

POSITIONED FOR GROWTH

The Company wishes to announce that since the new management came on board in May 2005, a review of the Company's various businesses was undertaken with a view to re-focusing the Company's financial resources and expertise in its high-growth businesses.

The new management strongly believes that the Company's Salt Division will continue to drive the Company's revenue going forward.

The Company is well-positioned to ride this engine of growth given its strategic stake in the 2 salt lakes in Qinghai, China namely Keke Lake and Chaka Lake.

30 Years Reserve of High Quality Salt

These 2 salt lakes are located more than 3,000 metres above sea level at the Tibet-Qinghai Plateau, a place which is virtually pollution-free.

The salt lakes have a combined estimated reserve of 1.5 billion tonnes of salt, which by themselves are able to cater to the entire current production requirements of China for the next 30 years and beyond.

Leveraging on Existing Broad Customer Network

The salt lakes currently produce close to 1.2 million tonnes of salt annually.

The existing network of over 100 local customers is extensive. It includes customers in Qinghai as well as Anhui, Gansu, Guangxi, Henan, Hunan, Inner Mongolia, Ningxia, Shanxi and Sichuan.

The industry representation of these customers is also wide and includes food, caustic soda, glass, plastics and fertilizer industries.

Proven Revenue Stream from Salt Business

The existing salt business is profitable and is expected to grow significantly.

In F/Y 2004, the salt business achieved a net profit of approximately S\$2 million. In the 1st half of F/Y 2005 alone, the salt business has already achieved a net profit of approximately S\$2 million. The full year results are expected to be significantly higher than the previous financial year.

Building the Salt Business – the 3 Pillars of Growth

Given our strategic position in the salt value chain as well as our proven salt reserve and know-how, the new management intends to build on this competitive advantage to further grow the salt business.

The 3 pillars of growth are as follows:

International Salt Trading – the Company is actively developing the international export arm for edible salt and/or industrial salt to other parts of Asia such as Japan and Southeast Asia.

Value-added Manufacturing – at the same time, the Company is also working to develop a range of skin care, cosmetic and spa products that incorporate the unique qualities of Qinghai salt.

Strategic Joint-Ventures – the Company will work with the Qinghai local government to attract large local and foreign companies involved in salt-related downstream manufacturing to set-up processing facilities close to the salt lakes. This will enable the business to diversify into higher margin downstream salt-related products.

Positioned for Growth

The new management is confident that given the Company's significant expertise in the salt business as well as the natural barriers to entry, the Company is well-positioned to ride the growth in this dynamic business.

By Order of the Board

LING YEW KONG
EXECUTIVE CHAIRMAN

30 September 2005