



BAKER TECHNOLOGY LIMITED
Company Registration No.: 198100637D

Media Release

Baker Tech reports 1Q 2014 net profit of S\$1.8m

Y/E Dec (S\$ million)	1Q 2014	1Q 2013	Chg %
Revenue	18.5	25.1	(26)
Cost of goods sold	(13.6)	(19.0)	(29)
Gross Profit	4.9	6.0	(18)
Admin Expenses	(2.7)	(1.8)	48
Other Operating Income/Expenses, net	0.1	0.1	NM
Share of Results of Associates	-	(0.1)	(100)
Profit before tax	2.4	4.2	(43)
Net Profit	1.8	3.2	(46)
Basic EPS* (cents)	0.20	0.44	
Diluted EPS⁺ (cents)	0.19	0.32	

* based on a weighted average number of 872,487,990 ordinary shares for the financial period ended 31 March 2014 (31 March 2013 — 741,814,478)

+ based on the number of ordinary shares in issue during the financial period ended 31 March 2014 adjusted for dilutive effect of 142,764,822 warrants (31 March 2013 — 261,392,952 warrants).

25 April 2014 – Baker Technology Limited ('Baker Tech' or 'the Group') 巴克科技有限公司, a leading manufacturer and provider of specialised marine offshore equipment and services for the oil and gas industry, reported net profit of S\$1.8 million on revenue of S\$18.5 million for the three months ended 31 March 2014 (1Q 2014).

1Q 2014 Performance

Revenue for the Group in the three months ended 31 March 2014 fell by 26% to S\$18.5 million from S\$25.1 million a year ago, dampened by lower contribution from new projects secured in late 2013/early 2014 which were at infancy stages of construction.

As at the end of March 2014, the Group's net order book stood at US\$54 million, similar to the level reported at 31 December 2013. These orders are expected to be completed within the next 12 to 18 months.

The Group's net profit was S\$1.8 million in 1Q 2014, down from S\$3.2 million a year ago. This was due to lower revenue and higher administrative expenses of S\$0.9 million, stemming from higher payroll cost and operating expenses with the newly incorporated subsidiaries and new premises.

Group shareholders' fund increased to S\$241.8 million as of 31 March 2014, from S\$239.8 million as of 31 December 2013. This was due to retained profits for the quarter ended 31 March 2014 and the increase in share capital following the conversion of warrants by warrant holders.

The Group's financial position remains sturdy with S\$200.4 million in cash and short-term deposits, and zero gearing.

Outlook

Although global Exploration and Production spending is expected to be high in 2014, most of it will be focused in America with Asia and the Middle East experiencing flat to low growth in spending. In addition, despite the flatlining of China's import of petroleum and other liquids resulting in reduced capex spend, the penetration of Chinese rig makers, oil & gas services and engineering firms along the entire supply chain is increasing. The strong government support, cheap and plentiful labour, significant supply of raw materials and abundance of available space has allowed for very competitive pricing, therefore increasing pressure on international yards and manufacturers. On the other hand, with the increased focus on production vs exploration as well as cost efficiency and reduction, we expect an increased emphasis on shallow water production, driving up the demand and day rates for jack ups vs floaters. There could be an increase in new rig orders, exercise of existing options and new players in the market. The long term prospects therefore remain positive with the short to medium term outlook competitive and challenging with the need to focus on value added, technologically advanced products.

"A potential increase in demand for jack ups set against the backdrop of flat to decreasing E&P spending in the region and increased competition from Chinese players, make for a competitive and challenging short to medium term. However in the long term, the sector outlook continues to remain positive. The Group is poised to tackle sector headwinds with its strong balance sheet and cash position"

- Chairman, Mr. Lim Ho Seng (林穆升)

Adjustment of Exercise Price of 2012 Warrants

At the Group's Annual General Meeting (AGM), shareholders approved the payout of a first and final tax exempt dividend of 1.0 cent, and a special tax exempt dividend of 4.0 cents per share, due to its investment gains in recent years. In view of the lower intrinsic value of the shares following this dividend payout, the Board has recommended that the exercise price of the 2012 warrants be lowered from S\$0.185 to S\$0.145 per share, effective from 12 May 2014.

About Baker Technology Limited (Bloomberg: BTL SP, Reuters: BATE.SI)

Baker Technology Limited (Baker Tech) is a leading manufacturer and provider of specialised equipment and services for the oil & gas industry. Its core business is in the design and construction of a wide range of equipment and components for use in the offshore environment. These include offshore pedestal cranes, anchor winches, skidding systems, jacking systems and raw water tower structures. It also provides services such as project management, engineering services, quality assurance, and construction supervision. Baker Tech has market presence in China, the Middle East, Asia and USA.

Please visit us at www.bakertech.com.sg

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