



SYSTECH BHD 897114-T

Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

(the figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE PERIOD | |
|---|---|--|---|---|
| | CURRENT YEAR QUARTER 30.06.2012 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30.06.2011 RM'000 | CURRENT PERIOD TO-DATE 30.06.2012 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30.06.2011 RM'000 |
| Revenue | 1,530 | 972 | 1,530 | 972 |
| Amortisation of research and development expenses | (239) | (105) | (239) | (105) |
| Other cost of sales | (151) | (29) | (150) | (29) |
| Gross profit | 1,140 | 838 | 1,140 | 838 |
| Interest income | 9 | 3 | 9 | 3 |
| Other income | 18 | - | 18 | - |
| Administration expenses | (318) | (112) | (318) | (112) |
| Depreciation | (42) | (19) | (42) | (19) |
| Restructuring expenses | - | (1,316) | - | (1,316) |
| Selling and distribution expenses | (158) | (77) | (158) | (77) |
| Provision for doubtful debts | - | - | - | - |
| Gain/(Loss) on disposal of investment | - | - | - | - |
| Impairment of assets | - | - | - | - |
| Gain/(Loss) on foreign exchange | (2) | (1) | (2) | (1) |
| Gain/(Loss) on derivatives | - | - | - | - |
| Other expenses | (37) | (24) | (37) | (24) |
| Profit/(Loss) from operations | 610 | (708) | 610 | (708) |
| Finance cost | (3) | (2) | (3) | (2) |
| Profit/(Loss) before tax | 607 | (710) | 607 | (710) |
| Income tax expenses | (5) | (2) | (5) | (2) |
| Profit/(Loss) after tax | 602 | (712) | 602 | (712) |
| Other comprehensive income | - | - | - | - |
| | 602 | (712) | 602 | (712) |
| Attributable to:- | | | | |
| - Owners of the parent | 602 | (712) | 602 | (712) |
| - Non-controlling Interest | - | - | - | - |
| | 602 | (712) | 602 | (712) |
| Earnings per share ("EPS") attributable to owners of the parent (sen per share) | | | | |
| Basic | 0.24 | (0.62) | 0.24 | (0.62) |
| Diluted | 0.23 | (0.59) | 0.23 | (0.59) |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2012. The accompany notes are an integral part of this statement.



SYSTECH BHD 897114-T
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012**

(the figures have not been audited)

| | UNAUDITED AS AT 30.06.2012 RM'000 | AUDITED AS AT 31.03.2012 RM'000 |
|--|--|--|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 1,452 | 1,197 |
| Development expenditure | 2,452 | 2,415 |
| Goodwill on consolidation | 22,337 | 22,337 |
| TOTAL NON-CURRENT ASSETS | 26,241 | 25,949 |
| CURRENT ASSETS | | |
| Trade receivables | 1,868 | 1,462 |
| Other receivables, deposits and prepayments | 101 | 107 |
| Current tax assets | 8 | 34 |
| Fixed deposit with licensed bank | 1,500 | 1,500 |
| Short term deposits with licensed financial institutions | 6,500 | 6,650 |
| Cash and bank balances | 291 | 143 |
| TOTAL CURRENT ASSETS | 10,268 | 9,896 |
| TOTAL ASSETS | 36,509 | 35,845 |
| EQUITY AND LIABILITIES | | |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | | |
| Share capital | 25,425 | 25,425 |
| Performance contingent consideration reserve | 6,500 | 6,500 |
| Retained earnings | 1,727 | 1,125 |
| TOTAL EQUITY | 33,652 | 33,050 |
| NON-CURRENT LIABILITIES | | |
| Borrowings | 1,103 | 1,015 |
| TOTAL NON-CURRENT LIABILITIES | 1,103 | 1,015 |
| CURRENT LIABILITIES | | |
| Trade payables | 8 | 11 |
| Other payables and accruals | 1,620 | 1,651 |
| Borrowings | 126 | 118 |
| TOTAL CURRENT LIABILITIES | 1,754 | 1,780 |
| TOTAL LIABILITIES | 2,857 | 2,795 |
| TOTAL EQUITY AND LIABILITIES | 36,509 | 35,845 |
| NET ASSETS PER SHARE (SEN) | 13.24 | 13.00 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2012. The accompany notes are an integral part of this statement.



SYSTECH BHD 897114-T
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

(the figures have not been audited)

| | <-----ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY-----> | | | |
|---|---|---|--------------------------------|--------------|
| | <-----NON-DISTRIBUTABLE-----> | PERFORMANCE CONTINGENT CONSIDERATION RESERVE | <-DISTRIBUTABLE-> | TOTAL EQUITY |
| | ORDINARY SHARES RM'000 | RESERVE RM'000 | RETAINED EARNINGS RM'000 | RM'000 |
| Three (3) months ended 30 June 2012 | | | | |
| Balance as at 1 April 2012 | 25,425 | 6,500 | 1,125 | 33,050 |
| Total comprehensive income for the financial period | - | - | 602 | 602 |
| Balance as at 30 June 2012 | 25,425 | 6,500 | 1,727 | 33,652 |
| Three (3) months ended 30 June 2011 | | | | |
| Balance as at 1 April 2011 | # | - | (2) | (2) |
| Issuance of shares pursuant to acquisition of Syscatech Sdn Bhd | 17,400 | 6,500 | - | 23,900 |
| Issuance of shares pursuant to the Share Exchange of the entire issued and paid-up share capital of Viztel Solutions Berhad | 3,025 | - | - | 3,025 |
| Issuance of shares pursuant to a Public Issue | 5,000 | - | - | 5,000 |
| Total comprehensive loss for the financial period | - | - | (712) | (712) |
| Balance as at 30 June 2011 | 25,425 | 6,500 | (714) | 31,211 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2012. The accompany notes are an integral part of this statement.

RM2.00



SYSTECH BHD 897114-T
Incorporated in Malaysia

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2012**

(the figures have not been audited)

| | CUMULATIVE QUARTERS | |
|---|---|---|
| | CURRENT PERIOD TO-DATE 30.06.2012 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30.06.2011 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Total comprehensive income/(loss) | 602 | (712) |
| Adjustment for non-cash items | 274 | 1,439 |
| Operating profit before changes in working capital | 876 | 727 |
| Increase in trade receivables | (406) | (36) |
| Other net changes in assets | 7 | (233) |
| Decrease in trade payables | (3) | (17) |
| Other net changes in liabilities | (31) | (53) |
| Cash flow from operations | 443 | 388 |
| Tax refund/(paid) | 26 | (1) |
| Net cash flow from operating activities | 469 | 387 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (297) | (21) |
| Payment for development expenditure | (276) | (95) |
| Acquisition of subsidiary | - | 1,425 |
| Interest received | 9 | 3 |
| Net cash flow (used in)/from investing activities | (564) | 1,312 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of shares | - | 5,000 |
| Payment of Restructuring Expenses | - | (1,316) |
| Repayment of hire purchase payables | (25) | (8) |
| Interest paid | (3) | (2) |
| Drawdown of term loan | 121 | - |
| Net cash flow from financing activities | 93 | 3,674 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (2) | 5,373 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 8,293 | # |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 8,291 | 5,373 |

The cash and cash equivalents at the end of the reporting period comprised of the following:-

| | | |
|--|-------|-------|
| Fixed deposit with licensed bank | 1,500 | - |
| Short term deposits with licensed financial institutions | 6,500 | 4,900 |
| Cash and bank balances | 291 | 473 |
| | 8,291 | 5,373 |

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2012. The accompany notes are an integral part of this statement.

RM2.00



SYSTECH BHD 897114-T
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2012**

PART A: REQUIREMENT OF FRS 134 – INTERIM FINANCIAL REPORTING

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of Systech Bhd (“Systech” or “the Company”) and its subsidiary (“the Group”) since the previous financial year ended (“FYE”) 31 March 2012.

They do not include all of the information required for full annual financial statements, and as such should be read in conjunction with the consolidated financial statements of the Group as at and for the FYE 31 March 2012.

These are the Group’s interim financial statements for part of the period covered by the Group’s first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied. The transition from FRS to MFRS has no material impact on the financial statements of the Group.

2. Significant Accounting Policies

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted in the audited financial statements of Systech for the FYE 31 March 2012.

3. Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are consistent with those adopted in the audited financial statements of Systech for the FYE 31 March 2012.

4. Auditor’s Report on Preceding Annual Financial Statements

The independent auditors’ report on Systech’s annual audited financial statements for the preceding FYE 31 March 2012 was not subject to any audit qualification.

5. Seasonal and Cyclical Factors

The business of the Group was not affected by any significant seasonal and cyclical factors during the current financial period under review.

6. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows due to their nature, size or incidence during the current financial period under review.

7. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years. Thus, there is no material effect in the financial statements of the current financial period under review.

8. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt securities of the Group and equity securities of the Company during the financial quarter under review.

The Restructuring Scheme of Viztel Solutions Berhad involves, inter-alia, the acquisition by Systech of the entire equity interest in Syscotech Sdn Bhd ("Syscotech"), for a total purchase consideration of RM23,900,000 which shall be satisfied as follows:-

- (i) An initial consideration of RM17,400,000 shall be satisfied by the issuance of the 174,000,000 new ordinary shares of RM0.10 each in Systech ("Systech Shares"); and
- (ii) The balance of the purchase consideration of up to RM6,500,000 shall be satisfied by the issuance of 65,000,000 new Systech Shares ("Deferred Consideration Shares")(which is recognised as Performance Contingent Consideration Reserve) based of the actual audited profit after taxation ("PAT") of Syscotech for each of the FYEs 31 March 2012 and 31 March 2013 in accordance with the following terms:-
 - (a) Issuance of up to a maximum 30,000,000 Deferred Consideration Shares at an issue price of RM0.10 per share within twelve (12) months from the date of issuance of the audited financial statements of Syscotech for the FYE 31 March 2012 ("1st Tranche Share Issuance"); and
 - (b) Issuance of up to a maximum of 35,000,000 Deferred Consideration Shares at an issue price of RM0.10 per share within twelve (12) months from the date of issuance of the audited financial statements of Syscotech for the FYE 31 March 2013.

Syscotech has achieved an audited PAT of RM3,078,162 for the FYE 31 March 2012 thereby meeting conditions set out for the 1st Tranche Share Issuance and the 30,000,000 new Systech Shares have been issued on 23 July 2012 to the vendors of Syscotech.

9. Dividends paid

No dividend has been paid in the current financial quarter under review.

10. Segmental Reporting

As the Group is principally engaged in providing services of e-business solutions, segment reporting by business segment is not prepared. The segmental results based on geographical segments are as follows:-

Three Months Financial Period Ended 30 June 2012

| | Malaysia RM'000 | North Asia RM'000 | South East Asia RM'000 | Total RM'000 |
|---------------------------------|--------------------|----------------------|---------------------------|-----------------|
| Revenue from external customers | 665 | 130 | 735 | 1,530 |
| Segment assets | 35,519 | 192 | 798 | 36,509 |
| Capital expenditure | 297 | - | - | 297 |

Three Months Financial Period Ended 30 June 2011

| | Malaysia RM'000 | North Asia RM'000 | South East Asia RM'000 | Total RM'000 |
|---------------------------------|--------------------|----------------------|---------------------------|-----------------|
| Revenue from external customers | 470 | 231 | 271 | 972 |
| Segment assets | 31,899 | 816 | 757 | 33,472 |
| Capital expenditure | 21 | - | - | 21 |

11. Carrying Amount of Revalued Assets

There were no revaluation of property, plant and equipment by the Group.

12. Significant Material and Subsequent Events

There were no significant material and subsequent events subsequent to the end of the current financial period under review that have not been reflected in the interim financial statements.

13. Changes in the Composition of the Group

On 7 March 2012, the Company had entered into a Sale and Purchase Agreement with Tan Hock Soon and Chong Miew Lai to acquire the entire equity interest in Mobysys Sdn Bhd for a total cash consideration of RM50,000 only. The acquisition was completed on 5 July 2012.

On 18 July 2012, the Company had subscribed for 1 ordinary share of RM1.00 each and acquired 1 ordinary share of RM1.00 each which collectively representing 100% equity interest in Techcasys Sdn Bhd for a total cash consideration of RM2.00.

There were no other changes in the composition of the Group during the current financial period under review.

14. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of the Group during the current financial period under review.

15. Capital Commitments and corporate guarantees

The capital commitments of the Group for the quarter under review are as follows:-

| | As at 30.06.2012 RM'000 | As at 31.03.2012 RM'000 |
|---|-------------------------------|-------------------------------|
| Office lots under construction contracted but not provided in the financial statements | <u>2,287</u> | <u>513</u> |

The capital commitment is in relation to the balance purchase price for the office lots under construction which have been authorised and contracted but not provided for in the financial statements. Progress payments in respect of the said on-going construction of office lots have been included as carrying cost in property, plant and equipment of the Group.

The corporate guarantees of the Company are as follows:-

| | As at 30.06.2012 RM'000 | As at 31.03.2012 RM'000 |
|--|-------------------------------|-------------------------------|
| Corporate guarantees given to banks as securities for credit facilities granted to its subsidiary | <u>970</u> | <u>849</u> |

16. Significant Related Party Transactions

There were no significant related party transactions during the financial period under review.



SYSTECH BERHAD ("SYSTECH") 897114-T
Incorporated in Malaysia

**NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2012**

PART B: ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

17. Review of Performance

The Group recorded RM1.530 million of revenue in the current quarter under review contributed by Syscotech. The Group has also recorded a profit after taxation of RM0.602 million.

Systech's principal operating subsidiary, Syscotech is principally involved in the design, research and development, customisation and implementation of its proprietary software solutions to the members' centric industry such as the direct selling industry and retail industry. Demand for its solutions are driven by the general economic conditions as well as the growth in the direct selling industry in the various countries that its solutions are being implemented. Its level of operating activities is determined by its number of employees as well as the complexity of customisation that its customers required. During the period under review, there were no factors or circumstances that significantly affected its revenue, costs or profit margins.

The Group's performance for the quarter under review against the corresponding quarter of the previous financial year is as follows:-

| | INDIVIDUAL QUARTER ENDED | | VARIANCE | |
|-------------------------|--------------------------|----------------------|----------|-------|
| | 30.06.2012 RM'000 | 30.06.2011 RM'000 | RM'000 | % |
| Revenue | 1,530 | 972 | 558 | 57.42 |
| Profit/(Loss) after tax | 602 | (712) | 1,314 | N/A |

The significant increase in revenue and profit after tax for the current quarter under review as compared to the corresponding quarter of the previous financial year are mainly due to the adjustment for pre-acquisition revenue of RM0.718 million, following the completion of the acquisition of Syscotech on 20 May 2011, the "one-off" Restructuring Expenses of RM1.316 million and the effects of the adjustments for pre-acquisition profits of Syscotech in the said corresponding quarter of the previous financial year.

18. Variation of Results against Preceding Quarter

| | INDIVIDUAL QUARTER ENDED | | VARIANCE | |
|------------------|--------------------------|----------------------|----------|--------|
| | 30.06.2012 RM'000 | 31.03.2012 RM'000 | RM'000 | % |
| Revenue | 1,530 | 1,539 | (9) | (0.60) |
| Profit after tax | 602 | 350 | 252 | 71.89 |

Revenue for the quarter under review has maintained at the same level as the preceding quarter but the Group's profit after taxation has increased by RM0.252 million or 71.89% for the current financial quarter ended 30 June 2012 compared to the preceding quarter mainly due to lower administration expenses and provision for taxation incurred during the said quarter.

19. Current Year Prospects

While the Group expects the coming financial year to be full of challenges, the Board of Directors remains optimistic that the Group will be able to achieve satisfactory performance in the FYE 31 March 2013 on the expectation of stronger revenue contribution from Syscatech's overseas customers.

20. Variance of Actual Profit from Profit Forecast

The Group did not announce or provide any profit estimate, forecast, projection, internal targets for the FYE 31 March 2013.

21. Tax Expense

| | QUARTER 3 MONTHS ENDED 30.06.2012 RM'000 | CURRENT PERIOD TO-DATE 30.06.2012 RM'000 |
|-----------------|---|---|
| Income Tax | | |
| - Malaysian Tax | - | - |
| - Foreign Tax | 5 | 5 |
| | <hr style="border-top: 1px solid black;"/> | <hr style="border-top: 1px solid black;"/> |
| | 5 | 5 |
| Deferred Tax | - | - |
| | <hr style="border-top: 1px solid black;"/> | <hr style="border-top: 1px solid black;"/> |
| | 5 | 5 |

The Group's effective tax rate for the current financial quarter is lower than the statutory tax rate as its core subsidiary, Syscatech, was granted Pioneer Status with effect from 23 April 2003, which exempts 100% of its statutory business income from taxation for a period up to five (5) years until 22 April 2008. The Pioneer Status was further extended for another five (5) years until 21 April 2013.

22. Status of Corporate Proposals

The Company had on 7 September 2011 announced that it had entered into a memorandum of understanding with Murali Nair in relation to the proposed acquisition by the Company of 100,000 ordinary shares in Postlink Pte Ltd ("Postlink") representing 100% equity interest in Postlink for a purchase consideration to be determined. On 5 March 2012, the memorandum of understanding was further extended for another six (6) months period for completion. The proposal is currently pending the conduct of a due diligence and finalisation of negotiations and terms of the sale and purchase agreement and an announcement will be made in due course upon the execution of the relevant agreement in respect of the proposed acquisition of Postlink.

Save as for the abovementioned, there were no corporate proposals announced or outstanding as at the date of this Report.

On 15 June 2011, the Company received proceeds of RM5.0 million from the public issue of 50,000,000 new Systech Shares, and the proceeds will be utilised in the following manner:

| Purpose | Proposed Utilisation RM'000 | Actual utilisation as at 31.07.2012 RM'000 | Timeframe for utilisation (listed on 15.06.2011) Months | Deviation RM'000 | Explanation |
|--|--------------------------------|--|--|---------------------|-------------|
| Research & development expenses | 2,000 | 1,525 | 24 | 475 | A |
| Working capital | 1,500 | 755 | 24 | 745 | A |
| Estimated expenses relating to the Restructuring Scheme | 1,500 | 1,500 | 3 | - | |
| TOTAL | 5,000 | 3,780 | | 1,220 | |

Notes:

(A) Proceeds are placed within fixed deposit with licensed bank, short term deposit with licensed financial institutions and cash and bank balances throughout the financial period and have not been utilised.

23. Borrowings and Debts Securities

| | 30.06.2012 RM'000 |
|------------------------------|----------------------|
| NON-CURRENT | |
| SECURED | |
| Long term loan | 949 |
| Hire purchase | 154 |
| | <u>1,103</u> |
| CURRENT | |
| SECURED | |
| Term loan | 21 |
| Hire purchase | 105 |
| | <u>126</u> |
| | <u>1,229</u> |
| Gearing ratio (times) | 0.04 |

All the above borrowings are denominated in Ringgit Malaysia.

24. Realised and Unrealised Profits/Losses Disclosure

The retained profits as at 30 June 2012 are analysed as follows:-

| | 30.06.2012 RM'000 | 31.03.2012 RM'000 |
|---|----------------------|----------------------|
| Total retained profits of the Company and Subsidiaries | | |
| - Realised | 1,727 | 1,125 |
| - Unrealised | - | - |
| | <u>1,727</u> | <u>1,125</u> |
| Less: Consolidated adjustments | - | - |
| Total Group retained profits | <u>1,727</u> | <u>1,125</u> |

25. Changes in Material Litigation

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group as at the date of this Report.

26. Dividends

No dividends have been recommended during the financial period under review.

27. Earnings per Share

| | CURRENT QUARTER ENDED | | CURRENT PERIOD TO-DATE | |
|--|-----------------------|------------|------------------------|------------|
| | 30.06.2012 | 30.06.2011 | 30.06.2012 | 30.06.2011 |
| Basic earnings per share | | | | |
| Profit/(Loss) after tax (RM'000) | 602 | (712) | 602 | (712) |
| Weighted average number of ordinary shares in issue ('000) | 254,250 | 114,558 | 254,250 | 114,558 |
| Basic earnings/(loss) per share (sen) | 0.24 | (0.62) | 0.24 | (0.62) |
| Diluted earnings per share | | | | |
| Profit/(Loss) after tax (RM'000) | 602 | (712) | 602 | (712) |
| Weighted average number of ordinary shares in issue ('000) | 260,750 | 121,058 | 260,750 | 121,058 |
| Basic earnings/(loss) per share (sen) | 0.23 | (0.59) | 0.23 | (0.59) |

28. Fair Value Hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the fair value is observable.

- (i) Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 Fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group does not have any financial instruments carried at fair value or any instruments classified as Level 1, Level 2 and Level 3 as at the end of the reporting period.

By the Order of the Board

Company Secretary

Dated this 3rd Day of August 2012.