



BAKER TECHNOLOGY LIMITED

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

DISPOSAL OF AN ASSOCIATED COMPANY – YORK TRANSPORT EQUIPMENT (ASIA) PTE LTD

The Board of Directors of Baker Technology Limited (the "**Company**") refers to the Company's circular dated 7 September 2007 (the "**Circular**") in relation to the disposal of the Company's shareholding in York Transport Equipment (Asia) Pte Ltd ("**York Transport**") to TRF Limited ("**TRF**"). In connection therewith, the Company had, on 26 September 2007, obtained shareholders' approval for, *inter alia*, the sale of the balance 12,366,198 ordinary shares (the "**Option Shares**"), representing approximately 49% of the issued and paid up share capital of York Transport, to TRF on the terms and subject to the conditions of a call and put options agreement entered between the Company and TRF on 5 October 2007 (the "**Option Agreement**").

The Board of Directors of the Company is pleased to announce that TRF had, on 23 March 2012, exercised its option to acquire the Option Shares from the Company (the "**Call Option**") in accordance with the terms and conditions of the Option Agreement. The transaction would be consummated by TRF Holdings Pte. Ltd. (a wholly-owned subsidiary of TRF) and Option Shares shall be purchased by and registered in the name of TRF Holdings Pte. Ltd.

As a result of the exercise of the Call Option by TRF pursuant to the Option Agreement, the Company will sell to TRF Holdings Pte. Ltd. the Option Shares at a cash consideration of S\$22,178,255 (the "**Sale Price**") (the "**Disposal**"). The Sale Price was arrived at by the Company based on a formula as set out in the Option Agreement. Completion of the Disposal shall take place within 21 days from the date of the exercise of the Call Option by TRF.

Shareholders may refer to the Circular which is available via the SGXNET for further information relating to, *inter alia*, the Call Option and the formula for arriving at the Sale Price.

Upon completion of the Disposal, York Transport shall cease to be an associated company of the Company.

York Transport and its subsidiaries are principally engaged in the business of production, manufacturing and distribution of truck and trailer axles and related components.

Financial Effects of the Disposal

The carrying net book value of the Option Shares in the accounts of the Company and its subsidiaries (the "**Group**") was approximately S\$10.4 million as at 31 December 2011.

Accordingly, the excess of the net Sale Price of approximately S\$21.9 million over the net book value of the Option Shares will be S\$11.5 million.

The Disposal is expected to result in a gain of approximately S\$11.5 million for the Group in its financial year ending 31 December 2012.

For illustration purposes only, based on the latest audited consolidated financial statements of the Company for its financial year ended 31 December 2011 and the unaudited accounts of York Transport for its financial year ended 31 December 2011, the financial effects of the Disposal on the Group will be as follows:

(a) Net Tangible Asset (“NTA”) per share

Assuming that the Disposal has been completed on 31 December 2011, the Disposal would have the following impact on the NTA per share of the Group:

	NTA of the Group	NTA per share
Before the Disposal	S\$164.2 million	23.5 cents
After the Disposal	S\$175.7 million	25.1 cents

(b) Earnings per share (“EPS”)

Assuming that the Disposal has been completed on 1 January 2011, the Disposal would have the following impact on the EPS of the Group:

	Net profit attributable to shareholders	EPS
Before the Disposal	S\$7.6 million	1.1 cents
After the Disposal	S\$19.1 million	2.8 cents

Use of Proceeds

The net sale proceeds of approximately S\$21.9 million from the Disposal will be used for working capital purposes. Pending the deployment of the net proceeds for such purpose, the net proceeds may be placed in deposits with financial institutions or invested in short term money market instruments as the Directors may, in their absolute discretion, deem fit.

Relative Figures under Rule 1006 of the Listing Manual

The relative figures for the Disposal computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) and based on the Company’s latest audited consolidated financial statements for its financial year ended 31 December 2011 are as follows:

Rule 1006	Bases	The Disposal (\$'000)	The Group (\$'000)	Relative Figures (%)
(a)	Net asset value of the assets to be disposed of compared with the Group's net asset value as at 31 December 2011.	10,358	171,791	6%
(b)	Net loss attributable to the assets disposed of compared with the Group's net profits as at 31 December 2011.	(247) ⁽¹⁾	7,631	N.A.
(c)	Aggregate value of the consideration received compared with the Company's market capitalisation ⁽²⁾ .	22,178	212,081	10%
(d)	Number of equity securities issued by the Company as consideration for an acquisition compared with the number of equity securities previously in issue.	N.A.	N.A.	N.A.

Notes:

- (1) The unaudited net loss of approximately S\$247,000 is based on 49% of the net loss of York Transport for its financial year ended 31 December 2011. Based on the unaudited accounts of York Transport for its financial year ended 31 December 2011, York Transport recorded a net loss of approximately S\$504,000.
- (2) The market capitalisation of the Company was determined by multiplying the number of issued shares, being 700,168,881 ordinary shares by the weighted average price of such shares transacted on 22 March 2012 of S\$0.3029 per share (being the market day immediately preceding the date of the exercise of the Call Option).

The Company had, at its extraordinary general meeting held on 26 September 2007, obtained shareholders' approval for, *inter alia*, the Disposal.

In addition, based on the relative figures as computed above, the Disposal constitutes a "Discloseable Transaction" under Chapter 10 of the Listing Manual as the relative figures computed under Rule 1006 exceeds 5% but does not exceed 20%.

Interests of Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Disposal (other than through their shareholding interests in the Company).

Documents for Inspection

Copies of the Option Agreement and the notice as put forth by TRF for the exercise of the Call Option will be made available for inspection at the Company's registered office at 6 Pioneer Sector 1, Singapore 628418 during normal business hours for a period of three months from the date of this announcement.

Note to shareholders: As this event occurred after the printing of the Company's 2011 Annual Report, the Disposal has not been disclosed in the Annual Report.

By Order of the Board
Baker Technology Limited

Nga Ko Nie
Company Secretary
26 March 2012