



BAKER TECHNOLOGY LIMITED

(Company Registration No. 198100637D)
(Incorporated in the Republic of Singapore)

OFFER FROM YANGZIJIANG SHIPBUILDING (HOLDINGS) LTD. TO PURCHASE THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF PPL HOLDINGS PTE LTD

1. Introduction

The Board of Directors of Baker Technology Limited (the “**Company**”) wishes to announce that it had on 16 April 2010, received, *inter alia*, a binding letter of offer (the “**Letter of Offer**”) from Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Purchaser**”) dated 16 April 2010 pursuant to which the Purchaser has made an offer (the “**Offer**”) to purchase from the Company all the issued and paid-up shares in the capital of PPL Holdings Pte Ltd (“**PPLH**”) on the terms and conditions as set out therein.

The Purchaser is a public company with its issued ordinary shares listed and quoted on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

PPLH, a wholly-owned subsidiary of the Company, is a private limited company incorporated in the Republic of Singapore. It is an investment holding company and it holds an aggregate direct and indirect 15% shareholding stake in PPL Shipyard Pte Ltd (“**PPL Shipyard**”). PPL Shipyard is principally engaged in the business of design and construction of offshore drilling rigs from shallow water to deep water.

2. Key Terms of the Offer

2.1 Consideration

Pursuant to the Letter of Offer, the Purchaser has made a binding offer to purchase an aggregate of 20,000,000 issued and paid-up ordinary shares in the capital of PPLH (the “**Sale Shares**”), representing the entire issued and paid-up share capital of PPLH, for a consideration of US\$155,000,000 (the “**Consideration**”).

The Consideration shall be payable to the Company in cash on completion of the sale and purchase of the Sale Shares (the “**Completion**”), subject to Section 2.6 of this announcement.

2.2 Rights attached to the Sale Shares

Subject to the Company accepting the Offer and to the terms and conditions contained in the Letter of Offer, the Purchaser shall purchase from the Company and the Company shall sell to the Purchaser all and not part only of the Sale Shares free from all claims, liens, restrictions, charges, pledges, mortgages, trusts, equities and other encumbrances, and with all rights as of 16 April 2010 or thereafter attaching thereto at the Consideration save and except for a dividend of S\$4,690,000 to be declared and paid by PPLH to the Company prior to Completion, of which S\$3,090,000 shall be paid in cash and the balance S\$1,600,000 to be mutually off-set against a sum of S\$1,600,000 owing by the Company to PPLH.

2.3 Condition Precedent

The obligations of the parties to complete the sale and purchase of the Sale Shares shall be subject to approval being obtained from the shareholders of the Company to sell the Sale Shares, such approval to be obtained at an extraordinary general meeting of the Company (the “**EGM**”) to be convened.

If the above condition precedent is not fulfilled by 27 October 2010 or such further date as the parties may agree in writing (the “**Long Stop Date**”), the agreement shall, *ipso facto*, cease and determine and neither party shall have any claim against the other party for costs, damages, compensation or anything whatsoever, save as provided under Section 2.6 of this announcement.

2.4 Deadline for Acceptance of the Offer

The Company has up to 4.00 p.m. on 4 May 2010 to accept the Offer in accordance with the terms and conditions of the Letter of Offer, failing which the Offer shall lapse and shall not be capable of being accepted.

2.5 Acceptance of the Offer by the Company

To accept the Offer pursuant to the terms and conditions of the Letter of Offer, the Company must sign on the Form of Acceptance of Offer as set out in the Letter of Offer and, *inter alia*, arrange for the execution of the following documents:

- (a) the escrow agreement dated 15 April 2010 duly signed by the Purchaser, Fortus Ltd, Mediterranean Success Group Inc. and Julius Baer Family Office & Trust Ltd (the “**Escrow Agent**”) and to be signed by the Company (the “**Escrow Agreement**”);
- (b) a letter of undertaking by Saberon Investments Pte Ltd, the controlling shareholder of the Company, undertaking to the Purchaser that it will vote its shares in the Company in favour of the ordinary resolution at the EGM to be convened to approve the sale by the Company of the Sale Shares to the Purchaser; and
- (c) a letter of undertaking from each of Messrs Benety Chang and Anthony Sabastian Aurol, each a director of the Company, undertaking to the Purchaser that he will not voluntarily tender his resignation as executive director of PPL

Shipyard during the period of two (2) years commencing from 1 January 2011, unless instructed in writing to do so by the Purchaser.

2.6 Key Terms of the Escrow Agreement

Pursuant to the Escrow Agreement, the Purchaser shall:

- (a) pending acceptance of the Offer and Completion, deposit with the Escrow Agent the sum of US\$15,500,000 (being equal to 10% of the Consideration) as earnest money to be held in escrow by the Escrow Agent pursuant to the Escrow Agreement; and
- (b) by a date falling not later than 26 April 2010, deposit the sum of US\$155,000,000 (being 100% of the Consideration) with the Escrow Agent in place of the said sum of US\$15,500,000,

and if the Purchaser fails to make the deposits as stated in (b) above, the Purchaser shall pay to the Company, if the Escrow Agent has failed to do so pursuant to the terms and conditions set out in the Escrow Agreement, the earnest money of US\$15,500,000 forthwith upon the acceptance of the Offer as advance payment of the Consideration. The remaining balance of the Consideration of US\$139,500,000 will be paid by the Purchaser to the Company on Completion.

If the condition precedent is not fulfilled by the Long Stop Date, all monies held by the Escrow Agent or paid to the Company pursuant to the above paragraph shall be returned by the Escrow Agent to the Purchaser or otherwise dealt with in accordance with the Escrow Agreement.

3. Decision by the Company in relation to the Offer

The Company is considering the Offer as set out in the Letter of Offer. The Company will make further announcements to update shareholders on the Offer as and when appropriate.

4. Interest of Directors and Controlling Shareholders

Our Director, Mr Tan Yang Guan holds 50,000 shares in the capital of the Purchaser as at the date hereof.

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Offer (other than through their shareholding interests in the Company).

5. Documents for Inspection

A copy of the Letter of Offer and the Escrow Agreement may be inspected at 36 Robinson Road, 18th Floor, City House, Singapore 068877 during normal business hours for a period of three months from the date of this announcement.

6. Trading Caution

The Board would like to caution that there is no assurance that any transaction will materialise in relation to the Offer. **Shareholders, warrant holders and investors are therefore advised to exercise caution in their dealings in the Company's shares and warrants and to seek their own financial and legal advice where appropriate.**

By Order of the Board
Baker Technology Limited

Aw Seok Chin
Company Secretary

17 April 2010