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## NOTES ISSUE – CONVERSION

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Singapore, June 6, 2008

The board of directors of the Company wishes to announce that Pacific Capital Investment Management Limited (“PCIM”) has on 21 May 2008 subscribed for the Tranche 3 and Tranche 4 Notes in the aggregate principal amount of S\$4,000,000. Subsequently, PCIM has on 6 June 2008 exercised its rights to convert the principal amount of S\$500,000 in respect of the Tranche 4 Notes at the Conversion Price of S\$ 0.153 per share.

Accordingly, to date, the total loan converted in the capital of the Company is S\$5,300,000.

The Conversion Price of S\$0.153 is based on 90% of the average of the five consecutive closing prices per share of the Company for the period from 23 April 2008 to 29 April 2008.

The aggregate number of new shares to be allotted to PCIM was agreed at 3,267,000 shares (“New Shares”) based on the Conversion Price of S\$ 0.153 per share.

The New Shares arising from the conversion of the Notes in aggregate do not exceed 50% of the issued share capital of the Company.

None of the Directors or substantial shareholders has any direct or indirect interest in the above transaction.

**By Order of the Board**