

## ANNOUNCEMENT

The Board of Directors of the Company is pleased to announce that the Company has entered into Share Subscription Agreements (the “**Agreements**”) with Mr Lee Boon Hong (“**LBH**”) on 3 January 2005 and with Ms Wong Lee Juan (“**WLJ**”) and Mr Lim Lian Hin (“**LLH**”) on 5 January 2005 (the “**Subscribers**”) pursuant to which the Subscribers have agreed to subscribe for new ordinary shares in the capital of the Company as follows:

- 1) LBH - 25,000,000 shares;
- 2) WLJ - 30,000,000 shares; and
- 3) LLH - 70,000,000 shares;

totaling 125,000,000 shares (the “**Subscription Shares**”).

Under the terms of the Agreement, the subscription price for each Subscription Share will be at the new par value of S\$0.01 per share following the capital restructuring exercise to be undertaken by the Company.

The allotment and issuance of the new shares by the Company to the Subscribers is subject to:-

- (i) all necessary approvals and waivers for the issue of the Subscription Shares, including but not limited to the approval of shareholders, being obtained and not withdrawn before the date on which the subscription for the Subscription Shares is completed (the “**Completion Date**”);
- (ii) the completion of the subscription by Ariel Singapore Pte Ltd (the “**Investor**”) for 100,000,000 new shares as contemplated by and in accordance with the Investment Agreement dated 5 May 2004 (as amended by supplemental letters dated 23 August 2004 and 31 December 2004 respectively) between the Investor and the Company, having taken place unless otherwise agreed in writing by the Investor; and
- (iii) the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) granting its in-principle approval for the lifting of the trading suspension in the Company’s ordinary shares.

In the event that the conditions are not fulfilled, satisfied or waived by the date falling 6 months from the date of the Agreements or such other date as may be agreed between the parties (the “**Longstop Dates**”), the Agreements shall ipso facto cease and determine.

As an indication of the Subscribers’ commitment to their investments in the Company, the Subscribers have agreed to the following deposits with the Company:

- 1) LBH - S\$100,000;

- 2) WLJ - S\$60,000; and
  - 3) LLH - S\$140,000;
- totaling S\$300,000 (the “Deposits”).

The Subscribers have further agreed that the Company may use the Deposits towards its operating expenses and/or the purchase of new and viable business(es) and/or for such other purposes as the directors of the Company shall deem fit. At completion, the Deposits shall be applied towards payment of the total subscription price payable by the Subscribers. In the event completion does not take place on or before the Longstop Date, the Company shall repay the Deposits (without interest) within 30 days thereof.

Upon completion of the subscriptions, the proceeds are intended to be utilized by the Company towards its operating expenses as well as for the purchase of new and viable business(es) with a view toward securing the lifting of the suspension of trading in the Company’s shares.

Mr Lee Boon Hong is a 49 year old businessman. Mr Lee is engaged in the retail and distribution of computer related accessories business with offices in Singapore and Malaysia. Ms Wong Lee Juan is a lawyer and Mr Lim Lian Hin is a 46 year old businessman engaged in the imports and exports of textile business in China, Singapore, Malaysia, Indonesia and the Middle East regions.

It should be noted that as the aforementioned subscriptions for the Subscription Shares are subject to certain conditions precedent being fulfilled, satisfied or waived, there is no assurance that the subscriptions will be completed. Accordingly, holders of securities in the Company and investors are advised by the Board to exercise caution in their dealings in the securities of the Company and to seek their own financial and legal advice where appropriate. Further announcements on this matter will be made by the Company as and when appropriate.

By Order of the Board

Wong Chin Chong David  
Director