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**REPONSE TO SGX QUERIES IN RELATION TO THE COMPANY'S FIRST QUARTER RESULT ANNOUNCEMENT FOR FY2008.**

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The Company has received the following queries from the Singapore Exchange in relation to its first quarter result announcement released via SGXNET on 9 May 2008. The following are the Company's response to such queries:-

- 1) **We note that an amount of S\$484,000 was received as compensation for contract termination. Please provide more details and disclose the reasons for the termination, whether this relates to a major customer, nature of the contact and the value of the contract cancelled. To also disclose whether the termination is likely to have a material adverse impact on the Company going forward.**

The amount of S\$484,000 was received from a principal as compensation for early termination of an after market service agreement, as the principal had decided to cease its sales and distribution operations in the region.

It is not possible to value the contract in mention as it is a service contract that is dependent on volume.

The principal is not considered a major customer of the Company and the termination will not have a material adverse impact on the Company going forward.

- (2) **Please clarify why certain AMS business operations were ceased.**

As part of the Company's restructuring efforts, the Company had in the second quarter of FY2006 announced a restructuring plan which includes the rationalizing of its regional networks and closing of non-viable AMS activities, accounts, centers and/or markets. This is in order to achieve a more competitive structure and to more efficiently provide quality and value-adding market services in the region This restructuring exercise began in the third quarter of FY2006 and has been on-going through FY2007.

This restructuring effort resulted in the cessation of operations of certain AMS businesses in the region.

- (3) **We note that the Company recorded a currency translation loss of S\$967,000 in 1QFY2008. Please disclose the factors which caused the substantial loss, nature of the underlying items and details of any open positions.**

The currency translation loss mainly arose due to the strengthening of the Singapore Dollar ("SGD") as well as the weakening of the US Dollar ("USD") against other currencies. A significant portion of the Group's inter-company balances are denominated in SGD and USD. The Group recorded unrealized exchange losses due to the revaluation of such inter-company balances which were affected by the aforementioned currency fluctuations.

The Group has no foreign exchange contracts or open positions.

BY ORDER OF THE BOARD

**HUANG WENJIAN EUGENE**  
Legal & Corporate Affairs Manager  
Company Secretary

Singapore  
15 May 2008