



**(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.*

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

INCREASE OF SHAREHOLDING IN DISA – DIGITALSAFETY GMBH

The Board of Directors of Equation Corp Limited. ("ECL") wishes to announce that M3 Electronic GmbH ("M3"), a 70% owned subsidiary of the Company in Germany, has increased its investment in the capital of Disa - DigitalSafety GmbH ("Disa GmbH"), a 62.5% owned subsidiary of M3 in Germany. Disa GmbH has increased its share capital from €320,000 to €660,000 for working capital purposes. M3 has subscribed for its entitlement of the new capital amounting to €218,000 which was contributed partly in cash and partly by way of capitalization of shareholder's loan due from Disa GmbH to M3. As some of the minority shareholders did not subscribe fully to their entitlement, M3's interest in the capital of Disa GmbH has increased to 63.3%.

Following the said investment, ECL's effective interest in Disa GmbH rose from 43.8% to 44.3% in the issued and paid-up share capital of Disa GmbH as at 30 June 2010.

BY ORDER OF THE BOARD

Chng Weng Wah
Executive Director
19 July 2010