



(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*

- (1) **THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID UP SHARE CAPITAL OF TERNARY TECHNOLOGIES PTE. LTD. BY THE COMPANY AS AN INTERESTED PERSON TRANSACTION ("PROPOSED ACQUISITION")**
- (2) **THE PROPOSED ALLOTMENT AND ISSUANCE OF UP TO 852,272,727 NEW SHARES PURSUANT TO THE PROPOSED ACQUISITION ("PROPOSED SHARE ISSUE"); AND**
- (3) **THE PROPOSED PAYMENT OF A ROYALTY FEE BY TERNARY TECHNOLOGIES PTE. LTD. TO MR. CHNG WENG WAH, PURSUANT TO A LICENCE AGREEMENT DATED 17 APRIL 2009, AS AN INTERESTED PERSON TRANSACTION ("PROPOSED ROYALTY FEE").**

(COLLECTIVELY THE "PROPOSALS")

1. INTRODUCTION

- 1.1 The Board of Directors ("**Directors**") of Equation Corp Limited ("**Company**") refers to the announcements dated 2 July 2009, 4 December 2009 and 21 December 2009 in relation to the Proposals ("**Prior Announcements**").

Capitalised terms in this announcement will bear the same meanings given in the Prior Announcements and the circular to shareholders of the Company dated 4 December 2009 ("**Circular**") unless otherwise defined.

2. APPROVAL-IN-PRINCIPLE

Further to the Prior Announcements, the Directors are pleased to announce that the Singapore Exchange Limited ("the Exchange") had on 30 December 2009 given its approval in-principle for the listing of and quotation of up to 852,272,727 new ordinary shares in the capital of the Company to be allotted and issued by the Company pursuant to the Proposed Acquisition ("**Approval In-Principle**").

The Approval In-Principle of the Exchange is not to be taken as an indication of the merits of the Company, its subsidiaries and its securities or the Proposals.

3. DIRECTORS RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

By Order of the Board

Toh Hock Ghim
Director

4 January 2010