



BAKER TECHNOLOGY LIMITED

Company Registration No.: 198100637D

Quarterly Financial Statement And Dividend Announcement for the Period Ended 30 June 2010

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

| | Group | | | | | |
|---|--------------------|--------------------|-------------|--------------------|--------------------|-------------|
| | 3 months ended | | | 6 months ended | | |
| | 30/6/10 S\$'000 | 30/6/09 S\$'000 | Change % | 30/6/10 S\$'000 | 30/6/09 S\$'000 | Change % |
| Revenue | 6,809 | 16,446 | (59) | 13,022 | 34,911 | (63) |
| Cost of goods sold | (2,261) | (4,768) | (53) | (4,084) | (17,323) | (76) |
| Gross profit | 4,548 | 11,678 | (61) | 8,938 | 17,588 | (49) |
| Administrative expenses | (2,405) | (1,784) | 35 | (3,792) | (2,896) | 31 |
| Other operating income / (expenses), net | 16,072 | (3,337) | NM | 16,053 | 105 | 15,189 |
| Finance cost | (4) | (4) | - | (5) | (6) | (17) |
| Share of results of associates (a) | 152 | 159 | (4) | 231 | (543) | NM |
| Profit before taxation (b) | 18,363 | 6,712 | 174 | 21,425 | 14,248 | 50 |
| Income tax expenses (c) | (560) | (1,310) | (57) | (1,170) | (2,749) | (57) |
| Net profit attributable to equity holders of the Company | 17,803 | 5,402 | 230 | 20,255 | 11,499 | 76 |

NM – Not meaningful

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediate preceding financial year

| | Group | | | | | |
|---|--------------------|--------------------|-------------|--------------------|--------------------|-------------|
| | 3 months ended | | | 6 months ended | | |
| | 30/6/10 S\$'000 | 30/6/09 S\$'000 | Change % | 30/6/10 S\$'000 | 30/6/09 S\$'000 | Change % |
| Net profit attributable to equity holders of the Company | 17,803 | 5,402 | 230 | 20,255 | 11,499 | 76 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income attributable to equity holders of the Company | 17,803 | 5,402 | 230 | 20,255 | 11,499 | 76 |

Explanatory notes:

(a) This relates to the Group's 49% share in the result of York Transport Equipment (Asia) Pte Ltd ("York").

(b) Profit before taxation is stated after charging / (crediting):

| | Group | | | | | |
|--|--------------------|--------------------|-------------|--------------------|--------------------|-------------|
| | 3 months ended | | | 6 months ended | | |
| | 30/6/10 S\$'000 | 30/6/09 S\$'000 | Change % | 30/6/10 S\$'000 | 30/6/09 S\$'000 | Change % |
| Depreciation | 448 | 434 | 3 | 895 | 871 | 3 |
| Amortisation of intangible assets | - | 158 | (100) | - | 317 | (100) |
| Foreign exchange (gain) / loss | (180) | 3,253 | NM | (200) | (299) | (33) |
| Loss on disposal of property, plant and equipment | - | 16 | (100) | - | 16 | (100) |
| Interest income | (39) | (56) | (30) | (87) | (75) | 16 |
| Dividend income | (15,823) | - | NM | (15,823) | - | NM |

(c) The taxation charge for the quarter and period ended 30 June 2010 was significantly lower than the statutory income tax rate of Singapore due to the receipt of tax-exempt dividend income in the current quarter.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

| | | Group | | Company | |
|---|-----|-----------|------------|-----------|------------|
| | | 30/6/2010 | 31/12/2009 | 30/6/2010 | 31/12/2009 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>Non-current assets</u> | | | | | |
| Property, plant and equipment | | 6,104 | 6,967 | 27 | 4 |
| Intangible assets | | 7,551 | 7,551 | - | - |
| Investment in subsidiaries | | - | - | 23,600 | 23,600 |
| Investment in associates | (a) | 10,549 | 10,318 | 9,616 | 9,616 |
| Other investment | (b) | 5,066 | 5,066 | - | - |
| | | 29,270 | 29,902 | 33,243 | 33,220 |
| <u>Current assets</u> | | | | | |
| Inventories | | 10,018 | 10,813 | - | - |
| Work-in-progress | (c) | 3,996 | 1,783 | - | - |
| Trade receivables | | 5,432 | 6,189 | - | - |
| Other receivables | | 1,224 | 974 | 373 | 12 |
| Amounts due from subsidiaries | | - | - | 677 | 4,200 |
| Pledged deposits | (d) | 8,190 | 5,396 | - | - |
| Cash and cash equivalents | | 73,033 | 76,428 | 34,311 | 34,826 |
| | | 101,893 | 101,583 | 35,361 | 39,038 |
| <u>Current liabilities</u> | | | | | |
| Obligations under finance leases | | 23 | 27 | - | - |
| Excess of progress billings over work-in-progress | (c) | 5,373 | 9,850 | - | - |
| Trade payables and other liabilities | (e) | 7,815 | 14,024 | 391 | 334 |
| Amounts due to subsidiaries | | - | - | - | 71 |
| Tax payable | (e) | 4,598 | 7,895 | 4 | 7 |
| | | 17,809 | 31,796 | 395 | 412 |
| Net current assets | | 84,084 | 69,787 | 34,966 | 38,626 |
| <u>Non-current liabilities</u> | | | | | |
| Obligations under finance leases | | (87) | (118) | - | - |
| Deferred tax liabilities | | (100) | (100) | - | - |
| Net assets | | 113,167 | 99,471 | 68,209 | 71,846 |

| | Group | | Company | |
|--|----------------------|-----------------------|----------------------|-----------------------|
| | 30/6/2010 S\$'000 | 31/12/2009 S\$'000 | 30/6/2010 S\$'000 | 31/12/2009 S\$'000 |
| <u>Equity attributable to equity holders of the Company</u> | | | | |
| Share capital | 30,523 | 21,726 | 30,523 | 21,726 |
| Reserves | 82,644 | 77,745 | 37,686 | 50,120 |
| Total equity | 113,167 | 99,471 | 68,209 | 71,846 |

Explanatory notes:

- (a) This relates to the Group's 49% stake in York.
- (b) The amount relates to the 15% equity stake in PPL Shipyard Pte Ltd ("PPL"), held through PPL Holdings Pte Ltd and its subsidiary, E-Interface Holdings Limited.
- (c) The net reduction was due to lower progress billings in the current period.
- (d) These are deposits pledged to the banks as collateral for banking facilities and the issuance of bank guarantees.
- (e) The decrease was mainly due to the settlement of liabilities and was in line with the lower production activities during the current period.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

| As at 30/6/2010 | | As at 31/12/2009 | |
|-----------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 23 | - | 27 | - |

Amount repayable after one year

| As at 30/6/2010 | | As at 31/12/2009 | |
|-----------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 87 | - | 118 | - |

Details of any collateral

Certain motor vehicles are under finance lease arrangements.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

| Group | 3 months ended | | 6 months ended | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 30/6/10 S\$'000 | 30/6/09 S\$'000 | 30/6/10 S\$'000 | 30/6/09 S\$'000 |
| Cash flows from operating activities: | | | | |
| Profit before tax | 18,363 | 6,712 | 21,425 | 14,248 |
| Adjustments for: | | | | |
| Depreciation | 448 | 434 | 895 | 871 |
| Amortisation of intangible assets | - | 158 | - | 317 |
| Dividend income | (15,823) | - | (15,823) | - |
| Interest income | (39) | (56) | (87) | (75) |
| Interest expenses | 4 | 4 | 5 | 6 |
| Loss on disposal of property, plant and equipment | - | 16 | - | 16 |
| Share of results of associates | (152) | (159) | (231) | 543 |
| Operating profit before working capital changes | 2,801 | 7,109 | 6,184 | 15,926 |
| Decrease in trade receivables | 1,706 | 5,868 | 757 | 23,915 |
| (Increase) / decrease in other receivables | (326) | 377 | (250) | 615 |
| Decrease / (increase) in inventories | 122 | (8,510) | 795 | (6,660) |
| (Increase) / decrease in pledged deposits | (2,739) | 837 | (2,794) | (1,457) |
| (Decrease) / increase in net progress billings in excess of work-in-progress | (2,659) | 8,700 | (6,690) | 8,793 |
| Increase / (decrease) in trade payables and other liabilities | 919 | 495 | (6,209) | (3,225) |
| Net cash flows (used in) / from operations | (176) | 14,876 | (8,207) | 37,907 |
| Interest received | 39 | 56 | 87 | 75 |
| Interest paid | (4) | (4) | (5) | (6) |
| Income tax paid | (3,328) | (2,504) | (4,467) | (2,745) |
| Net cash flows (used in) / from operating activities | (3,469) | 12,424 | (12,592) | 35,231 |
| Cash flows from investing activities: | | | | |
| Dividend received | 15,823 | - | 15,823 | - |
| Proceeds from disposal of property, plant and equipment | - | 49 | - | 49 |
| Purchase of property, plant and equipment | (29) | (87) | (32) | (160) |
| Net cash flows from / (used in) investing activities | 15,794 | (38) | 15,791 | (111) |
| Cash flows from financing activities: | | | | |
| Net proceeds from conversion of warrants | 8,794 | 16 | 8,797 | 16 |
| Dividends paid on ordinary shares | (15,356) | (3,159) | (15,356) | (3,159) |
| Repayment of obligations under finance leases | (28) | (77) | (35) | (86) |
| Net cash flows used in financing activities | (6,590) | (3,220) | (6,594) | (3,229) |
| Net increase / (decrease) in cash and cash equivalents | 5,735 | 9,166 | (3,395) | 31,891 |
| Cash and cash equivalents at beginning of period | 67,298 | 53,834 | 76,428 | 31,109 |
| Cash and cash equivalents at end of period [Note A] | 73,033 | 63,000 | 73,033 | 63,000 |

Notes to Cash Flow Statement:

(A) Cash and cash equivalent

| | 30/6/10 | 30/6/09 |
|--|---------------|---------------|
| | S\$'000 | S\$'000 |
| Cash and cash equivalents at end of period / year comprised of: | | |
| Cash at banks and in hand | 50,793 | 19,499 |
| Short-term deposits | 22,240 | 43,501 |
| | <u>73,033</u> | <u>63,000</u> |

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

| Group | Share capital S\$'000 | Capital reserve S\$'000 | Accumulated profits S\$'000 | Total reserves S\$'000 | Total equity S\$'000 |
|--|--------------------------|----------------------------|--------------------------------|---------------------------|-------------------------|
| Balance at 1/1/2010 | 21,726 | 2,344 | 75,401 | 77,745 | 99,471 |
| Issuance of new shares from conversion of warrants* | 2 | - | - | - | 2 |
| Issuance of new shares from conversion of warrants** | 1 | - | - | - | 1 |
| Total comprehensive income for the period | - | - | 2,452 | 2,452 | 2,452 |
| Balance at 31/3/2010 | <u>21,729</u> | <u>2,344</u> | <u>77,853</u> | <u>80,197</u> | <u>101,926</u> |
| Issuance of new shares from conversion of warrants* | 5 | - | - | - | 5 |
| Issuance of new shares from conversion of warrants** | 8,789 | - | - | - | 8,789 |
| Total comprehensive income for the period | - | - | 17,803 | 17,803 | 17,803 |
| Dividends on ordinary shares | - | - | (15,356) | (15,356) | (15,356) |
| Balance at 30/6/2010 | <u>30,523</u> | <u>2,344</u> | <u>80,300</u> | <u>82,644</u> | <u>113,167</u> |
| Balance at 1/1/2009 | 18,115 | 2,344 | 39,991 | 42,335 | 60,450 |
| Total comprehensive income for the period | - | - | 6,097 | 6,097 | 6,097 |
| Balance at 31/3/2009 | <u>18,115</u> | <u>2,344</u> | <u>46,088</u> | <u>48,432</u> | <u>66,547</u> |
| Issuance of new shares from conversion of warrants* | 16 | - | - | - | 16 |
| Total comprehensive income for the period | - | - | 5,402 | 5,402 | 5,402 |
| Dividends on ordinary shares | - | - | (3,159) | (3,159) | (3,159) |
| Balance at 30/6/2009 | <u>18,131</u> | <u>2,344</u> | <u>48,331</u> | <u>50,675</u> | <u>68,806</u> |

| Company | Share capital | Capital reserve | Accumulated profits | Total reserves | Total equity |
|--|---------------|-----------------|---------------------|----------------|---------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1/1/2010 | 21,726 | 2,344 | 47,776 | 50,120 | 71,846 |
| Issuance of new shares from conversion of warrants* | 2 | - | - | - | 2 |
| Issuance of new shares from conversion of warrants** | 1 | - | - | - | 1 |
| Total comprehensive income for the period | - | - | (612) | (612) | (612) |
| Balance at 31/3/2010 | 21,729 | 2,344 | 47,164 | 49,508 | 71,237 |
| Issuance of new shares from conversion of warrants* | 5 | - | - | - | 5 |
| Issuance of new shares from conversion of warrants** | 8,789 | - | - | - | 8,789 |
| Total comprehensive income for the period | - | - | 3,534 | 3,534 | 3,534 |
| Dividends on ordinary shares | - | - | (15,356) | (15,356) | (15,356) |
| Balance at 30/6/2010 | 30,523 | 2,344 | 35,342 | 37,686 | 68,209 |
| Balance at 1/1/2009 | 18,115 | 2,344 | 7,020 | 9,364 | 27,479 |
| Total comprehensive income for the period | - | - | (387) | (387) | (387) |
| Balance at 31/3/2009 | 18,115 | 2,344 | 6,633 | 8,977 | 27,092 |
| Issuance of new shares from conversion of warrants* | 16 | - | - | - | 16 |
| Total comprehensive income for the period | - | - | (415) | (415) | (415) |
| Dividends on ordinary shares | - | - | (3,159) | (3,159) | (3,159) |
| Balance at 30/6/2009 | 18,131 | 2,344 | 3,059 | 5,403 | 23,534 |

* - W110613

** - W121116

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

During the period ended 30 June 2010, 284,249 warrants (W110613) and 27,469,627 warrants (W121116) were exercised at S\$0.025 and S\$0.320 each by warrant holders, respectively, to subscribe for a total of 27,753,876 new ordinary shares in the Company.

As at 30 June 2010 and 31 December 2009, the Company has the following warrants that remained outstanding:

| | Expiry Date | Exercise Price | No. of warrants | |
|---------|------------------|----------------|--------------------|--------------------|
| | | | 30 Jun 2010 | 31 Dec 2009 |
| W110613 | 13 June 2011 | S\$0.025 | 447,553 | 731,802 |
| W121116 | 16 November 2012 | S\$0.320 | 299,914,381 | 327,384,008 |
| | | | <u>300,361,934</u> | <u>328,115,810</u> |

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

As at 30 June 2010, the Company's issued share capital was S\$30,523,076 (31 December 2009 – S\$21,725,689) comprising 682,521,893 ordinary shares (31 December 2009 – 654,768,017 ordinary shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by its auditors, Messrs Ernst & Young.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The same accounting policies and methods of computation have been applied in the financial statements as in the most recently audited financial statements.

The new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS that are applicable for the current financial year have no material effect on the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

| | Group | | Group | |
|--|----------------|-----------|----------------|-----------|
| | 3 months ended | | 6 months ended | |
| | 30/6/2010 | 30/6/2009 | 30/6/2010 | 30/6/2009 |
| (i) Basic earnings per share (in cents) | 2.67 | 0.85 | 3.05 | 1.82 |
| (ii) Diluted earnings per share (in cents) | 1.85 | 0.83 | 2.10 | 1.76 |

- (i) Basic earnings per ordinary share for the financial period ended 30 June 2010 was calculated based on the weighted average number of ordinary shares in issue of 664,311,251 (30 June 2009 – 631,586,170).
- (ii) Earnings per share for the financial period ended 30 June 2010 on a fully diluted basis was calculated based on the number of ordinary shares in issue during the period adjusted for the dilutive effect of 300,361,934 warrants (30 June 2009 – 23,493,743 warrants).

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

| | Group | | Company | |
|--|-----------|------------|-----------|------------|
| | 30/6/2010 | 31/12/2009 | 30/6/2010 | 31/12/2009 |
| Net Asset Value per ordinary share based on issued share capital at the end of the period (in cents) | 16.6 | 15.2 | 10.0 | 11.0 |

Net asset value per ordinary share as at 30 June 2010 and 31 December 2009 was calculated based on the number of shares in issue of 682,521,893 and 654,768,017 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Revenue

2Q2010 vs 2Q2009

Group revenue fell from S\$16.4 million in 2Q2009 to S\$6.8 million in 2Q2010 due to the slow new order intake last year, a result of the global credit crunch which delayed many oil and gas projects.

1H2010 vs 1H2009

The Group's revenue for 1H2010 was S\$13.0 million, mainly derived from projects carried forward from 2009. Most of these projects were either completed or near completion as at 30 June 2010. While the Group has secured various new orders in 2010, these new orders are still in their early stages of production and did not have any significant impact on the Group's revenue for 1H2010.

As at the end of June 2010, the Group's net order book stood at US\$29 million, up from US\$7 million as at December 2009 and US\$20 million as at March 2010. These orders are expected to be completed within the next 12 months.

Profitability

2Q2010 vs 2Q2009

Due to lower revenue, gross profit for 2Q2010 was S\$4.5 million, a drop of S\$7.1 million (or 61%) from that reported for 2Q2009.

Administrative expenses increased from S\$1.8 million in 2Q2009 to S\$2.4 million in 2Q2010, mainly due to higher professional and legal fees.

However, the Group's overall profitability in the current quarter was boosted by the receipt of S\$15.8 million tax-exempt interim dividend from PPL.

As a result of this dividend income, the Group's net profit for 2Q2010 was S\$17.8 million, an increase of 230% from 2Q2009.

1H2010 vs 1H2009

Similarly, on the back of lower revenue for 1H2010, gross profit for the six months ended 30 June 2010 was S\$8.9 million, a drop of S\$8.7 million from 1H2009. However, gross profit margins were higher due to:

- Higher margins recognised for most of its projects which were either completed or near completion; and
- Write-back of unutilised warranty provision of approximately S\$1.4 million in 1H2010.

For 1H2010, the Group's share of profits from its 49% stake in York was S\$231,000, as compared to a share of losses of S\$543,000 in 1H2009. This was due mainly to an improved operating environment for the trailer axle industry, especially in relation to the Indian market in recent months.

On the whole, fueled by the dividend income from PPL, the Group recorded a net profit of S\$20.3 million in 1H2010, as compared to S\$11.5 million a year ago.

Financial position & cash flow

Group shareholders' fund increased from S\$99.5 million at 31 December 2009 to S\$113.2 million at 30 June 2010, attributable to retained profits for the period.

For the second quarter and half year ended 30 June 2010, the Group's net cash flows used in operating activities were S\$3.5 million and S\$12.6 million respectively, mainly due to lower project progress billings and the payment of trade and other liabilities (including income tax liabilities). However, the Group's net available cash and cash equivalents remain healthy at S\$73.0 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no material variance from the previous outlook statement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group is encouraged by the new orders secured in FY2010 to date and the continuing rise in enquiries in recent months. The Group remains confident of the oil and gas sector's long term fundamentals and expects to remain profitable in FY2010 from positive contributions from both its marine offshore and investment segments.

At an Extraordinary General Meeting held on 26 June 2010, the shareholders of the Company approved the proposed disposal by the Company of the entire issued and paid-up share capital of PPL Holdings Pte Ltd ("PPLH") to Yangzijiang Shipbuilding (Holdings) Ltd (the "Purchaser") for a cash consideration of US\$155 million on the terms and conditions of the letter of offer from the Purchaser dated 16 April 2010 and accepted by the Company on 23 April 2010. The approval from shareholders shall only be effective from the date that PPLH and its subsidiary, E-Interface Holdings Limited ("E-Interface") obtain on or before the Long Stop Date (27 April 2011) a final non-appealable judgement or order of the Supreme Court of Singapore in Suit no. S351/2010/H or such other action relating to or arising from the ongoing litigation between PPLH and E-Interface and Sembcorp Marine Ltd ("SCM") to the effect that:-

- a. PPLH and E-Interface remain owners of 15% of the issued share capital of PPL Shipyard Pte Ltd; and
- b. The Shareholders' Agreement dated 9 April 2001 entered into between PPLH and SCM, supplemented by a letter dated 5 July 2003, has not been terminated.

PPLH is an investment holding company which holds an aggregate direct and indirect 15% shareholding stake in PPL Shipyard Pte Ltd, a company principally engaged in the business of design and construction of offshore drilling rigs from shallow water to deep water.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended by the Company.

13. Confirmation by the Board

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to its attention which may render the unaudited financial results for the second quarter and half year ended 30 June 2010 to be false or misleading.

BY ORDER OF THE BOARD

Aw Seok Chin
Company Secretary
3 August 2010