



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

*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.*

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## **NEWS ARTICLE IN THE BUSINESS TIMES ON 19 JULY 2010 TITLED "EQUATION CORP LANDS DEAL WITH GERMAN STORES"**

The Board of Directors of Equation Corp Limited (the "Company") refers to the news article in the Business Times today titled "Equation Corp Lands Deal with German Stores" and wishes to clarify that the Company has via its subsidiaries, Disa DigitalSafety Pte Ltd and Disa DigitalSafety GmbH signed an agreement with Saturn Management GmbH and are in the final stage of completing a similar agreement with Media Markt Management GmbH (collectively known as "Media-Saturn") to implement a Singapore-invented technology DiSa Anti-Theft System ("DiSa") throughout their 375 stores in Germany.

Media-Saturn is the German and European market leader in consumer electronics retailing. Media Markt and Saturn are independent German chain of consumer electronics retail stores that are under the same umbrella of Media-Saturn-Holding GmbH ("MSH"). MSH currently has altogether over 830 stores within 16 European regions, with a combined net revenue of Euro 19.7 billion for 2009.

DiSa combines the principles of conditional access and rights management to create an electronic element ("DiSa Codes") within an electronic product that affect its functionality. DiSa generally relates to mechanism and methods for minimizing or eliminating the loss of electronic products due to theft and pilferage. The agreement enable the Group to license DiSa Codes to the suppliers of Media-Saturn to have such electronic products embedded with DiSa Code during the manufacturing stage before being placed on the shelves in Media-Saturn stores. At the same time, the retailer will require a one-time DiSa Activator to unlock all such DiSa-protected products upon sales.

Barring any unforeseen circumstances, it is anticipated that the agreement will have a positive impact on the consolidated net tangible assets and earnings per share of the Company for the financial year ending 30 June 2011.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the above transactions save for their interest (if any) in the share capital of the Company.

The Company will make further announcements as appropriate as and when there are further developments in this matter.

**BY ORDER OF THE BOARD**

Chng Weng Wah  
Executive Director  
19 July 2010