

- 1. THE PROPOSED CONVERSION OF THE OUTSTANDING DEBTS AMOUNTING TO AN AGGREGATE OF US\$61,531,637 OWING TO RH CAPITAL LIMITED, SHARPTONE INVESTMENTS LIMITED AND SURREYVILLE PTE LTD BY THE COMPANY INTO 157,455,957 NEW ORDINARY SHARES (“SHARES”) IN THE CAPITAL OF THE COMPANY (“DEBT CONVERSION SHARES”) AT THE ISSUE PRICE OF S\$0.492 FOR EACH DEBT CONVERSION SHARE (THE “PROPOSED DEBT CONVERSION”); AND**
 - 2. THE PROPOSED ALLOTMENT AND ISSUE OF UP TO 262,292,000 SHARES IN THE CAPITAL OF THE COMPANY (“PLACEMENT SHARES”) WITH UP TO 87,431,000 WARRANTS (“PLACEMENT WARRANTS”) AT SUCH ISSUE PRICE TO BE DETERMINED BY THE BOARD AT ITS DISCRETION WHICH SHALL NOT BE LESS THAN S\$0.360 FOR EACH SHARE (“ISSUE PRICE”) (THE “PROPOSED PLACEMENT”).**
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Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings in the Company’s announcement dated 22 May 2012 in relation to the Proposed Debt Conversion and the Proposed Placement (the “Announcement”).

Further to the Announcement, the Board of Directors of the Company is pleased to announce that approval in-principle has been obtained from the SGX-ST for the listing and quotation of:-

- (i) up to 157,455,957 Debt Conversion Shares, subject to the following:-
 - (a) Compliance with the SGX-ST’s continuing listing requirements;
 - (b) Shareholders’ approval for the Proposed Debt Conversion; and
 - (c) A written undertaking from the Company that it will comply with Rule 723 of the Listing Manual.
- (ii) up to 262,292,000 Placement Shares, up to 87,431,000 Placement Warrants and up to 87,431,000 Warrant Shares arising from the exercise of the Placement Warrants, subject to the following:-
 - (a) Compliance with the SGX-ST’s continuing listing requirements;
 - (b) Shareholders’ approval for the Proposed Placement;
 - (c) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(2) in relation to the use of proceeds from the Proposed Placement and the exercise of the Placement Warrants;
 - (d) a written undertaking from the Company that it will comply with Rule 723 of the Listing Manual;
 - (e) a written undertaking from the Company that it will comply with Rule 803 of the Listing Manual;
 - (f) a written confirmation from the Company that it will not place the Placement Shares and Placement Warrants to persons prohibited under Rule 812(1) of the Listing Manual;
 - (g) a written undertaking from the Company that it will comply with Rule 829(1) of the Listing Manual;

- (h) a written undertaking from the Company that it will comply with Rules 829(2), 829(3) and 831 of the Listing Manual; and
- (i) a written confirmation from the Placement Agent(s) that Placement Shares and Placement Warrants will not be placed out to persons prohibited under Rule 812(1) of the Listing Manual.

The SGX-ST's in-principle approval above is not to be taken as an indication of the merits of the Proposed Debt Conversion and the Proposed Placement, the Debt Conversion Shares, the Placement Shares, the Placement Warrants, the New Shares, the Company and/or its subsidiaries.

Further announcement will be made by the Company in relation to the Proposed Debt Conversion and the Proposed Placement as and when appropriate.

BY ORDER OF THE BOARD

Tan Sri Datuk Sir Tiong Hiew King
Executive Chairman
25 June 2012