Dear John,

Hereunder is the update information of MircoStim:

- 1) 1) FOB HK product unit cost (Alternative Part): US\$20~22
- 2) 2) FOB HK product unit cost (Original Part): US42~45

For above product cost, it included:

- - Device
- - Jack
- - Cable
- 3) 3) Tooling cost: ~US\$12500
 - - 2 sets of tooling + 1 set tooling of Holter JACK

This is an overall ballpark figures, we are still working with the suppliers on price negotiation. We believe we can still get a lower price on the rocker switch. We would like to discuss with you in details next week during the visit.

p.s.

We are planning to visit a medical trade show in Paris (HopitalExpo / Intermedica), do you know anything about it? Will you plan to go? If yes, we would like your guide as we have no idea.

Best Regards,

Samuel Sham / KH June 03 2004