisition

That conditional upon the passing of Resolutions 2 and 3 below:

- (a) approval be and is hereby given for the acquisition ("Proposed Acquisition") by the Company of 3,776,667 ordinary shares ("Sale Shares") being the entire issued and paid-up share capital of Ternary Technologies Pte. Ltd. ("Ternary") at a consideration to be satisfied by way of issue of new shares in the capital of the Company for (i) the purchase consideration of the lower of S\$6.5 million or net tangible asset value of Ternary and its subsidiaries ("Ternary Group") based on the audited accounts of the Ternary Group for the financial year ended 30 June 2009 ("Consideration Shares") and (ii) if applicable, an Earn-Out payment subject to Ternary's performance over an Earn-Out period ("Earn-Out Shares") on the terms and conditions of the Sale & Purchase Agreement dated 2 July 2009 ("Sale & Purchase Agreement"); and
- (b) the Directors of the Company (other than Mr. Chng Weng Wah who is deemed to be interested in the Proposed Acquisition) or anyone of them be, and are hereby authorized to complete, and do all such acts and things (including modifying the Sale & Purchase Agreement and executing all such documents as may be required under or pursuant to the Sale & Purchase Agreement) or as they and/or he may consider expedient or necessary or in the interest of the Company to give effect to the Proposed Acquisition and/or this Resolution.

#### Resolution 2: Proposed Allotment and Issuance of new shares in the Company in connection with the Proposed Acquisition

That conditional upon the passing of Resolution 1 above:

- (a) approval be and is hereby given for the allotment and issuance of up to 852,272,727 new shares in the Company to the vendors of the Sale Shares and/or their nominee(s) as Consideration Shares and Earn-Out Shares in satisfaction of the purchase consideration towards the Proposed Acquisition ("Proposed Share Issue"); and
- (b) the directors of the Company, or any one of them be, and are hereby authorized to complete, and do all such acts and things (including without limitation entering into all such transactions, arrangements and agreements and executing all such documents) as they may consider necessary or expedient for the purposes of giving effect to the Proposed Share Issue and/or this Resolution.

#### Resolution 3: The Proposed Royalty Fee

That conditional upon the passing of Resolutions 1 and 2 above:

- (a) approval be and is hereby given for the annual royalty fee ("Proposed Royalty Fee") by the Company to Mr. Chng Weng Wah, pursuant to and in accordance with the terms of the licence agreement entered into between Ternary Technologies Pte. Ltd. and Mr. Chng Weng Wah on 17 April 2009; and
- (b) the Directors of the Company (other than Mr. Chng Weng Wah who is deemed to be interested in the Proposed Royalty Fee) or anyone of them be, and are hereby authorized to complete, and do all such acts and things as may be required or as they and/or he may consider expedient or necessary or in the interest of the Company to give effect to this Resolution.

By Order of the Board

Ms Joanna Lim Lan Sim  
Company Secretary  
4 December, 2009

### Notes:-

- (1) A Shareholder entitled to attend and vote at a meeting of the Company is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a Shareholder of the Company.
- (2) Where a Shareholder appoints two proxies, the Company may treat the appointment as invalid unless the Shareholder specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- (3) The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 8 Cross Street, #11-00 PWC Building, Singapore 048424 not less than 48 hours before the time appointed for holding the Extraordinary General Meeting.
- (4) The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.