



BAKER TECHNOLOGY LIMITED

Company Registration No.: 198100637D

Quarterly Financial Statement And Dividend Announcement for the Period Ended 30 June 2012

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

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, 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 | | |
| | 30/6/12 S\$'000 | 30/6/11 S\$'000 | Change % | 30/6/12 S\$'000 | 30/6/11 S\$'000 | Change % |
| Revenue | 25,035 | 19,268 | 30 | 60,136 | 29,913 | 101 |
| Cost of goods sold | (17,974) | (14,709) | 22 | (48,166) | (19,987) | 141 |
| Gross profit | 7,061 | 4,559 | 55 | 11,970 | 9,926 | 21 |
| Administrative expenses | (2,587) | (3,142) | (18) | (4,636) | (5,446) | (15) |
| Other operating income / (expenses), net | 57,816 | (2,116) | NM | 68,603 | (3,472) | NM |
| Finance cost | - | - | - | - | (21) | NM |
| Share of results of associates (a) | - | 143 | NM | 598 | 600 | - |
| Profit / (loss) before taxation (b) | 62,290 | (556) | NM | 76,535 | 1,587 | 4,723 |
| Income tax expenses (c) | (960) | (330) | 191 | (1,600) | (1,080) | 48 |
| Net profit / (loss) attributable to equity holders of the Company | 61,330 | (886) | NM | 74,935 | 507 | 14,680 |

NM – Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Group | | | | | |
|---|--------------------|--------------------|-------------|--------------------|--------------------|---------------|
| | 3 months ended | | | 6 months ended | | |
| | 30/6/12 S\$'000 | 30/6/11 S\$'000 | Change % | 30/6/12 S\$'000 | 30/6/11 S\$'000 | Change % |
| Net profit / (loss) attributable to equity holders of the Company | 61,330 | (886) | NM | 74,935 | 507 | 14,680 |
| Other comprehensive income: | | | | | | |
| Net (loss) / gain on fair value changes of available-for-sale investment | (3,300) | (3,300) | - | 2,100 | (2,000) | NM |
| Total comprehensive income attributable to equity holders of the Company | 58,030 | (4,186) | NM | 77,035 | (1,493) | NM |

Explanatory notes:

- (a) This relates to the Group's 49% share in the result of York Transport Equipment (Asia) Pte Ltd ("York"), prior to its disposal of York on 27 March 2012.
- (b) Profit / (loss) before taxation is stated after charging / (crediting):

| | Group | | | | | |
|--|----------------|---------|--------|----------------|---------|--------|
| | 3 months ended | | | 6 months ended | | |
| | 30/6/12 | 30/6/11 | Change | 30/6/12 | 30/6/11 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Depreciation | 353 | 430 | (18) | 725 | 879 | (18) |
| Foreign exchange loss | 413 | 2,168 | (81) | 789 | 3,604 | (78) |
| Interest income | (137) | (36) | 281 | (189) | (87) | 117 |
| Recognition of deferred gain on disposal of subsidiary | (58,237) | - | NM | (58,237) | - | NM |
| Gain on disposal of associates | - | - | - | (10,894) | - | NM |

- (c) The taxation charge for the current quarter and period ended 30 June 2012 was significantly lower than the statutory income tax rate of Singapore as the recognition of deferred gain on disposal of subsidiary, PPL Holdings Pte Ltd ("PPLH"), of S\$58.2 million and the gain on disposal of associates (York) of S\$10.9 million are capital in nature and not subjected to any income tax. For the corresponding periods in 2011, the taxation charge was significantly higher than the statutory income tax rate of Singapore as certain operating expenses incurred by the corporate head office could not be offset against taxable profits of the operating subsidiaries.

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

| | Group | | Company | |
|---|-----------|------------|-----------|------------|
| | 30/6/2012 | 31/12/2011 | 30/6/2012 | 31/12/2011 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>Non-current assets</u> | | | | |
| Property, plant and equipment | 3,235 | 3,842 | 15 | 20 |
| Intangible assets | 7,551 | 7,551 | - | - |
| Investment in subsidiaries | - | - | 20,000 | 20,000 |
| Investment in associates (a) | - | 10,358 | - | 9,616 |
| Available-for-sale investment (b) | 25,049 | 20,118 | 25,049 | 20,118 |
| | 35,835 | 41,869 | 45,064 | 49,754 |
| <u>Current assets</u> | | | | |
| Inventories (c) | 16,801 | 6,357 | - | - |
| Work-in-progress (c) | 39,682 | 31,561 | - | - |
| Trade and other receivables (d) | 21,058 | 11,810 | 204 | 31 |
| Amounts due from subsidiaries | - | - | 2,300 | 600 |
| Pledged deposits (e) | 8,731 | 6,500 | - | - |
| Cash and short-term deposits | 154,755 | 169,277 | 152,641 | 142,123 |
| | 241,027 | 225,505 | 155,145 | 142,754 |
| <u>Current liabilities</u> | | | | |
| Excess of progress billings over work-in-progress | 518 | 7,118 | - | - |
| Trade and other payables | 18,990 | 27,133 | 1,405 | 1,565 |
| Loans and borrowings (f) | 9,850 | - | - | - |
| Deferred gain on disposal of subsidiary (g) | - | 58,237 | - | 141,941 |
| Tax payable | 3,098 | 3,096 | 5 | 9 |
| | 32,456 | 95,584 | 1,410 | 143,515 |
| Net current assets / (liabilities) | 208,571 | 129,921 | 153,735 | (761) |
| Net assets | 244,406 | 171,790 | 198,799 | 48,993 |

| | Group | | Company | |
|--|----------------|----------------|----------------|---------------|
| | 30/6/2012 | 31/12/2011 | 30/6/2012 | 31/12/2011 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| <u>Equity attributable to equity holders of the Company</u> | | | | |
| Share capital | 38,637 | 36,053 | 38,637 | 36,053 |
| Reserves | 205,769 | 135,737 | 160,162 | 12,940 |
| Total equity | 244,406 | 171,790 | 198,799 | 48,993 |

Explanatory notes:

- (a) This relates to the Group's 49% stake in York. On 27 March 2012, the Group disposed of its entire stake in York.
- (b) This relates to the Group's minority stake in an Oslo-listed offshore drilling company, Discovery Offshore S.A. ("DO"). During the period ended 30 June 2012, the Company acquired approximately 1.28 million shares from the open market thereby increasing its stake in DO from 17% to 19%. This investment has been recorded at its fair value.
- (c) The increase was due to higher production activities in the current period, especially for newly secured projects.
- (d) The increase was in line with higher revenue for the current period.
- (e) These are deposits pledged to the banks as collateral for banking facilities and the issuance of bank guarantees. The increase was due to additional banking facilities secured in the current period.
- (f) These are short term bank borrowings drawn down by the Company's subsidiaries in the current quarter for working capital purposes.
- (g) The reduction was due to the recognition of the deferred gain on the Company's disposal of PPLH to QD Asia Pacific Ltd ("QD") back in October 2010 in the current quarter. The recognition of the gain on disposal was deferred previously due to the pending outcome of the legal dispute with Sembcorp Marine Ltd ("SCM").

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 30/6/2012 | | As at 31/12/2011 | |
|-----------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 9,850 | - | - | - |

Amount repayable after one year

| As at 30/6/2012 | | As at 31/12/2011 | |
|-----------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| - | - | - | - |

Details of any collateral

Certain deposits have been pledged to the banks as collateral for these banking facilities.

1(c) A statement of cash flows (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 | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 30/6/12 S\$'000 | 30/6/11 S\$'000 | 30/6/12 S\$'000 | 30/6/11 S\$'000 |
| Cash flows from operating activities: | | | | |
| Profit / (loss) before tax | 62,290 | (556) | 76,535 | 1,587 |
| Adjustments for: | | | | |
| Depreciation | 353 | 430 | 725 | 879 |
| Interest income | (137) | (36) | (189) | (87) |
| Interest expenses | - | - | - | 21 |
| Recognition of deferred gain on disposal of subsidiary | (58,237) | - | (58,237) | - |
| Gain on disposal of associates | - | - | (10,894) | - |
| Share of results of associates | - | (143) | (598) | (600) |
| Operating profit / (loss) before working capital changes | 4,269 | (305) | 7,342 | 1,800 |
| (Increase) / decrease in trade and other receivables | (4,038) | (1,253) | (9,248) | 1,327 |
| (Increase) / decrease in inventories | (2,616) | (3,181) | (10,444) | 414 |
| (Increase) / decrease in pledged deposits | (137) | 817 | (2,231) | 1,305 |
| Increase in net work-in-progress | (16,687) | (10,381) | (14,721) | (12,247) |
| (Decrease) / increase in trade payables and other liabilities | (1,938) | 4,669 | (8,143) | 1,943 |
| Net cash flows used in operations | (21,147) | (9,634) | (37,445) | (5,458) |
| Interest received | 137 | 36 | 189 | 87 |
| Interest paid | - | - | - | (21) |
| Income tax paid | (956) | (621) | (1,598) | (1,421) |
| Net cash flows used in operating activities | (21,966) | (10,219) | (38,854) | (6,813) |
| Cash flows from investing activities: | | | | |
| Dividend received | - | 102 | - | 102 |
| Net proceeds from disposal of associates | - | - | 21,850 | - |
| Purchase of available-for-sale investment | (2,677) | (9,880) | (2,831) | (20,262) |
| Purchase of property, plant and equipment | (43) | (30) | (118) | (47) |
| Net cash flows (used in) / from investing activities | (2,720) | (9,808) | 18,901 | (20,207) |
| Cash flows from financing activities: | | | | |
| Net proceeds from conversion of warrants | 40 | 5,524 | 40 | 5,524 |
| Net proceeds from warrants issue | 2,544 | - | 2,544 | - |
| Dividends paid on ordinary shares | (7,003) | (20,997) | (7,003) | (20,997) |
| Proceeds from loans and borrowings | 9,850 | - | 9,850 | - |
| Repayment of obligations under finance leases | - | - | - | (99) |
| Net cash flows from / (used in) financing activities | 5,431 | (15,473) | 5,431 | (15,572) |
| Net decrease in cash and cash equivalents | (19,255) | (35,500) | (14,522) | (42,592) |
| Cash and cash equivalents at beginning of period | 174,010 | 207,038 | 169,277 | 214,130 |
| Cash and cash equivalents at end of period | 154,755 | 171,538 | 154,755 | 171,538 |

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 | Capital reserve | Accumulated profits | Other reserve | Total reserves | Total equity |
|---|---------------|-----------------|---------------------|----------------|----------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1/1/2012 | 36,053 | 2,344 | 140,893 | (7,500) | 135,737 | 171,790 |
| Profit for the period | - | - | 13,605 | - | 13,605 | 13,605 |
| Other comprehensive income for the period | - | - | - | 5,400 | 5,400 | 5,400 |
| Balance at 31/3/2012 | 36,053 | 2,344 | 154,498 | (2,100) | 154,742 | 190,795 |
| Issuance of warrants | 2,801 | - | - | - | - | 2,801 |
| Warrants issue expenses | (257) | - | - | - | - | (257) |
| Issuance of new shares from conversion of warrants ** | 40 | - | - | - | - | 40 |
| Profit for the period | - | - | 61,330 | - | 61,330 | 61,330 |
| Other comprehensive income for the period | - | - | - | (3,300) | (3,300) | (3,300) |
| Dividends on ordinary shares | - | - | (7,003) | - | (7,003) | (7,003) |
| Balance at 30/6/2012 | 38,637 | 2,344 | 208,825 | (5,400) | 205,769 | 244,406 |
| Balance at 1/1/2011 | 30,529 | 2,344 | 154,259 | - | 156,603 | 187,132 |
| Profit for the period | - | - | 1,393 | - | 1,393 | 1,393 |
| Other comprehensive income for the period | - | - | - | 1,300 | 1,300 | 1,300 |
| Balance at 31/3/2011 | 30,529 | 2,344 | 155,652 | 1,300 | 159,296 | 189,825 |
| Issuance of new shares from conversion of warrants* | 8 | - | - | - | - | 8 |
| Issuance of new shares from conversion of warrants** | 5,516 | - | - | - | - | 5,516 |
| Loss for the period | - | - | (886) | - | (886) | (886) |
| Other comprehensive income for the period | - | - | - | (3,300) | (3,300) | (3,300) |
| Dividends on ordinary shares | - | - | (20,997) | - | (20,997) | (20,997) |
| Balance at 30/6/2011 | 36,053 | 2,344 | 133,769 | (2,000) | 134,113 | 170,166 |

| Company | Share capital | Capital reserve | Accumulated profits | Other reserve | Total reserves | Total equity |
|--|---------------|-----------------|---------------------|----------------|----------------|----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1/1/2012 | 36,053 | 2,344 | 18,096 | (7,500) | 12,940 | 48,993 |
| Profit for the period | - | - | 11,456 | - | 11,456 | 11,456 |
| Other comprehensive income for the period | - | - | - | 5,400 | 5,400 | 5,400 |
| Balance at 31/3/2012 | 36,053 | 2,344 | 29,552 | (2,100) | 29,796 | 65,849 |
| Issuance of warrants | 2,801 | - | - | - | - | 2,801 |
| Warrants issue expenses | (257) | - | - | - | - | (257) |
| Issuance of new shares from conversion of warrants** | 40 | - | - | - | - | 40 |
| Profit for the period | - | - | 140,669 | - | 140,669 | 140,669 |
| Other comprehensive income for the period | - | - | - | (3,300) | (3,300) | (3,300) |
| Dividends on ordinary shares | - | - | (7,003) | - | (7,003) | (7,003) |
| Balance at 30/6/2012 | 38,637 | 2,344 | 163,218 | (5,400) | 160,162 | 198,799 |
| Balance at 1/1/2011 | 30,529 | 2,344 | 38,939 | - | 41,283 | 71,812 |
| Loss for the period | - | - | (2,379) | - | (2,379) | (2,379) |
| Other comprehensive income for the period | - | - | - | 1,300 | 1,300 | 1,300 |
| Balance at 31/3/2011 | 30,529 | 2,344 | 36,560 | 1,300 | 40,204 | 70,733 |
| Issuance of new shares from conversion of warrants* | 8 | - | - | - | - | 8 |
| Issuance of new shares from conversion of warrants** | 5,516 | - | - | - | - | 5,516 |
| Loss for the period | - | - | (2,877) | - | (2,877) | (2,877) |
| Other comprehensive income for the period | - | - | - | (3,300) | (3,300) | (3,300) |
| Dividends on ordinary shares | - | - | (20,997) | - | (20,997) | (20,997) |
| Balance at 30/6/2011 | 36,053 | 2,344 | 12,686 | (2,000) | 13,030 | 49,083 |

* - W110613 (expired in June 2011)

** - 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 2012, 126,000 warrants (W121116) were exercised at S\$0.320 each by warrant holders to subscribe for a total of 126,000 new ordinary shares in the Company.

As at 30 June 2012 and 2011, the Company has the following warrants that remained outstanding:

| | Expiry Date | Exercise Price | No. of warrants | |
|---------|------------------|----------------|--------------------|--------------------|
| | | | 30 June 2012 | 30 June 2011 |
| W121116 | 16 November 2012 | S\$0.32 | 282,536,881 | 282,662,881 |
| W150605 | 5 June 2015 | S\$0.27 | 280,117,952 | - |
| | | | <u>562,654,833</u> | <u>282,662,881</u> |

In June 2012, the Company completed its renounceable non-underwritten rights issue of 280,117,952 warrants at an issue price of S\$0.01 for each warrant. Each warrant carries the rights to subscribe for 1 new ordinary share in the capital of the Company at an exercise price of S\$0.27 for each new share. The warrants were issued on the basis of 2 warrants for every 5 existing ordinary shares in the capital of the Company held by entitled shareholders as at book closure date.

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 2012, the Company's issued share capital was S\$38,636,933 (31 December 2011 – S\$36,053,443) comprising 700,294,881 ordinary shares (31 December 2011 – 700,168,881 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 LLP.

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.

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 | |
| | 30/6/2012 | 30/6/2011 | 30/6/2012 | 30/6/2011 |
| (i) Basic earnings per share (in cents) | 8.76 | (0.13) | 10.70 | 0.07 |
| (ii) Diluted earnings per share (in cents) | 5.70 | (0.13) | 7.64 | 0.05 |

- (i) Basic earnings per ordinary share for the financial period ended 30 June 2012 was calculated based on the weighted average number of ordinary shares in issue of 700,208,367 (30 June 2011 – 687,893,952).
- (ii) Earnings per share for the financial period ended 30 June 2012 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 280,117,952* warrants (30 June 2011 – 282,662,881 warrants).

* - The above dilutive effect excluded the number of outstanding W121116 warrants of 282,536,881 as at 30 June 2012. These warrants have no dilutive effect as the average market price of the Company's ordinary shares during the quarter and period ended 30 June 2012 was below the exercise price of S\$0.32 for these W121116 warrants.

7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

| | Group | | Company | |
|--|-----------|------------|-----------|------------|
| | 30/6/2012 | 31/12/2011 | 30/6/2012 | 31/12/2011 |
| Net Asset Value per ordinary share based on issued share capital at the end of the period (in cents) | 34.9 | 24.5 | 28.4 | 7.0 |

Net asset value per ordinary share as at 30 June 2012 and 31 December 2011 was calculated based on the number of shares in issue of 700,294,881 and 700,168,881 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

2Q2012 vs 2Q2011

Group revenue for 2Q2012 was S\$25.0 million, an increase of 30% from the corresponding period in 2011, due mainly to the progressive recognition of orders, especially those secured during FY2011.

1H2012 vs 1H2011

Group revenue increased by 101% from S\$29.9 million in 1H2011 to S\$60.1 million in 1H2012. The increase was in line with the improvement in the intake of new orders during FY2011 and early FY2012.

As at end of June 2012, the Group's net order book stands at US\$64 million, as compared to a net order book of US\$57 million a year ago. These orders are expected to be completed within the next 12 to 18 months.

Profitability

2Q2012 vs 2Q2011

Group gross profit for 2Q2012 increased from S\$4.6 million in 2Q2011 to S\$7.1 million in 2Q2012, in line with the increase in Group revenue.

In view of the High Court's judgment on 30 May 2012 and the Notice of Appeal filed by SCM on 29 June 2012, the Group considered its disposal of PPLH to QD as completed, as it has fulfilled its obligations to QD under the Amendment and Novation Agreement dated 1 September 2010 for US\$116.25 million. Accordingly, the Group recognised the deferred gain on disposal of S\$58.2 million in the current quarter ended 30 June 2012.

Consequently, the Group's net profit for 2Q2012 was S\$61.3 million, as compared to a net loss of S\$0.9 million in the corresponding period in 2011.

1H2012 vs 1H2011

Despite an increase of 101% in revenue for the six months ended 30 June 2012, the Group's gross profit increased by only 21% to S\$12.0 million in 1H2012. This was mainly attributable to a lower gross profit margin in the current period due to different product mix and competitive pricing.

However, the Group's profitability for 1H2012 was boosted by:

- Recognition of deferred gain on disposal of subsidiary (PPLH) of S\$58.2 million in 2Q2012; and
- Gain on disposal of associates (York) of S\$10.9 million in 1Q2012.

As a result of the significant gains recognised from the disposal of subsidiary and associates, the Group's net profit increased significantly to S\$74.9 million in 1H2012.

Financial position & cash flow

Group shareholders' fund increased significantly from S\$171.8 million at 31 December 2011 to S\$244.4 million as at 30 June 2012.

For the second quarter and half year ended 30 June 2012, the Group's net cash outflows from operating activities were S\$22.0 million and S\$38.9 million respectively, mainly due to higher working capital requirement as a result of higher work-in-progress, inventories and receivables, coupled with payment to suppliers. However, the Group's cash and short-term deposits remain healthy at S\$154.8 million as at 30 June 2012.

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 outlook for the next 12 months remains uncertain, considering signs of general slowdown in the global economy and the volatility of the financial market. However, with the recognition of the deferred gain from disposal of PPLH of S\$58.2 million and the gain of S\$10.9 million from the disposal of York, coupled with a healthy net order book of US\$64 million, the Group will remain profitable in FY2012.

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/recommended, a statement to that effect**

No dividend has been declared or recommended by the Company.

13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

14. Negative confirmation pursuant to Rule 705(5)

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 2012 to be false or misleading.

BY ORDER OF THE BOARD

Nga Ko Nie
Company Secretary
23 July 2012