

Circular dated 11 June 2010

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of Baker Technology Limited (the “**Company**”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or referred to, or opinions expressed in this Circular.



BAKER TECHNOLOGY LIMITED

(Unique Entity Number 198100637D)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED DISPOSAL BY THE COMPANY OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF PPL HOLDINGS PTE LTD (THE “PROPOSED DISPOSAL”)

Financial Adviser to the Company

nra capital

NRA CAPITAL PTE. LTD.

(Unique Entity Number 199904258C)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	24 June 2010 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	26 June 2010 at 10.00 a.m.
Place of Extraordinary General Meeting	:	Nautica III, Level 2 Republic of Singapore Yacht Club 52 West Coast Ferry Road Singapore 126887

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“Agreement”	:	The agreement constituted by the offer made by the Purchaser to the Company in the Letter of Offer to purchase all the Sale Shares and accepted by the Company on 23 April 2010 on the terms and conditions set out in the Letter of Offer
“Board of Directors” or “Board”	:	The board of directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Company”	:	Baker Technology Limited
“Completion”	:	The completion of the Proposed Disposal
“Consideration”	:	The consideration of US\$155.0 million for the Sale Shares
“Controlling Shareholder”	:	A person who holds directly or indirectly 15.0% or more of the total number of issued Shares excluding treasury shares in the Company, or in fact exercises control over the Company
“Depositors”	:	Persons who hold Shares through the CDP
“Directors”	:	The Directors of the Company as at the date of this Circular
“Directors’ Undertakings”	:	Has the meaning ascribed to it in Section 3.5(c) of this Circular
“E-Interface”	:	E-Interface Holdings Limited
“EGM”	:	The extraordinary general meeting of the Company to be convened on 26 June 2010, notice of which is set out in the section entitled “Notice of Extraordinary General Meeting” of this Circular
“EPS”	:	Earnings per Share
“Escrow Agent”	:	Julius Baer Family Office & Trust Ltd
“Escrow Agreement”	:	The escrow agreement dated 15 April 2010 duly signed by the Purchaser, Fortus Ltd, MSG, the Escrow Agent and the Company ¹
“FY”	:	Financial year ended or ending 31 December
“Group”	:	The Company and its subsidiaries
“High Court”	:	The High Court of the Republic of Singapore
“Joint Venture Agreement”	:	Has the meaning ascribed to it in Section 12(c) of this Circular
“Latest Practicable Date”	:	4 June 2010, being the latest practicable date prior to the printing of this Circular

¹ The Company, as a party to the Escrow Agreement, signed the Escrow Agreement on 23 April 2010.

DEFINITIONS

“Letter of Offer”	:	The binding letter of offer dated 16 April 2010 from the Purchaser to the Company in relation to the Proposed Disposal
“Listing Manual”	:	The Listing Manual of the SGX-ST
“Long Stop Date”	:	27 October 2010 or such further date as the parties may agree in writing
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Middle East Party”	:	Has the meaning ascribed to it in Section 2.2 of this Circular
“MSG”	:	Mediterranean Success Group Inc., a company wholly-owned by the Purchaser’s Non-Executive Director, Mr. Yu Keping
“NRA Capital”	:	NRA Capital Pte. Ltd.
“NTA”	:	Net tangible assets value
“Ordinary Resolution”	:	The ordinary resolution as set out on page 31 of this Circular
“PPL Shipyard”	:	PPL Shipyard Pte Ltd
“PPL Shipyard Group”	:	PPL Shipyard and its subsidiaries
“PPLH”	:	PPL Holdings Pte Ltd
“PPLH Group”	:	PPLH and its subsidiary, E-Interface
“Proposed Disposal”	:	The proposed disposal by the Company of the entire issued and paid-up share capital of PPLH for the consideration of US\$155.0 million, subject to the terms and conditions of the Letter of Offer
“Proposed PPLH Dividend”	:	Has the meaning ascribed to it in Section 3.2 of this Circular
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Purchaser”	:	Yangzijiang Shipbuilding (Holdings) Ltd.
“Saberon”	:	Saberon Investments Pte Ltd, a Controlling Shareholder
“Saberon Undertaking”	:	Has the meaning ascribed to it in Section 3.5(b) of this Circular
“Sale Shares”	:	20,000,000 issued and paid-up ordinary shares in the capital of PPLH, representing the entire issued and paid-up share capital of PPLH
“SCM”	:	Sembcorp Marine Ltd
“SCM Litigation”	:	Has the meaning ascribed to it in Section 8.4 of this Circular
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Share(s)”	:	The ordinary share(s) in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	:	Registered holders of Shares, except where the registered holder is CDP, the term “Shareholders” shall, where the context admits and for the purposes of this Circular only, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with Shares
“SLP”	:	Straits Law Practice LLC
“Substantial Shareholder(s)”	:	A person who has an interest in one or more voting Shares in the Company and the total votes attached to such Share(s) is not less than 5.0% of the total votes attached to all of the voting Shares in the Company
“Tendered Payment”	:	Has the meaning ascribed to it in Section 12(b) of this Circular

Currencies, Units and Others

“S\$” and “cents”	:	Singapore dollars and cents respectively
“US\$”, “USD” or “US Dollar”	:	United States of America dollars
“%”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The term “**subsidiary**” has the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Listing Manual or any relevant laws of the Republic of Singapore or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the Listing Manual or statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

All discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

Figures denominated in US\$ have been converted into S\$ based on an exchange rate of US\$1.00 to S\$1.3757, being the US\$:S\$ exchange rate published on Bloomberg news as at 16 April 2010, being the date of the Letter of Offer, unless otherwise stated.

LETTER TO SHAREHOLDERS

BAKER TECHNOLOGY LIMITED

(Unique Entity Number 198100637D)
(Incorporated in the Republic of Singapore)

Board of Directors:

Lim Ho Seng (Chairman and Independent Director)
Dr. Benety Chang (Chief Executive Officer)
Anthony Sabastian Aurol (Chief Operating Officer)
Tan Yang Guan (Non-Executive Director)
Wong Kwan Seng Robert (Non-Executive Director)
Wong Meng Yeng (Independent Director)

Registered Office:

6 Pioneer Sector 1
Singapore 628418

11 June 2010

To: The Shareholders of the Company

Dear Sir/Madam

THE PROPOSED DISPOSAL BY THE COMPANY OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF PPLH

1. INTRODUCTION

On 17 April 2010, the Company announced that it had on 16 April 2010, received, *inter alia*, the Letter of Offer from the Purchaser pursuant to which the Purchaser has made an offer to purchase from the Company the Sale Shares for a cash consideration of US\$155.0 million.

On 23 April 2010, the Company announced that it had on the same date accepted the offer by the Purchaser, for the Company to sell to the Purchaser the Sale Shares on the terms and conditions as set out in the Letter of Offer.

As the Proposed Disposal constitutes a “major transaction” within the meaning of Chapter 10 of the Listing Manual, the Proposed Disposal is subject to the approval of Shareholders at an extraordinary general meeting to be convened. The relative figures under Chapter 10 of the Listing Manual are set out under Section 7 of this Circular.

The purpose of this Circular is to provide Shareholders with the relevant information relating to the Proposed Disposal and to seek Shareholders’ approval for the Proposed Disposal at the EGM to be held on 26 June 2010 at 10.00 a.m., notice of which is set out on page 31 of this Circular.

2. THE PROPOSED DISPOSAL

2.1 Group Structure and Principal Activities of the Group

(a) Principal activities of the Group

The Group has two business segments, mainly:

(i) Marine Offshore

The marine offshore segment is essentially the Group’s principal business activity. The Company, via its subsidiaries, Sea Deep Shipyard Pte. Ltd. and Interseas Shipping (Private) Limited, is a leading manufacturer and provider of specialised equipment and services for the oil & gas industry. Its core business is in the design, upgrading and conversion, on-site and off-site repair and construction of a wide range of equipment and components for use in the offshore environment. These include jacking systems, offshore pedestal cranes, rack chords structures, skidding systems, raw water tower structures and anchor winches. It also provides project management consultancy, engineering services, quality assurance, and construction supervision.

LETTER TO SHAREHOLDERS

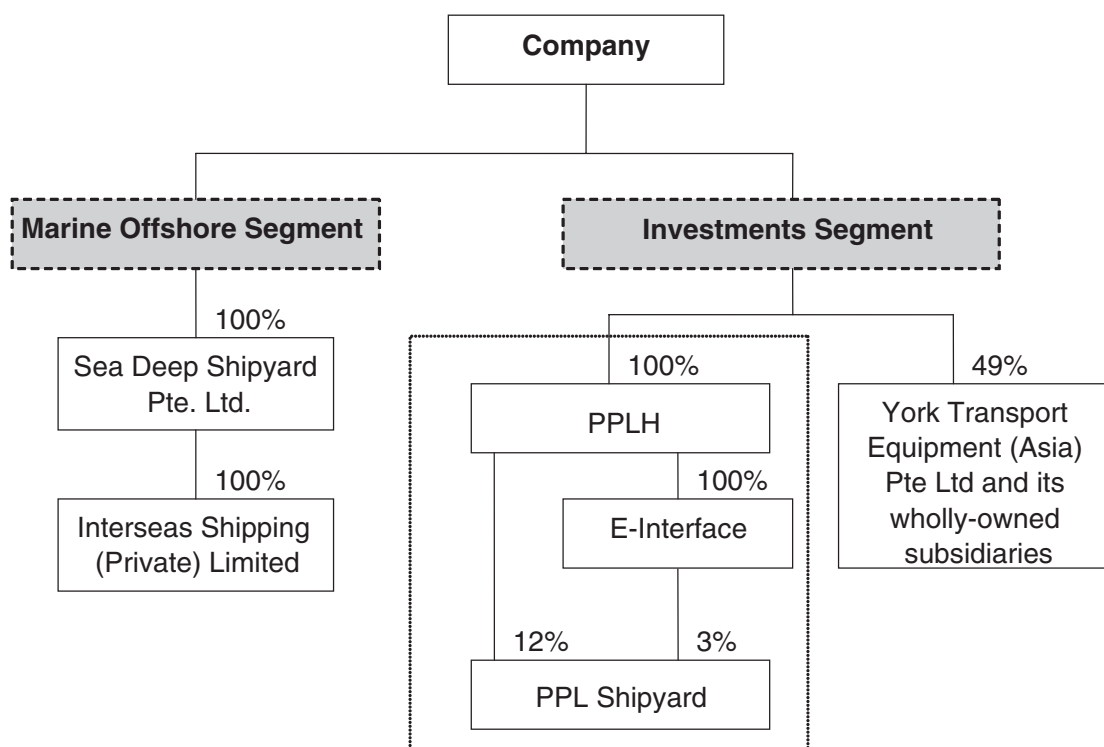
(ii) Investments

The Group's investments consist of:

- (1) a 49.0% interest in York Transport Equipment (Asia) Pte Ltd, which is in the business of manufacturing and distribution of trailer axles and related components; and
- (2) a 100.0% interest in PPLH (PPLH owns directly and indirectly a 15.0% interest in PPL Shipyard) which is the subject of the Proposed Disposal.

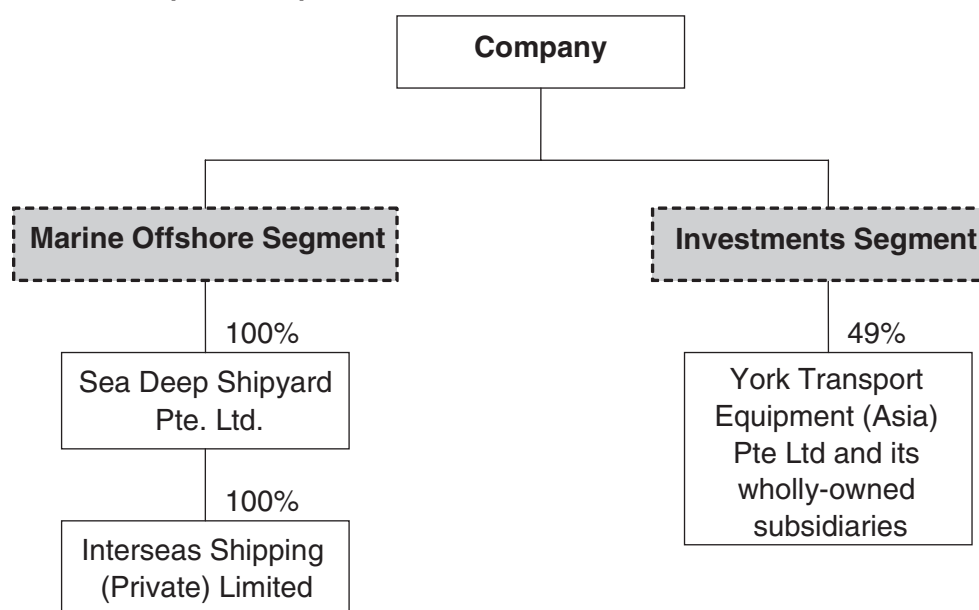
(b) The group structure of the Company before and after the Proposed Disposal are as follows:

Before the Proposed Disposal



LETTER TO SHAREHOLDERS

After the Proposed Disposal



2.2 Background Information on the Proposed Disposal

The Company currently holds 20,000,000 issued and paid-up ordinary shares, representing the entire issued and paid-up share capital of PPLH.

Pursuant to the Agreement, the Company has agreed to sell the Sale Shares to the Purchaser.

The Purchaser had announced on 17 April 2010 that it had issued the Letter of Offer to the Company and had stated therein, *inter alia*, that it had entered into a joint investment agreement dated 15 April 2010 with a Middle East investor (the “**Middle East Party**”) and MSG in relation to the acquisition of shares in PPLH by each of the Purchaser, the Middle East Party and MSG in the proportions of 50.1%, 45.0% and 4.9% respectively. Hence, on completion of the Proposed Disposal, the Purchaser, the Middle East Party and MSG will hold shares in PPLH in the proportions of 50.1%, 45.0% and 4.9% respectively.

2.3 Information on PPLH

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 15.0% shareholding stake in PPL Shipyard (12.0% is held directly by PPLH while the remaining 3.0% is held through its wholly-owned subsidiary, E-Interface). The balance 85.0% is held by SCM.

The financial highlights of the PPLH Group for FY2008 and FY2009 are as follows:

	Audited FY2008 S\$'000	Audited FY2009 S\$'000
Revenue ⁽¹⁾	5,374	5,421
Net profit before taxation	5,042	5,078
Net profit after taxation	5,042	5,087
Dividends paid	2,000	15,000
NTA ⁽²⁾	17,909	7,996 ⁽³⁾⁽⁴⁾

LETTER TO SHAREHOLDERS

Notes:

- (1) Revenue comprised gross dividend income from its 15.0% shareholding stake in PPL Shipyard and interest income from cash at bank and fixed deposits.
- (2) NTA includes, *inter alia*, PPLH Group's 15.0% investment in PPL Shipyard at a cost of approximately S\$3.1 million for each of FY2008 and FY2009.
- (3) The NTA of PPLH Group as at 31 December 2009 adjusted for the effects of the Proposed PPLH Dividend would have been approximately S\$3.3 million.
- (4) Subsequent to FY2009, PPLH had on 30 April 2010 received an interim dividend for FY2010 from PPL Shipyard of US\$11.55 million (equivalent to S\$16.3 million based on the Bloomberg's US\$/S\$ exchange rate of S\$1.4117 per US\$1.00 as at the Latest Practicable Date). Accordingly, based on the assumption that the interim dividend was received by PPLH in FY2009, the NTA of the PPLH Group (adjusted for the effects of the Proposed PPLH Dividend) would have been S\$19.6 million.

2.4 Information on PPL Shipyard

PPL Shipyard is a private limited company incorporated in the Republic of Singapore. PPL Shipyard is principally engaged in the business of design and construction of offshore drilling rigs from shallow water to deep water. PPL Shipyard operates from its three locations at 21 Pandan Road, Singapore 609273, 27 Tuas Crescent, Singapore 638741 and 12 Pandan Road, Singapore 609260.

The financial highlights of the PPL Shipyard Group for FY2008 and FY2009 are as follows:

	Audited FY2008 US\$'000	Audited FY2009 US\$'000
Revenue	850,492	1,164,463
Net profit before taxation	100,275	305,841
Net profit after taxation	81,587	254,763
Dividends paid	25,000	25,316
NTA	110,916	343,553

PPL Shipyard Group's revenue increased by US\$314.0 million or 36.9%, from US\$850.5 million in FY2008 to US\$1,164.5 million in FY2009 due mainly to the recognition of higher revenue based on the construction progress of the rig building projects. In line with the increase in revenue, profit after taxation increased by US\$173.2 million or 212.3%, from US\$81.6 million in FY2008 to US\$254.8 million in FY2009. The increase in profit after taxation was due mainly to higher operating margins achieved through better operational efficiency and execution of repeat rig orders.

2.5 Information on the Purchaser

The information presented herein has been extracted from either (a) the website of the Purchaser at www.yzjship.com or (b) the media releases of the Purchaser under the section entitled "ABOUT YANGZIJIAN SHIPBUILDING (HOLDINGS) LIMITED (Bloomberg Ticker: YZJ SP)".

The Purchaser is a public company with its issued ordinary shares listed and quoted on the Mainboard of the SGX-ST. It is the largest non-state-owned publicly listed shipbuilder by virtue of manufacturing capability in the People's Republic of China.

The core business of the Purchaser is shipbuilding of commercial vessels ranging from containerships, bulk cargo carriers and multi-purpose cargo vessels. It owns two shipbuilding bases across the Yangtze River, across each other.

LETTER TO SHAREHOLDERS

2.6 Involvement of Directors and Key Management of the Company in the Management of PPL Shipyard

The Directors and key management of the Company who are involved in the management of PPL Shipyard and their roles in PPL Shipyard are as follows:

(a) Dr. Benety Chang

Dr. Benety Chang, a Director and Chief Executive Officer of the Company, is the Executive Deputy Chairman of PPL Shipyard. Dr. Chang's main responsibility is that of a chief executive officer with oversight of all aspects of the business operations of the PPL Shipyard Group.

(b) Mr. Anthony Sabastian Aurol

Mr. Anthony Sabastian Aurol, a Director and Chief Operating Officer of the Company, is the Executive Director of PPL Shipyard. Mr. Aurol oversees the general management, administrative (including human resources, insurance and legal matters) and corporate activities of the PPL Shipyard Group.

(c) Mr. Tan Yang Guan

Mr. Tan Yang Guan, a Non-Executive Director of the Company, is the Finance Director of PPL Shipyard. Mr. Tan oversees the financial and accounting activities of the PPL Shipyard Group.

As set out under Section 3.5(c) of this Circular, each of Messrs Benety Chang and Anthony Sabastian Aurol has provided to the Purchaser a letter dated 23 April 2010 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.

3. KEY TERMS OF THE PROPOSED DISPOSAL

3.1 Consideration

Pursuant to the Agreement, the Company will sell the Sale Shares at the Consideration of US\$155.0 million. The Consideration for the Proposed Disposal was arrived at by the Purchaser after taking into account, *inter alia*, the net book value amount of approximately US\$343.6 million of the PPL Shipyard Group as at 31 December 2009.

The Consideration shall be payable to the Company in cash on Completion.

3.2 Rights attached to the Sale Shares

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\$4.69 million to be declared and paid by PPLH to the Company prior to Completion (the "**Proposed PPLH Dividend**"), of which S\$3.09 million shall be paid in cash and the balance S\$1.60 million to be mutually off-set against a sum of S\$1.60 million owing by the Company to PPLH.

3.3 Condition Precedent

The obligations of the parties to complete the sale and purchase of the Sale Shares is subject to approval being obtained from Shareholders to sell the Sale Shares, such approval to be obtained at the EGM.

If the above condition precedent is not fulfilled by 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 3.5(a) of this Circular.

LETTER TO SHAREHOLDERS

Upon receipt of the Shareholders' approval for the Proposed Disposal, the obligations of the parties to complete the sale and purchase of the Sale Shares are subject to compliance with, and fulfillment of, the terms and conditions of the Agreement.

3.4 Representations and Warranties

- (a) Upon acceptance of the offer by the Company, each of the Company and the Purchaser shall be deemed to have represented, warranted and undertaken to and for the benefit of the other party (with the intent that the provisions set out herein shall continue to have full force and effect notwithstanding Completion) as follows:
 - (i) that it has full power and authority to enter into, exercise its rights and perform and comply with its obligations under the Agreement;
 - (ii) all actions, conditions and things in order (1) to enable it lawfully to enter into, exercise its rights and perform and comply with its obligations under the Agreement; and (2) to ensure that these obligations are valid, legally binding and enforceable have been taken; and
 - (iii) upon acceptance of the offer by the Company, its obligations shall be legally valid, binding and enforceable in accordance with the terms of the Letter of Offer.
- (b) Upon acceptance of the offer by the Company, the Company shall be deemed to have further represented and warranted to and undertaken with the Purchaser and its successors in title in the terms respectively set out in Schedule 1 of the "Terms and Conditions of Offer", as reproduced in the Appendix to this Circular (with the intent that the provisions set out herein shall continue to have full force and effect notwithstanding Completion), subject only to:
 - (i) any matter or thing provided for under the "Terms and Conditions of Offer", as reproduced in the Appendix to this Circular; and
 - (ii) any matter that is within their knowledge and belief.
- (c) If any of the representation or warranty as set out in Schedule 1 of the "Terms and Conditions of Offer", as reproduced in the Appendix to this Circular shall not be true and correct in any material respect on or prior to Completion, the Purchaser's only remedy shall be to rescind the Agreement and shall not be entitled to any damages or other compensation.

3.5 Other Salient Terms of the Agreement

(a) Key terms of the Escrow Agreement

Pursuant to the Escrow Agreement, the Purchaser has deposited the sum of US\$155.0 million (being 100.0% of the Consideration) with the Escrow Agent.

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

(b) Undertaking provided by Saberon

Saberon, a Controlling Shareholder holding approximately 66.8% of the issued share capital of the Company as at the Latest Practicable Date, has provided to the Purchaser a letter dated 23 April 2010 undertaking to the Purchaser that it will vote its Shares in the Company in favour of the Ordinary Resolution at the EGM to approve the sale by the Company of the Sale Shares to the Purchaser (the "**Saberon Undertaking**").

(c) Undertakings provided by Messrs Benety Chang and Anthony Sabastian Aurol

Each of Messrs Benety Chang and Anthony Sabastian Aurol, each a Director of the Company and an executive director of PPL Shipyard, has provided to the Purchaser a letter dated 23 April 2010 undertaking to the Purchaser that he will not voluntarily tender

LETTER TO SHAREHOLDERS

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 (the “**Directors’ Undertakings**”).

4. RATIONALE FOR THE PROPOSED DISPOSAL

The Proposed Disposal will enable the Company to unlock the value of its investment in PPLH having regard to the significant gain on disposal of approximately S\$205.3 million.

The Directors are of the view that the Proposed Disposal is in the best interests of the Company.

5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The net sale proceeds from the Proposed Disposal after deducting all expenses is estimated to be approximately S\$208.6 million. The carrying net book value of the Sale Shares in the accounts of the Group is approximately S\$8.0 million as at 31 December 2009 (or S\$3.3 million after taking into account the Proposed PPLH Dividend). Accordingly, the excess of the proceeds over the adjusted book value is approximately S\$205.3 million.

For illustration purposes only, the proforma financial effects of the Proposed Disposal on the NTA and EPS of the Company based on the audited consolidated financial statements of the Company for FY2009 are as follows:

(a) NTA per Share

Assuming the Proposed Disposal had been completed on 31 December 2009, the Proposed Disposal would have the following impact on the NTA of the Group:

	NTA of the Group (S\$ million)	NTA per Share (cents)
Before the Proposed Disposal	91.92	14.04
After the Proposed Disposal	297.20	45.39

(b) EPS

Assuming the Proposed Disposal had been completed on 1 January 2009, the Proposed Disposal would have the following impact on the earnings of the Group:

	Net profit attributable to Shareholders (S\$ million)	EPS (cents)
Before the Proposed Disposal	38.57	6.03
After the Proposed Disposal	238.76	37.35

6. USE OF PROCEEDS

The net sale proceeds from the Proposed Disposal will be used for general working capital of the Group, future investments and/or such other purposes as the Directors may deem fit. Pending the deployment of the net proceeds for such purposes, the net proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem fit.

LETTER TO SHAREHOLDERS

7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Proposed Disposal (\$ million)	Group (\$ million)	Relative figure (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value.	3.3 ⁽¹⁾	99.5 ⁽¹⁾	3.3 ⁽¹⁾
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	5.1 ⁽²⁾	46.1 ⁽²⁾	11.0 ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the group's market capitalisation ⁽³⁾ based on the total number of issued shares excluding treasury shares.	213.2 ⁽³⁾	269.2 ⁽⁴⁾	79.2 ⁽³⁾
(d)	The number of equity securities issued by the group as consideration for the acquisition, compared with the number of equity securities previously in issue.	Not applicable	Not applicable	Not applicable

Notes:

- (1) The consolidated net asset value of PPLH as at 31 December 2009 was S\$8.0 million (or S\$3.3 million after taking into account the Proposed PPLH Dividend), whilst the Group's net asset value was S\$99.5 million as at 31 December 2009. PPLH is an investment company and its sole equity investment comprises an aggregate direct and indirect shareholding interest of 15.0% in PPL Shipyard. For illustration purposes only, given that PPLH is an investment company and its 15.0% equity interest in PPL Shipyard is its sole equity investment, 15.0% of the consolidated net asset value of PPL Shipyard as at 31 December 2009 would amount to US\$51.5 million (or S\$70.9 million), which if used in the comparison with the Group's net asset value as at 31 December 2009, would result in the relative figure being 71.3%.
- (2) The consolidated profit before tax of PPLH for FY2009 was S\$5.1 million, whilst the Group's net profit for FY2009 was S\$46.1 million. For illustration purposes only, 15.0% of the consolidated profit before tax of PPL Shipyard for FY2009 was US\$45.9 million (or S\$63.1 million), which if used in the comparison with the Group's net profits for FY2009, would result in the relative figure being 136.8%.
- (3) The consideration for the Proposed Disposal is US\$155.0 million (or S\$213.2 million). For illustration purposes only, given that the Company would be entitled to the Proposed PPLH Dividend of approximately S\$4.7 million prior to the completion of the Proposed Disposal, the effective consideration to be received by the Company for the Proposed Disposal is S\$217.9 million, which if used in the comparison with the Company's market capitalisation, would result in the relative figure being 81.0%.
- (4) The market capitalisation of the Company of S\$269.2 million, is determined by multiplying the number of Shares in issue by the weighted average price of such Shares transacted on 15 April 2010 and 16 April 2010, being the last full and half market day respectively on which Shares of the Company were traded before the receipt of the Letter of Offer by the Company, of S\$0.411 per Share and the issued share capital of the Company of 654,911,266 Shares. The market capitalisation of the Company based on the weighted average price of the Shares transacted on 15 April 2010, being the last full market day on which Shares of the Company were traded before the receipt of the Letter of Offer by the Company, of S\$0.386 per Share is S\$252.8 million.

As the relative figure computed on the bases set out in Rule 1006(c) of the Listing Manual exceeds 20.0%, the Proposed Disposal is a "major transaction" which requires the approval of Shareholders in general meeting under Rule 1014 of the Listing Manual.

LETTER TO SHAREHOLDERS

8. DISCLOSURE OF DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

8.1 Interests in Shares

The interests of the Directors and Substantial Shareholders (excluding Directors who are also Substantial Shareholders) in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholding and the Register of Substantial Shareholders maintained under the provisions of the Companies Act, are as follows:

	Direct Interests		Deemed Interests	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
<u>Directors</u>				
Lim Ho Seng	540,000	0.08	—	—
Dr. Benety Chang ⁽²⁾	—	—	455,994,550	66.81
Anthony Sabastian Aurol ⁽²⁾	—	—	455,994,550	66.81
Tan Yang Guan ⁽²⁾	1,065,000	0.16	455,994,550	66.81
Wong Kwan Seng Robert	200,000	0.03	—	—
Wong Meng Yeng	—	—	—	—

Substantial Shareholders

Saberon	455,994,550	66.81	—	—
Dr Doris Heng Chin Ngor ⁽²⁾	—	—	455,994,550	66.81

Notes:

(1) Based on the issued share capital of 682,490,893 Shares as at the Latest Practicable Date.

(2) Deemed to be interested in 455,994,550 Shares held by Saberon by virtue of Section 7 of the Companies Act.

8.2 Interests in Warrants constituted under the Deed Poll dated 19 October 2009

The interests of the Directors and Substantial Shareholders (excluding Directors who are also Substantial Shareholders) in the warrants of the Company as at the Latest Practicable Date, as recorded in the Warrant Register maintained under the provisions of the deed poll dated 19 October 2009, are as follows:

	Direct Interests		Deemed Interests	
	No. of warrants	% ⁽¹⁾	No. of warrants	% ⁽¹⁾
<u>Directors</u>				
Lim Ho Seng	270,000	0.09	—	—
Dr. Benety Chang ⁽²⁾	—	—	227,997,275	76.02
Anthony Sabastian Aurol ⁽²⁾	—	—	227,997,275	76.02
Tan Yang Guan ⁽²⁾	532,500	0.18	227,997,275	76.02
Wong Kwan Seng Robert	100,000	0.03	—	—
Wong Meng Yeng	—	—	—	—

Substantial Shareholders

Saberon	227,997,275	76.02	—	—
Dr Doris Heng Chin Ngor ⁽²⁾	—	—	227,997,275	76.02

Notes:

(1) Based on the total number of outstanding warrants of 299,915,381 warrants as at the Latest Practicable Date.

(2) Deemed to be interested in 227,997,275 warrants held by Saberon by virtue of Section 7 of the Companies Act.

LETTER TO SHAREHOLDERS

8.3 Interests in Warrants constituted under the Deed Poll dated 16 May 2006

As at the Latest Practicable Date, none of the Directors or Substantial Shareholders has any interests in the warrants expiring on 13 June 2011, as recorded in the Warrant Register maintained under the provisions of the deed poll dated 16 May 2006.

8.4 Other Interests

Mr. Tan Yang Guan, a Non-Executive Director of the Company, holds 50,000 shares in the capital of the Purchaser as at the Latest Practicable Date.

In addition, Mr. Wong Kwan Seng Robert, a Non-Executive Director of the Company, is a shareholder and director of SLP, the solicitors of the Company who are advising the Company in respect of the Agreement and the litigation matter with SCM referred to in Section 12 of this Circular (the “**SCM Litigation**”). SLP will be receiving legal fees as solicitors of the Company in connection with the Agreement as well as the SCM Litigation. As at the Latest Practicable Date, the total amount paid and payable to SLP in respect of the Agreement and the SCM Litigation is expected to be in excess of S\$200,000 for the current FY2010.

Save as disclosed in this Circular, as at the Latest Practicable Date, none of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

9. DIRECTORS' RECOMMENDATION

Having considered the terms of the Proposed Disposal, the Board is of the opinion that the Proposed Disposal is in the interests of the Company and the Shareholders. Accordingly, the Board recommends that the Shareholders vote in favour of the Ordinary Resolution set out in the notice of the EGM at page 31 of this Circular.

10. NOTICE OF EGM

The EGM, notice of which is set out on page 31 of this Circular will be held at Nautica III, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on 26 June 2010 at 10.00 a.m. for the purpose of considering and if thought fit, passing, with or without modifications, the Ordinary Resolution set out in the notice of EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

A Shareholder who is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf should complete, sign and return the Proxy Form enclosed in this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 6 Pioneer Sector 1, Singapore 628418 not later than 10.00 a.m. on 24 June 2010.

Completion and return of the Proxy Form by a Shareholder shall not prevent him from attending and voting at the EGM if he so wishes. In such an event, the relevant Proxy Form will be deemed to be revoked.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as certified by CDP, 48 hours before the EGM.

12. MATERIAL LITIGATION

Litigation with SCM

- (a) On 22 April 2010, the Company received a letter from SCM through its lawyers demanding, *inter alia*, that the Company not accept the offer by the Purchaser, for the Company to sell to the Purchaser the Sale Shares on the terms and conditions as set out in the Letter of Offer. SCM has alleged that any sale to the Purchaser of the shares of PPLH by the Company

LETTER TO SHAREHOLDERS

would be made in circumvention of the pre-emptive rights of SCM in PPL Shipyard's Articles of Association by not giving SCM a first right of refusal over the sale of PPLH's shareholdings in PPL Shipyard.

- (b) On 29 April 2010, the Company received, *inter alia*, further letters from SCM and its lawyers continuing with its assertions that the Proposed Disposal triggers the pre-emption rights of SCM as set out in, *inter alia*, PPL Shipyard's Articles of Association and has purportedly exercised such rights, which included the tendering of a payment of S\$59,433,522 (the "**Tendered Payment**") to PPLH for the purchase of PPLH's direct and indirect 15.0% shareholding interest in PPL Shipyard. PPLH had on the same day rejected the Tendered Payment.
- (c) On 13 May 2010, PPLH received a letter from SCM claiming, *inter alia*, that following its Tendered Payment for the purchase of PPLH's direct and indirect 15.0% shareholding interest in PPL Shipyard, it became a 100.0% owner of PPL Shipyard and that as a consequence, the Joint Venture Agreement dated 9 April 2001 entered into between PPLH and SCM (the "**Joint Venture Agreement**"), to the extent and in the form it then subsisted, ceased to be in force. The letter from SCM further claimed that, if (contrary to SCM's position), the Joint Venture Agreement was still subsisting, the Joint Venture Agreement had been terminated from that date on account of breaches by PPLH.
- (d) On 17 May 2010, PPLH and E-Interface received from the solicitors of SCM, the writ of summons in the High Court which was filed on 15 May 2010. SCM has asked the High Court to rule, *inter alia*, that the Joint Venture Agreement is no longer in force, to direct PPLH and E-Interface to transfer the remaining 15.0% shareholding interest in PPL Shipyard to SCM against the Tendered Payment and to order them to pay damages for disclosing or causing to disclose confidential information of PPL Shipyard to the Purchaser in breach of the Joint Venture Agreement.
- (e) On 8 June 2010, PPLH and E-Interface filed their defence and counterclaim, rebutting SCM's allegations. In their defence, PPLH and E-Interface referred to the express terms of the Joint Venture Agreement and the supplemental agreement dated 5 July 2003 entered into between PPLH and SCM and pointed out that the assertions by SCM were not borne out by the express wording of the documents. PPLH and E-Interface also stated that the implied terms alleged by SCM had no basis in law or in fact. PPLH and E-Interface had denied the alleged repudiatory breaches in relation to confidential information. It is PPLH's and E-Interface's position that the terms of the Joint Venture Agreement relating to management of PPL Shipyard are still in force. PPLH and E-Interface had filed a counterclaim to enforce the terms of the Joint Venture Agreement in relation to the management of the PPL Shipyard.

The Board has sought and received legal advice that the claims against PPLH and E-Interface are without merit. PPLH and E-Interface will take all appropriate steps to vigorously defend their positions.

Save as disclosed herein, neither the Company nor its subsidiaries are engaged in any ongoing litigation as plaintiff or defendant in respect of any claims or amounts which are or may be material and the Directors have no knowledge of any proceedings which are pending or threatened against the Company or its subsidiaries or of any facts likely to give rise to any litigation, claims or proceedings which might materially affect the financial position or the business of the Company or any of its subsidiaries during the last 12 months.

13. LETTER OF CONSENT

NRA Capital has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of and references to its name in the form and context in which it appears in this Circular.

LETTER TO SHAREHOLDERS

14. NRA CAPITAL'S RESPONSIBILITY STATEMENT

To the best of NRA Capital's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal and the Group, and NRA Capital is not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information relating to the Purchaser, PPLH, PPL Shipyard and the Group have been extracted from published or otherwise publicly available sources or obtained from the Directors and management of the Company, the sole responsibility of NRA Capital has been to ensure that such information has been accurately and correctly extracted from these sources.

15. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been reviewed and approved by the Directors. The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and reproduced in this Circular.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at 36 Robinson Road, 18th Floor, City House, Singapore 068877 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Letter of Offer;
- (b) the Escrow Agreement;
- (c) the Saberon Undertaking and the Directors' Undertakings; and
- (d) the Annual Reports of the Company for FY2007, FY2008 and FY2009.

Yours faithfully
for and on behalf of
the Board of Directors of
BAKER TECHNOLOGY LIMITED

Lim Ho Seng
Chairman

APPENDIX – TERMS AND CONDITIONS OF OFFER

The following is a reproduction of the "Terms and Conditions of Offer" as set out in the Letter of Offer. All capitalised terms used and not defined in this Appendix shall have the same meanings given to them in the Letter of Offer.

TERMS AND CONDITIONS OF OFFER

1. DEFINITIONS

- 1.1 In this Terms and Conditions of Offer, unless the subject or context otherwise requires, the following words and expressions shall have the following meanings:-

"Accounts" means the latest audited accounts of the Company and its subsidiary, E-Interface Holdings Limited.

"Agreement" means the agreement constituted by the offer made by the Offeror to the Vendor in the Letter of Offer to purchase all the Sale Shares and accepted by the Vendor on the terms and conditions set out in the said letter and hereunder and includes all schedules and appendices attached hereto. For the avoidance of doubt, no agreement shall be constituted until the Offer has been accepted by the Vendor.

"Balance Sheet Date" means 31 December 2009.

"Business Day" means a day (other than Saturday, Sunday or public holidays) on which banks are open for business in Singapore.

"Company" means PPL Holdings Pte Ltd (Company Registration No. 199800534G), a company incorporated in Singapore and having its registered address at 6 Pioneer Sector 1, Singapore 628418.

"Completion" means the completion of the sale and purchase of the Sale Shares under the Agreement in the manner set out in Clause 4.

"Completion Date" means the date on which the sale and purchase of the Sale Shares shall be completed pursuant to Clause 4.

"Encumbrance" means any form of legal, equitable or security interests, including but not limited to any mortgage, charge (whether fixed or floating), pledge, lien (including, without limitation any unpaid vendor's lien or similar lien), assignment of rights and receivables, debenture, option, hypothecation, title retention or conditional sale agreement, lease, hire or hire purchase agreement, use or possession, easement, subordination to any right of any other person, and any other encumbrance or security interest.

"Escrow Agent" means Julius Baer Family Office & Trust Ltd.

"Escrow Agreement" means the escrow agreement dated the same day as the Letter of Offer and delivered to the Vendor together with the Letter of Offer, duly signed by the Offeror, Fortus Ltd, Mediterranean Success Group Inc., Julius Baer Family Office & Trust Ltd. and the Vendor.

"Letter of Offer" means the letter of offer dated 16 April 2010 sent by the Offeror and addressed to the Vendor.

"Long Stop Date" means 27 October 2010 or such further date as the Parties may agree in writing.

APPENDIX – TERMS AND CONDITIONS OF OFFER

"Offer" the offer made by the Offeror to the Vendor to purchase from the Vendor the Sale Shares pursuant to the Letter of Offer.

"Parties" means the Vendor and the Offeror and each a Party.

"PPL Shipyard" means PPL Shipyard Pte Ltd (Company Registration No. 199708012N)

"Purchase Consideration" means the sum of US\$155,000,000 payable by the Offeror to the Vendor in United States Dollars for the purchase of the Sale Shares.

"Sale Shares" means 20,000,000 issued and paid-up ordinary shares in the capital of the Company, representing the entire issued and paid-up share capital of the Company.

"Taxes" or "Taxation" means all forms of taxation, past, present and future (including, without limitation, capital gains tax, income tax, business tax, value added tax, consumption tax, land use tax, building tax, stamp duty, deeds tax, customs and other import or export duties) and all other statutory, governmental or state impositions, duties and levies and all penalties, charges, costs and interest relating to any claim for such taxes whether imposed by the Republic of Singapore, or any other jurisdiction.

1.2 Except to the extent that the context requires otherwise:-

1.2.1 words denoting the singular shall include the plural and *vice versa*; words denoting any gender shall include all genders; words denoting persons shall include firms and corporations and *vice versa*;

1.2.2 any reference to a statutory provision shall include such provision and any regulations made in pursuance thereof;

1.2.3 any reference to "Clauses", "Recitals", "Schedules" and "Appendices" are to be construed as references to clauses and recitals of, and schedules and appendices to, this Terms and Conditions of Offer; and

1.2.4 any reference to a date or time of day is a reference to Singapore date or time unless provided otherwise.

1.3 The headings in this Terms and Conditions of Offer are inserted for convenience only and shall be ignored in construing this Terms and Conditions of Offer.

2. SALE AND PURCHASE OF THE SALE SHARES

2.1 Subject to the Vendor accepting the Offer and to the terms and conditions contained herein, the Offeror shall purchase from the Vendor and the Vendor shall sell to the Offeror 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 now or hereafter attaching thereto at the Purchase Consideration save and except for a dividend of S\$4,690,000 to be declared and paid by the Company to the Vendor 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 Vendor to the Company.

2.2 The Purchase Consideration shall be payable to the Vendor in cash on Completion.

APPENDIX – TERMS AND CONDITIONS OF OFFER

2.3 The Offerer 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 Purchase 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 Purchase Consideration) with the Escrow Agent in place of the said sum of US\$15,500,000.

and if the Offeror fails to make the deposits as stated in (b) above, the Offeror shall pay to the Vendor, if the Escrow Agent has failed to do so pursuant to Section 4.6 of the Escrow Agreement, the earnest money of US\$15,500,000 forthwith upon the acceptance of the Offer as advance payment of the Purchase Consideration. The remaining balance of the Purchase Consideration of US\$139,500,000 will be paid by the Offeror to the Vendor on Completion.

- 2.4 If the condition precedent is not fulfilled by the Long Stop Date, all monies held by the Escrow Agent or paid to the Vendor pursuant to Clause 2.3 shall be returned by the Escrow Agent to the Offeror or otherwise dealt with in accordance with the Escrow Agreement.
- 2.5 All payments to be made by the Escrow Agent shall be made by delivering to the Vendor a cashier's order for the relevant amount drawn on a bank in Singapore in favour of the Vendor on Completion.

3. CONDITION PRECEDENT

- 3.1 The obligations of the Parties to complete the sale and purchase of the Sale Shares shall be subject to the fulfillment and satisfaction of the following condition precedent on or prior to the Long Stop Date:-
 - 3.1.1 Approval being obtained from the shareholders of the Vendor to sell the Sale Shares, such approval to be obtained at an extraordinary general meeting of the Vendor to be convened.
- 3.2 If the above condition precedent is not fulfilled by 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 Clause 2.4.

4. COMPLETION

- 4.1 Subject to the acceptance by the Vendor of the Offer and to the fulfillment of the condition precedent referred to in Clause 3, Completion shall take place within seven (7) Business Days from the fulfillment of the condition precedent at the office of the Vendor's solicitors (or at such other place as the Parties may agree in writing).
- 4.2 On Completion:-
 - 4.2.1 the Vendor shall deliver to the Offeror's solicitors:-
 - (a) a duly completed and executed transfer form in respect of all (and not part only) of the Sale Shares in favour of the Offeror, together with the relevant share certificates

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relating thereto, free from all claims, liens, restrictions, charges, pledges, mortgages, trusts, equities and other Encumbrances, and with all rights now or hereafter attaching thereto save and except for a dividend of S\$4,690,000 to be declared and paid by the Company to the Vendor 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 Vendor to the Company;

- (b) an extract (duly certified by the Company's Secretary) of a resolution duly passed by the Board of Directors of the Company approving the transfer of the Sale Shares to the Offeror or its nominee and the registration of the Offeror or its nominee as the holder of the Sale Shares in the register of members of the Company;
 - (c) an extract (duly certified by the Company's Secretary) of a resolution duly passed by the Board of Directors of the Company canceling all existing authorised signatories to all accounts maintained by the Company with banks and financial institutions;
 - (d) an extract (duly certified by the Company's Secretary) of a resolution duly passed by the Board of Directors of the Company appointing such persons nominated by the Offeror to the Board of Directors of the Company and the acceptance of the resignation of all the current Directors and secretary of the Company;
 - (e) letters of resignation of the current Directors and secretary of the Company in the form set out in AppendixA; and
 - (f) Certified true copies of the following documents:
 - (i) Register of Members of PPL Shipyard showing, inter alia, the Company and E-Interface Holdings Limited as the registered shareholders in respect of 2,400,000 and 600,000 ordinary shares in the capital of PPL Shipyard; and
 - (ii) Share certificates in respect of the aforesaid ordinary shares held by the Company and E-Interface Holdings Limited.
- 4.2.2 The Offeror shall on Completion, unless the said earnest money of US\$15,500,000 has been paid to the Vendor pursuant to Clause 2.3 herein deliver to the Vendor a Notice of Completion in the form set out in Annex 7 of the Escrow Agreement duly signed by the Offeror in accordance with the Escrow Agreement to effect the release of the US\$15,500,000 held by the Escrow Agent to the Vendor. In the event that the earnest money of US\$15,500,000 has been paid to the Vendor pursuant to Clause 2.3, the balance of the Purchase Consideration amounting to US\$139,500,000 shall be paid by the Offeror to the Vendor by way of a cashier's order for that amount drawn on a bank in Singapore in favour of the Vendor (or in such other manner as the Parties may agree).
- 4.2.3 Upon the Purchase Consideration being received by the Vendor, the Vendor shall immediately notify the Offeror and the Offeror's solicitors of the same. Upon receipt of such notification, the documents referred to in Clause 4.2.1 shall be released to the Offeror immediately. In the event that the full Purchase Consideration is not received by the Vendor within three (3) working days from Completion Date, the documents referred to in Clause 4.2.1 shall be returned to the Vendor.
- 4.3 No Party shall be obliged to perform any of its obligations under Clause 4.2 unless (simultaneously with such performance) the other Party performs all its obligations under that Clause.

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4.4 If on Completion, a Party shall be in breach of its obligations under Clause 4.2 above, the other Party shall be entitled (in addition to and without prejudice to all other rights and remedies available to it) to:-

4.4.1 require specific performance by the defaulting Party of the Agreement;

4.4.2 elect to rescind the Agreement; or

4.4.3 fix a new date for Completion (not being more than twenty-eight (28) calendar days after the relevant date of completion), in which case the provisions of this Clause 4.4 shall also apply to any such new date or dates fixed for Completion.

5. REPRESENTATIONS AND WARRANTIES

5.1 Upon acceptance of the Offer by the Vendor, each of the Parties shall be deemed to represent, warrant and undertake to and for the benefit of the other Party (with the intent that the provisions of this Clause shall continue to have full force and effect notwithstanding Completion) as follows:-

5.1.1 that it has full power and authority to enter into, exercise its rights and perform and comply with its obligations under the Agreement;

5.1.2 all actions, conditions and things in order (a) to enable it lawfully to enter into, exercise its rights and perform and comply with its obligations under the Agreement; and (b) to ensure that these obligations are valid, legally binding and enforceable have been taken; and

5.1.3 upon acceptance of the Offer by the Vendor, its obligations hereunder shall be legally valid, binding and enforceable in accordance with the terms hereof.

5.2 Upon acceptance of the Offer, the Vendor shall be deemed to further represent and warrant to and undertake with the Offeror and its successors in title in the terms respectively set out in Schedule 1 (with the intent that the provisions of this Clause shall continue to have full force and effect notwithstanding Completion), subject only to:

5.2.1 any matter or thing provided for under this Terms and Conditions of Offer; and

5.2.2 any matter that is within their knowledge and belief.

5.3 If any of the representation or warranty set out in Schedule 1 shall not be true and correct in any material respect on or prior to Completion, the Offeror's only remedy shall be to rescind the Agreement and shall not be entitled to any damages or other compensation.

6. MISCELLANEOUS

6.1 Each Party shall bear its own legal, professional and other costs and expenses incurred in connection with the negotiation, preparation or completion of the Agreement. The Offeror shall bear all stamp duty payable in respect of the transfer of the Sale Shares.

6.2 If any provision of this Terms and Conditions of Offer is held to be illegal, invalid or unenforceable in whole or in part in any jurisdiction, this Terms and Conditions of Offer shall, as

APPENDIX – TERMS AND CONDITIONS OF OFFER

to such jurisdiction, continue to be valid as to its other provisions and the remainder of the affected provision; and the legality, validity and enforceability of such provision in any other jurisdiction shall be unaffected.

- 6.3 All notices, demands or other communications required or permitted to be given or made hereunder shall be in writing and delivered personally or sent by prepaid registered post with recorded delivery, or by facsimile transmission addressed to the intended recipient thereof at its address or at its facsimile number, and marked for the attention of such person (if any), designated by it to the other Party for the purposes of this Terms and Conditions of Offer or to such other address or facsimile number, and marked for the attention of such person, as a Party may from time to time duly notify the others in writing.
- 6.3.1 The addresses and facsimile numbers of the Parties for the purpose of this Terms and Conditions of Offer are specified below:-

Baker Technology Limited

Address : 6 Pioneer Sector 1
Singapore 628418
Facsimile No. : (65) 6261 0040
Attention : Mr Lim Ho Seng

Yangzijiang Shipbuilding (Holdings) Ltd.

Address : 8 Cross Street
#11-00 PWC Building
Singapore 048424
Facsimile No. : (86) 523 8466 0001
Attention : Mr Zhang Yao

- 6.3.2 Any such notice, demand or communication shall be deemed to have been duly served (if delivered personally or given or made by facsimile) immediately or (if given or made by letter) five (5) Business Days after posting and in proving the same it shall be sufficient to show that personal delivery was made or that the envelope containing such notice was properly addressed, and duly stamped and posted or that the facsimile transmission was properly dispatched and with receipt of proper confirmation.
- 6.4 Save as otherwise provided, the Agreement shall be governed by and construed in accordance with the laws of Singapore. Any dispute as to any matter arising under, out of, or in connection with this Agreement shall be referred to and finally determined by arbitration at the Singapore International Arbitration Centre ("SIAC") and in accordance with its Arbitration Rules. Any dispute arising out of or in connection with this Agreement will be negotiated in good faith by the Parties with a view to a resolution of such dispute. If the dispute is not resolved within thirty (30) days of the date of the dispute first arising, it shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the SIAC for the time being in force. The Arbitration Rules shall be deemed to be incorporated by reference into this Agreement.
- 6.5 The Contracts (Rights of Third Parties) Act (Cap. 53B) of Singapore shall not under any circumstances apply to the Agreement and any person who is not a party to the Agreement (whether or not such person shall be named, referred to, or otherwise identified, or form part of

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a class of persons so named, referred to or identified in the Agreement) shall have no right under the Contracts (Rights of Third Parties) Act (Cap. 53B) to enforce the Agreement.

7. This Agreement embodies all the terms and conditions agreed upon by the Parties as to the subject matter herein and supercedes and cancels in all respects any and all previous agreements and undertakings, if any, between the Parties with respect to the same, whether such be written or oral.

APPENDIX – TERMS AND CONDITIONS OF OFFER

SCHEDULE 1

VENDOR'S REPRESENTATION, WARRANTIES AND UNDERTAKINGS

Upon acceptance of the Offer, the Vendor shall be deemed to represent, warrant and undertake to and for the benefit of the Offeror that:

1. Information

All information relating to the Company contained in this Terms and Conditions of the Offer is true, complete and accurate in all material respects.

2. Principal Assets

2.1 The Company is the registered and beneficial owner of:-

2.1.1 2,400,000 issued and paid-up ordinary shares in the capital of PPL Shipyard Pte Ltd ("PPL Shipyard"), representing 12% of the issued share capital of PPL Shipyard; and

2.1.2 2 issued and paid-up ordinary shares in the capital of E-Interface Holdings Limited, a wholly owned subsidiary of the Company. E-Interface Holdings Limited is the registered and beneficial owner of 600,000 issued and paid-up ordinary shares in the capital of PPL Shipyard, representing 3% of the issued share capital of PPL Shipyard.

2.2 The Vendor undertakes to the Offeror that:-

2.2.1 it will not, prior to Completion, sell, transfer or otherwise dispose of its shares in PPL Shipyard or E-Interface Holdings Limited and shall procure that E-Interface Holdings Limited shall not sell, transfer or otherwise dispose of its shares in PPL Shipyard; and

2.2.2 it will not, prior to Completion, distribute, by declaration of dividends or otherwise, any assets of the Company and its subsidiary, E-Interface Holdings Limited save and except for a dividend of \$4,690,000 to be declared and paid by the Company to the Vendor prior to Completion, of which \$3,090,000 shall be paid in cash and the balance \$1,600,000 to be mutually off-set against a sum of \$1,600,000 owing by the Vendor to the Company.

2.3 The Company and SembCorp Marine Limited are parties to a Shareholders' Agreement dated 9 April 2001, supplemented by a letter dated 5 July 2003 and that to the best of Vendor's knowledge and belief, it remains subsisting and the Vendor has no reason or cause to believe otherwise. The Company is not aware of any other agreement regulating its relationship with SembCorp Marine Limited save for the Memorandum and Articles of Association of the Company.

2.4 As at the date of the Letter of Offer, Messrs Benety Chang, Anthony Sabastian Aurol and Tan Ah Hwa are executive directors of PPL Shipyard.

2.5 The Intellectual Property Rights in the Baker Marine Pacific Class / PPL Pacific Class 375 Jack-Up Rig is owned by PPL Shipyard Pte Ltd.

2.6 PPL Shipyard is the registered owner and licensee of the following leasehold properties leased from the Jurong Town Corporation:

(i) Lease for No. 12 Pandan Road - 9,182.60 sq.m. - 30 years from 16/05/2007

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- (ii) Lease for No. 21 Pandan Road - 141,791 sq.m. - 15 years from 01/06/2004
- (iii) Tuas Crescent (a) 53,610 sq.m. - 6 years lease from 20/05/2006 and (b) 4,280 sq.m. - 3 years licence from 17/07/2009

3. Copies of the Accounts, Constitutive Documents, etc.

- (a) The attached Memorandum and Articles of Association of PPL Shipyard (together with resolutions in connection with any amendments thereto) that the Offeror extracted from ACRA is true, complete and up to date as at the date of this Agreement and materially reflects the terms and conditions contained in the Shareholders' Agreement dated 9 April 2001, supplemented by a letter dated 5 July 2003 entered into between the Company and Sembcorp Marine Limited.
- (b) All the records, statutory books and books of account of the Company and its subsidiary E-Interface Holdings Limited are duly entered upon and maintained in accordance with all legal requirements applicable thereto and contain true, full and accurate records of all matters required to be dealt with therein and all such books and all records and documents (including documents of title) which are its property, are in its possession or under its control and all accounts, documents, reports and returns required to be delivered or made to any governmental authority or agency in the country of incorporation or establishment of the Company have been duly and correctly delivered or made when due.

4. The Accounts

The Accounts have been prepared in accordance with the laws of the relevant country of incorporation of the Company and its subsidiary, E-Interface Holdings Limited and on a consistent basis in accordance with relevant Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and its subsidiary, E-Interface Holdings Limited as at the Balance Sheet Date and of the profit or loss for the period concerned.

5. Changes Since Balance Sheet Date

Since the Balance Sheet Date as regards to the Company and its subsidiary, E-Interface Holdings Limited, save as disclosed in the Accounts, or otherwise contemplated under the Agreement:-

- (i) its business has been carried on in the ordinary course and so as to maintain the same as a going concern, and it has not entered or agreed to enter into any material contracts other than contracts in the ordinary course of its business and on an arm's length basis;
- (ii) it has not acquired or agreed to acquire any asset of a capital nature or entered into or agreed to enter into any material contract involving expenditure of a capital nature, and any investment in joint ventures for conducting the ordinary course of business;
- (iii) it has not disposed of or agreed to dispose of any material assets or assumed or incurred or agreed to assume or incur any material liabilities (including contingent liabilities) to or from any party otherwise than in the ordinary course of carrying on its business;

APPENDIX – TERMS AND CONDITIONS OF OFFER

- (iv) it has not, save in the ordinary course of business, factored, sold, assigned or otherwise disposed of or agreed to factor, sell, assign or dispose of any of its book debts or other receivables, stock-in-trade, goods, plant, machinery or equipment, or any part thereof;
- (v) no dividend or other distribution has been declared, made or paid to its members after 31 December 2009 except as provided for in the Accounts and save for a dividend of \$4,690,000 to be declared and paid by the Company to the Vendor prior to Completion, of which \$3,090,000 shall be paid in cash and the balance \$1,600,000 to be mutually off-set against a sum of \$1,600,000 owing by the Vendor to the Company; and
- (vi) no share or loan capital has been allotted or issued or agreed to be allotted and issued.

6. Contracts and Commitments

Neither the Company nor its subsidiary, E-Interface Holdings Limited is a party to any material contract or arrangement which restricts its freedom to carry on its business.

7. Powers of Attorney

Neither the Company nor its subsidiary, E-Interface Holdings Limited has given any power of attorney which is still outstanding or effective to any person to enter into any contract or commitment on their behalf other than to their employees to enter into routine trading contracts in the normal course of their duties.

8. Bank Accounts and Borrowings

- (a) Save for borrowings disclosed in the Accounts, the Company and its subsidiary, E-Interface Holdings Limited does not have nor will on Completion have outstanding any loan or is engaged in financing of a type which would not be required to be shown or reflected in the Accounts.
- (b) The Company and its subsidiary, E-Interface Holdings Limited have not by reason of any default by it in any of its obligations become bound or liable to be called upon to repay prematurely any loan capital or borrowed monies.
- (c) To the best of the knowledge and belief of the Vendor, no circumstances have arisen which could now (or which could with the giving of notice or lapse of time or both) entitle a provider of finance to the Company and its subsidiary, E-Interface Holdings Limited (other than on a normal overdraft facility) to call in the whole or any part of the monies advanced or to enforce his security, and no provider of finance to the Company and its subsidiary, E-Interface Holdings Limited demanded repayment or indicated that the existing facility will be withdrawn or reduced or not renewed or that any terms thereof will be altered to the disadvantage of the Company and its subsidiary, E-Interface Holdings Limited.
- (d) The Company and its subsidiary, E-Interface Holdings Limited have not given or undertaken to give, nor is there outstanding, any security or guarantee, indemnity or surety for any liability of any person, other than those given in the ordinary course of business.
- (e) Save for the advances disclosed in the Accounts, there are no loans or outstanding loans made by/to the Company and/or its subsidiary, E-Interface Holdings Limited to/from the Vendor and/or director of the Company and/or its subsidiary, E-Interface Holdings Limited.

APPENDIX – TERMS AND CONDITIONS OF OFFER

9. Insolvency

- (a) No order has been made and no resolution has been passed for the winding up of the Company and/or its subsidiary, E-Interface Holdings Limited or for a provisional liquidator to be appointed in respect of the Company and/or its subsidiary, E-Interface Holdings Limited and no petition has been presented and no meeting has been convened for the purpose of winding up of the Company and/or its subsidiary, E-Interface Holdings Limited.
- (b) No judicial management order has been made and no petition for such an order has been presented in respect of the Company and/or its subsidiary, E-Interface Holdings Limited.
- (c) No receiver (which expression shall include a receiver and manager) has been appointed and no steps have been taken for the appointment of a receiver in respect of the Company and/or its subsidiary, E-Interface Holdings Limited or all or any of its assets or undertaking.
- (d) No distress, charging order, garnishee order or execution has been levied or applied for against the Company and/or its subsidiary, E-Interface Holdings Limited and no action has been taken to repossess the assets, goods and/or properties in the possession or control of the Company and/or its subsidiary, E-Interface Holdings Limited.
- (e) The Company and its subsidiary, E-Interface Holdings Limited have not made or proposed to make any arrangement or composition with their respective creditors or any class of their respective creditors.
- (f) No unsatisfied judgement is outstanding against the Company and/or its subsidiary, E-Interface Holdings Limited.
- (g) No event has occurred causing, or which upon intervention or notice by any third party may cause, any floating charge created by the Company and its subsidiary, E-Interface Holdings Limited to crystallise or any charge created by it to become enforceable, nor has any such crystallisation occurred or is such enforcement in process.
- (h) In relation to any property or assets of a material nature held by the Company and its subsidiary, E-Interface Holdings Limited under any hire purchase, conditional sale, chattel leasing or retention of title agreement or otherwise belonging to a third party, no event has occurred which entitles, or which upon intervention or notice by a third party may entitle the third party to repossess the property or assets concerned or terminate the agreement or any licence in respect of the same.

10. Litigation

- (a) So far as the Vendor are aware:-
 - (i) since the Balance Sheet Date, no claim sounding in material damages has been made against the Company;
 - (ii) The Company and its subsidiary, E-Interface Holdings Limited are not engaged in any material litigation or arbitration or administrative or criminal proceedings, whether as plaintiff, defendant or otherwise, and no material litigation or arbitration, or administrative or criminal proceedings by or against the Company and its subsidiary, E-Interface Holdings Limited is pending;

APPENDIX – TERMS AND CONDITIONS OF OFFER

- (iii) there are no material litigation or arbitration or administrative or criminal proceedings against any director, officer or employee (past or present) of the Company and its subsidiary, E-Interface Holdings Limited in respect of any act or default for which the Company and its subsidiary, E-Interface Holdings Limited might be vicariously liable; and
- (iv) after making reasonable enquiries, there is no fact or circumstance which would give rise to any such material litigation or arbitration or administrative or criminal proceedings.

11. Licences, Consents and Compliance With Statutes and Agreements

- (a) The Company and its subsidiary, E-Interface Holdings Limited have obtained all material licences, consents and other permissions and approvals that are necessary in connection with the ownership of assets now being owned and the carrying on of its business ("Disclosed Licences") and there is no circumstance which indicates that any of the Disclosed Licences is likely to be revoked, annulled or modified or which may confer a right of revocation, annulment or modification.
- (b) The terms of all such Disclosed Licences have been duly complied with in all material respects or will be duly complied with within the time allowed and no event has occurred as a result of which any such licence or agreement has become void or voidable or subject to revocation, annulment or modification at the instance of any person and the making or implementation of the Agreement will not have any such effect.
- (c) The Company and its subsidiary, E-Interface Holdings Limited have conducted their business and corporate affairs in all material respects in accordance with and has complied with in all material respects (as the case may be) all applicable laws, and there is no violation of, or default with respect to, any statute, regulation, directives or guidelines which could have a material adverse effect upon the assets of the Company and its subsidiary, E-Interface Holdings Limited.

12. Assets and Liabilities

- (a) Save as disclosed in the Accounts:-

- (i) The Company and its subsidiary, E-Interface Holdings Limited legally and beneficially owned at the Balance Sheet Date and has good title to and (except for current assets subsequently sold or realised in the ordinary course of business) still legally and beneficially owns and has good title to all assets included in its Accounts or have otherwise been represented as being the property or due to the Company and its subsidiary, E-Interface Holdings Limited and to all assets acquired since the Balance Sheet Date and not subsequently sold or realised as aforesaid, and each of those assets capable of possession or control, is in the possession or control of the Company and its subsidiary, E-Interface Holdings Limited
- (ii) The Company and its subsidiary, E-Interface Holdings Limited have not created or granted or agreed to create or grant any security, interest or other encumbrance in respect of any of the assets included in the Accounts or acquired or agreed to be acquired since the Balance Sheet Date, otherwise than in the ordinary course of their business.
- (iii) None of the property, assets, undertaking, goodwill or uncalled capital of the Company and its subsidiary, E-Interface Holdings Limited is subject to, and the Company and its

APPENDIX – TERMS AND CONDITIONS OF OFFER

subsidiary, E-Interface Holdings Limited have not agreed to grant any option, right to acquire, assignment, mortgage, charge, lien, hypothecation or other encumbrance whatsoever (excepting only liens arising by operation of law in the normal course of trading), right of pre-emption of any nature whatsoever in respect thereof or the subject of any factoring, arrangement, hire-purchase, conditional sale or credit sale agreement, save for those entered into by the Company and its subsidiary, E-Interface Holdings Limited in the ordinary course of its business.

13. Insurance

- (a) All of the assets of the Company and its subsidiary, E-Interface Holdings Limited which are of an insurable nature have at all times been and are at the date of the Agreement insured against fire and other risks normally insured against by companies carrying on similar businesses or owning property of a similar nature and is at the date hereof adequate cover against accident, third party loss or injury, damage and other risks normally covered by insurance by such companies and there has been no refusal to issue any such insurance to the Company and its subsidiary, E-Interface Holdings Limited
- (b) In respect of all such insurances, all the policies are in force and are not voidable on account of any non-payment of premiums, act, omission or non-disclosure on the part of the insured.
- (c) No material claim is outstanding or may be made under any of the insurance policies and no circumstances exist which are likely to give rise to such a claim.

14. Employees etc.

(a) Employees and Terms of Employment

- (i) There are not in existence any contracts of service with directors or employees of the Company and its subsidiary, E-Interface Holdings Limited, nor any consultancy agreements with the Company, and its subsidiary, E-Interface Holdings Limited which cannot be terminated by the Company and its subsidiary, E-Interface Holdings Limited by twelve months' notice or less without giving rise to any claim for damages or compensation (other than statutory payments under the applicable laws).
- (iii) No changes to the contracts or agreements with the directors of the Company and its subsidiary, E-Interface Holdings Limited has been made or proposed whether by any employee or consultant that would have a material adverse impact on the Company and its subsidiary, E-Interface Holdings Limited.

(b) Liabilities to and for Employees

There are no amounts owing to any present or former directors or employees of the Company and its subsidiary, E-Interface Holdings Limited other than remuneration accrued due or for the reimbursement of business expenses and no directors or employees of the Company and its subsidiary, E-Interface Holdings Limited has given or been given notice terminating their contracts of employment.

15. Intellectual Property

- (a) To the best of the Vendor' knowledge, the Company and its subsidiary, E-Interface Holdings Limited do not use any patented processes and are not engaged in any activities which involve

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the misuse of any third party confidential information or the infringement of their intellectual property rights.

16. Taxation

- (a) All Taxation, if any, for which the Company and its subsidiary, E-Interface Holdings Limited are liable and which ought to have been paid have been properly and punctually paid in accordance with all relevant taxation laws and any arrangements agreed and currently in place with the relevant tax authorities.
- (b) All returns (including all notices, computations, accounts and information) which ought to have been made by or in respect of the Company and its subsidiary, E-Interface Holdings Limited for any Taxation have been made and all such returns are up-to-date, complete, correct and on a proper basis and are not the subject of any dispute with the tax authority or other appropriate authorities and there are no present circumstances which are likely to give rise to any such dispute.
- (c) Proper provision or reserve for deferred Taxation have been made in the Accounts.
- (d) Full provision or reserve has been made in the Accounts for all Taxation liable to be assessed on the Company or for which any of them is or may become accountable in respect of:-
 - (i) profits, gains or income (as computed for Taxation purposes) arising or accruing or deemed to arise or accrue on or before the end of the relevant accounting period to which the Accounts relate;
 - (ii) any transactions effected or deemed to be effected on or before the end of the relevant accounting period to which the Accounts relate or provided for in the Accounts; and
 - (iii) distributions made or deemed to be made on or before the end of the relevant accounting period to which the Accounts relate or provided for in the Accounts.

17. Receivables

None of the material receivables of the Company and its subsidiary, E-Interface Holdings Limited, are or will be, as at Completion, likely to become bad debts or written off in whole or in part. None of the book debts of the Company and its subsidiary, E-Interface Holdings Limited as at Completion would have been released on terms that the debtor had paid less than the full value of his debt or had been proved to any extent irrecoverable or regarded by the Company and its subsidiary, E-Interface Holdings Limited as irrecoverable in whole or in part and all such debts will realise in the normal course of collection their full value as included in the books of the Company and its subsidiary, E-Interface Holdings Limited after taking into account the provision for bad and doubtful debts and discounts made in the Accounts. For the avoidance of doubt, a debt shall not be regarded as realising its full value to the extent that it is paid, received or otherwise recovered in circumstances in which such payment, receipt or recovery is or may be void, voidable or otherwise liable to be reclaimed or set aside.

18. Capital commitments, Unusual Contracts, Guarantees

The Company and/or its subsidiary, E-Interface Holdings Limited:-

- (a) does not have any material capital commitments or investments and pending Completion will not undertake any material capital commitments or investments which is otherwise in the usual

APPENDIX – TERMS AND CONDITIONS OF OFFER

and ordinary course of business without the prior consent in writing of the Offeror (which consent shall not be unreasonably withheld);

- (b) has not made or are committed to, or pending Completion will not make or become committed to, lending any moneys or providing any guarantee, indemnity or security to any person otherwise in the usual and ordinary course of business without the prior consent in writing of the Offeror (which consent shall not be unreasonably withheld);
- (c) has not by reason of any default by it in any of its obligations become bound or liable to be called upon to repay prematurely any loan capital or borrowed monies; and
- (d) is not a party to any unusual or onerous contract.

19. The Sale Shares

The Sale Shares are and will, on Completion be transferred to the Offeror free from all claims, liens, charges, pledges, mortgages, trusts, equities and other Encumbrances, and with all rights now or hereafter attaching save and except for a dividend of \$4,690,000 to be declared and paid by the Company to the Vendor prior to Completion, of which \$3,090,000 shall be paid in cash and the balance \$1,600,000 to be mutually off-set against a sum of \$1,600,000 owing by the Vendor to the Company. As the Vendor is the sole shareholder of the Company, there are no restrictions or pre-emptions over the transfer of the Sale Shares from the Vendor to the Offeror.

20. Materiality

For the purpose of these warranties, any reference to "material" or "materiality" refers to any matter involving amounts or claims sounding in damages for the sum equal to or exceeding S\$10,000,000.

BAKER TECHNOLOGY LIMITED

(Unique Entity Number 198100637D)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Baker Technology Limited (the “**Company**”) will be held at Nautica III, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on 26 June 2010 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following:

AS ORDINARY RESOLUTION

Pursuant to Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given for the disposal (the “**Proposed Disposal**”) by the Company of the entire issued and paid-up share capital of PPL Holdings Pte Ltd to Yangzijiang Shipbuilding (Holdings) Ltd. (the “**Purchaser**”), for a cash consideration of US\$155.0 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 “**Agreement**”), and the Directors of the Company be and are hereby authorised to complete and do any and all such acts and things as they may, in their absolute discretion deem fit, expedient or necessary to give effect to the Proposed Disposal and/or the Agreement.

By Order of the Board

Aw Seok Chin
Company Secretary

11 June 2010

NOTES:

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.
2. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 6 Pioneer Sector 1, Singapore 628418 not less than 48 hours before the time appointed for holding the Extraordinary General Meeting.

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BAKER TECHNOLOGY LIMITED

(Unique Entity Number 198100637D)
(Incorporated in the Republic of Singapore)

PROXY FORM

FOR EXTRAORDINARY GENERAL MEETING

(Please see notes overleaf before completing this Form)

IMPORTANT

1. For investors who have used their CPF monies to buy shares in the capital of Baker Technology Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We, _____ NRIC/ Passport No. /Company Registration

No. _____ of _____
(Address)

being a member/members of BAKER TECHNOLOGY LIMITED (the "Company") hereby appoint:

Name	Address	NRIC/ Passport No.	No. of Shares Represented

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	No. of Shares Represented

and/or failing him/her, the Chairman of the Extraordinary General Meeting (the "EGM") as my/our proxy/proxies to attend and vote on my/our behalf at the EGM of the Company to be held at Nautica III, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on 26 June 2010 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM.

ORDINARY RESOLUTION	To be used on a show of hands		To be used in the event of a poll	
	For*	Against*	For**	Against**
To approve the Proposed Disposal of the entire issued and paid-up share capital of PPL Holdings Pte Ltd				

* Please indicate your vote "For" or "Against".

** If you wish to use all your votes "For" or "Against", please indicate with an "X" within the box provided. Otherwise, please indicate the number of votes.

Signed this _____ day of _____ 2010

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)/
Common Seal of Corporate Shareholder



NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 6 Pioneer Sector 1, Singapore 628418 not less than 48 hours before the time set for the EGM.
4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the number of shares to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.
6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.