



UPDATE ON TERMINATION OF CONTRACT

*Unless otherwise defined, capitalised terms herein shall have the same meaning as ascribed to them in the Company's announcements dated 20 March 2014 and 27 March 2014 in relation to the termination of the Shenton Way Contract (the "**Announcements**") and the Company's circular dated 28 October 2013 in relation to the Proposed Warrants Issue (the "**Circular**").*

1. The Board refers to the Announcements where it was announced, *inter alia*, that the Company has sought legal advice and will vigorously pursue all avenues of legal recourse in relation to the Group's legal position on the lawfulness of the termination of the Shenton Way Contract.
2. The Board wishes to update Shareholders that the Company has evaluated all possible options and has presently decided to cease pursuing legal recourse in relation to the lawfulness of the termination of the Shenton Way Contract.
3. The Company intends to fulfil its obligation in accordance with the Indemnity and currently is not aware of any further liabilities and/or costs relating to the Shenton Way Contract. The Board is considering various options including raising additional funds to ensure there would be adequate working capital for the next 12 months.
4. The Company will make further announcements as and when there are material developments on this matter.

BY ORDER OF THE BOARD

Chan Heng Fai
Executive Director

2 April 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**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 Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.