



BAKER TECHNOLOGY LIMITED

Company Registration No.: 198100637D

Quarterly Financial Statement And Dividend Announcement for the Period Ended 31 March 2008

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

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

		Group		
		3 months ended 31 March 2008	3 months ended 31 March 2007	Change
		S\$'000	S\$'000	%
	(a)	-	14,249	NM
Revenue				
		-	(11,382)	NM
Cost of goods sold				
Gross profit	(a)	-	2,867	NM
Other operating income		90	263	(66%)
Administrative expenses		(215)	(1,758)	(88%)
Selling and distribution expenses		-	(718)	(100%)
Other operating expenses		-	(9)	(100%)
Finance cost		-	(61)	(100%)
Share of results of associates	(b)	203	-	100%
Profit before taxation	(c)	78	584	(87%)
Income tax expenses		(9)	(252)	(96%)
Net profit attributable to equity holders of the Company	(a)	69	332	(79%)

NM – Not meaningful

Explanatory notes:

- (a) The comparative figures for 2007 included revenue and related costs and expenses from the manufacturing and distribution of trailer axles and related components by York Transport (Asia) Equipment Pte Ltd and its subsidiaries ("York Transport"). The result of York Transport was consolidated up till 5 October 2007 when the Group disposed its 51% interest.
- (b) This relates to the Group's share of result in York Transport of its remaining 49% interest.
- (c) Profit before taxation is stated after charging / (crediting):

		Group		
		3 months ended 31 March 2008	3 months ended 31 March 2007	Change
		S\$'000	S\$'000	%
Depreciation		1	152	(99%)
Foreign exchange gain		(12)	(200)	(94%)
Royalty income		-	(63)	(100%)
Interest income		(78)	-	100%

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

	<u>Group</u>		<u>Company</u>	
	<u>31/3/2008</u>	<u>31/12/2007</u>	<u>31/3/2008</u>	<u>31/12/2007</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>Non-current assets</u>				
Property, plant and equipment	4	5	4	5
Investment in subsidiaries	-	-	3,600	3,600
Investment in associates	(a) 11,310	11,712	9,616	9,616
Other investment	(b) 5,066	5,066	-	-
	<u>16,380</u>	<u>16,783</u>	<u>13,220</u>	<u>13,221</u>
<u>Current assets</u>				
Other receivables	166	32	166	32
Cash and cash equivalents	27,548	27,206	15,498	15,203
	<u>27,714</u>	<u>27,238</u>	<u>15,664</u>	<u>15,235</u>
<u>Current liabilities</u>				
Other liabilities	189	197	184	151
Amount due to vendors	(c) 2,000	2,000	2,000	2,000
Tax payable	205	196	-	-
	<u>2,394</u>	<u>2,393</u>	<u>2,184</u>	<u>2,151</u>
Net current assets	25,320	24,845	13,480	13,084
Net assets	<u>41,700</u>	<u>41,628</u>	<u>26,700</u>	<u>26,305</u>
<u>Equity attributable to equity holders of the Company</u>				
Share capital	18,113	18,110	18,113	18,110
Reserves	23,587	23,518	8,587	8,195
Total equity	<u>41,700</u>	<u>41,628</u>	<u>26,700</u>	<u>26,305</u>

Explanatory notes:

- (a) This relates to the 49% stake in York group of companies, previously wholly owned subsidiaries of the Company.
- (b) The amount relates to the 15% equity stake in PPL Shipyard Pte Ltd ("PPLS") through the acquisition of 100% of PPL Holdings Pte Ltd in May 2007.
- (c) These relate to the instalment payments of \$1,000,000 each due in May 2008 and November 2008 in relation to the acquisition of PPL Holdings Pte Ltd.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

<u>As at 31/3/2008</u>		<u>As at 31/12/2007</u>	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31/3/2008		As at 31/12/2007	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

Not applicable.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	3 months ended 31 March 2008 S\$'000	3 months ended 31 March 2007 S\$'000
Cash flows from operating activities:		
Profit before tax	78	584
Adjustments for:		
Depreciation	1	152
Interest income	(78)	-
Interest expenses	-	61
Share of results of associates	(203)	-
Operating (loss) / profit before working capital changes	(202)	797
Decrease in trade receivables	-	746
Increase in other receivables	(134)	(961)
Decrease in inventories	-	1,284
Increase in trade payables	-	638
Decrease in other liabilities	(8)	(208)
Net cash flows (used in) / from operations	(344)	2,296
Interest received	78	-
Interest paid	-	(61)
Income tax refunded	-	9
Net cash flows (used in) / from operating activities	(266)	2,244
Cash flows from investing activities:		
Dividend received	605	-
Purchase of property, plant and equipment	-	(205)
Net cash flows from / (used in) investing activities	605	(205)
Cash flows from financing activities:		
Net proceeds from conversion of warrants	3	-
Repayment of loans and borrowings	-	(727)
Repayment of finance leases	-	(37)
Net cash flows from / (used in) financing activities	3	(764)
Net increase in cash and cash equivalents	342	1,275
Cash and cash equivalents at beginning of period	27,206	1,569
Effect of exchange rate changes on cash and cash equivalents	-	51
Cash and cash equivalents at end of period	27,548	2,895
Cash and cash equivalents at end of period comprised of:		
Cash at banks and in hand	1,120	2,895
Short-term deposits	26,428	-
	27,548	2,895

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital	Capital reserve	Foreign currency translation reserve	Accumulated profits	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1/1/2007	18,006	1,928	993	1,194	4,115	22,121
Net effect of exchange differences	-	-	25	-	25	25
Profit for the period	-	-	-	332	332	332
Balance at 31/3/2007	18,006	1,928	1,018	1,526	4,472	22,478
Net effect of exchange differences	-	-	30	-	30	30
Issuance of new shares from conversion of warrants	35	-	-	-	-	35
Profit for the period	-	-	-	722	722	722
Balance at 30/6/2007	18,041	1,928	1,048	2,248	5,224	23,265
Net effect of exchange differences	-	-	62	-	62	62
Issuance of new shares from conversion of warrants	60	-	-	-	-	60
Profit for the period	-	-	-	1,099	1,099	1,099
Balance at 30/9/2007	18,101	1,928	1,110	3,347	6,385	24,486
Net effect of exchange differences	-	-	(117)	-	(117)	(117)
Disposal of subsidiaries	-	416	(993)	-	(577)	(577)
Issuance of new shares from conversion of warrants	9	-	-	-	-	9
Profit for the period	-	-	-	17,827	17,827	17,827
Balance at 31/12/2007	18,110	2,344	-	21,174	23,518	41,628
Issuance of new shares from conversion of warrants	3	-	-	-	-	3
Profit for the period	-	-	-	69	69	69
Balance at 31/3/2008	18,113	2,344	-	21,243	23,587	41,700

Company	Share capital	Capital reserve	Accumulated profits	Total reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1/1/2007	18,006	2,344	256	2,600	20,606
Loss for the period	-	-	(199)	(199)	(199)
Balance at 31/3/2007	18,006	2,344	57	2,401	20,407
Issuance of new shares from conversion of warrants	35	-	-	-	35
Loss for the period	-	-	(319)	(319)	(319)
Balance at 30/6/2007	18,041	2,344	(262)	2,082	20,123
Issuance of new shares from conversion of warrants	60	-	-	-	60
Loss for the period	-	-	(255)	(255)	(255)
Balance at 30/9/2007	18,101	2,344	(517)	1,827	19,928
Issuance of new shares from conversion of warrants	9	-	-	-	9
Profit for the period	-	-	6,368	6,368	6,368
Balance at 31/12/2007	18,110	2,344	5,851	8,195	26,305
Issuance of new shares from conversion of warrants	3	-	-	-	3
Profit for the period	-	-	392	392	392
Balance at 31/3/2008	18,113	2,344	6,243	8,587	26,700

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

During the period ended 31 March 2008, a total of 123,388 warrants were exercised at \$0.025 each. As at 31 March 2008, 24,202,243 warrants remained outstanding (31 December 2007 - 24,325,631 warrants).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

As at 31 March 2008, the Company's issued share capital was S\$18,113,234 comprising 631,297,576 ordinary shares (31 December 2007 – 631,174,188 ordinary shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by its auditors, Messrs Ernst & Young.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The accounting policies and methods of computation applied in the financial statements for the current financial period are consistent with those of the audited financial statements for the year ended 31 December 2007.

The new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS that are applicable for the current financial year has no material effect on the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	3 months ended 31 March 2008	3 months ended 31 March 2007
(i) Basic earnings per share (in cents)	0.01	0.05
(ii) Diluted earnings per share (in cents)	0.01	0.05

- (i) Basic earnings per ordinary shares for the financial period ended 31 March 2008 was calculated based on the weighted average number of ordinary shares in issue of 631,253,524 (31 March 2007 - 627,000,247).
- (ii) Earnings per share for the financial period ended 31 March 2008 on a fully diluted basis was calculated based on the number of ordinary shares in issue during the period adjusted for the dilutive effect of 24,202,243 warrants (31 March 2007 – 28,498,819).

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	31/3/2008	31/12/2007	31/3/2008	31/12/2007
Net Asset Value per ordinary share based on issued share capital at the end of the period (in cents)	6.6	6.6	4.2	4.2

Net asset value per ordinary share as at 31 March 2008 and 31 December 2007 was calculated based on the number of shares in issue of 631,297,576 and 631,174,188 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The decrease in the Group's reported revenue, gross profit and profit attributable to shareholders was attributed to the disposal of York Transport in the fourth quarter of 2007.

As the completion of the acquisition of Sea Deep Shipyard Pte. Ltd. and its subsidiary occurred after 31 March 2008, there is no reported revenue for the 3 months ended 31 March 2008. For the current period, the Group's profit attributable to shareholders mainly comprised of:

- Share of result in York Transport of \$203,000;
- Interest income of \$78,000; and
- Operating expenses of \$215,000.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

There is no material variance from the previous outlook statement.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

With the completion of the acquisition of Sea Deep Shipyard Pte. Ltd. and its subsidiary (the "SDSPL group") on 30 April 2008, the Group is now principally involved in the offshore marine industry. In addition, the Group is involved in the truck and trailer axle business through its 49% stake in York Transport and also owns a 15% equity stake in PPL Shipyard Pte Ltd.

The marine industry, specifically the oil and gas sector, has generally remained robust, supported by strong order books and high oil prices. In this regard, the SDSPL group shall continue to enjoy strong demand for its products and the profitability of the SDSPL group in FY 2008 is expected to improve over the reported net profit of \$12.8 million in FY 2007. As for the truck and trailer axle business, the Group expects the operating environment to remain challenging and competitive.

Barring any unforeseen circumstances, the Directors are optimistic that the Group's performance will improve significantly in the remaining months of 2008.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended by the Company.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable.

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Refer to paragraphs 8 and 10 above.

- 15. A breakdown of sales**

Not applicable.

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	0	0
Preference	0	0
Total	0	0

- 17. Confirmation by the Board**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to its attention which may render the first quarter 2008 financial results to be false or misleading.

BY ORDER OF THE BOARD

Aw Seok Chin
Company Secretary

8 May 2008