



**BAKER TECHNOLOGY LIMITED**  
**(UEN 198100637D)**  
**(Incorporated in Singapore)**

**Unaudited Condensed Interim Financial Statements**  
**For the six months and full year ended 31 December 2021**

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## A. Condensed interim consolidated statement of comprehensive income

	Note	Group					
		6 months ended			12 months ended		
		31 Dec 2021 S\$'000	31 Dec 2020 S\$'000	Change %	31 Dec 2021 S\$'000	31 Dec 2020 S\$'000	Change %
<b>Revenue</b>	4	39,122	31,478	+24	69,497	63,164	+10
Cost of sales		(29,587)	(25,055)	+18	(51,320)	(54,332)	-6
<b>Gross profit</b>		9,535	6,423	+48	18,177	8,832	+106
Other expenses, net		(3,208)	(16,838)	-81	(1,201)	(13,823)	-91
Administrative expenses		(6,869)	(11,801)	-42	(13,879)	(20,128)	-31
Finance cost		(313)	(370)	-15	(657)	(788)	-17
<b>Profit/(loss) before tax</b>	6	(855)	(22,586)	-96	2,440	(25,907)	NM
Income tax credit/(expenses)	7	447	(34)	NM	446	(26)	NM
<b>Profit/(loss) for the period</b>		(408)	(22,620)	-98	2,886	(25,933)	NM
<b>Profit/(loss) for the period attributable to:</b>							
Owners of the Company		1,820	(11,443)	NM	5,886	(13,797)	NM
Non-controlling interests		(2,228)	(11,177)	-80	(3,000)	(12,136)	-75
		(408)	(22,620)	-98	2,886	(25,933)	NM
<b>Other comprehensive income:</b>							
<i>Items that maybe reclassified subsequently to profit or loss</i>							
Net fair value gain on equity instruments at fair value		32	340	-91	32	340	-91
Net fair value loss on debt instruments at fair value		(6)	–	NM	(3)	–	NM
Foreign currency translation		425	(5,304)	NM	1,849	(1,174)	NM
<b>Other comprehensive income for the period, net of tax</b>		451	(4,964)	NM	1,878	(834)	NM
<b>Total comprehensive income for the period</b>		43	(27,584)	NM	4,764	(26,767)	NM
<b>Total comprehensive income for the period attributable to:</b>							
Owners of the Company		2,103	(14,349)	NM	7,040	(14,263)	NM
Non-controlling interests		(2,060)	(13,235)	-84	(2,276)	(12,504)	-82
		43	(27,584)	NM	4,764	(26,767)	NM
<b>Earnings per share attributable to Owners of the Company</b>							
Basic and diluted (in cents)	8	0.9	(5.6)		2.9	(6.8)	

NM – Not meaningful

## B. Condensed interim statements of financial position

	Note	Group		Company	
		31 Dec 2021 \$'000	31 Dec 2020 \$'000	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	9	160,885	180,310	3	3
Right-of-use assets		3,184	4,324	–	–
Intangible assets		776	1,034	–	–
Investment in subsidiaries		–	–	88,600	88,600
Investment securities		2,817	2,513	2,817	2,513
		<u>167,662</u>	<u>188,181</u>	<u>91,420</u>	<u>91,116</u>
<b>Current assets</b>					
Contract assets		6,002	2,183	–	–
Inventories and work-in-progress		3,485	2,373	–	–
Trade and other receivables	10	23,518	18,923	100	97
Amounts due from subsidiaries		–	–	94,392	101,186
Loan to an associated company		5,824	5,780	–	–
Cash and short-term deposits		59,760	44,316	42,459	24,556
		<u>98,589</u>	<u>73,575</u>	<u>136,951</u>	<u>125,839</u>
Assets held for sale	9	–	1,748	–	–
		<u>98,589</u>	<u>75,323</u>	<u>136,951</u>	<u>125,839</u>
<b>Less: Current liabilities</b>					
Contract liabilities		928	316	–	–
Trade and other payables		12,221	10,868	589	538
Loans and borrowings	11	9,452	10,008	–	–
Amounts due to subsidiaries		–	–	4,225	4,861
Income tax payable		293	1,107	–	–
		<u>22,894</u>	<u>22,299</u>	<u>4,814</u>	<u>5,399</u>
<b>Net current assets</b>		<b>75,695</b>	<b>53,024</b>	<b>132,137</b>	<b>120,440</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		3,730	4,417	–	–
Loans and borrowings	11	5,624	7,549	–	–
Provision		1,550	1,550	–	–
		<u>10,904</u>	<u>13,516</u>	<u>–</u>	<u>–</u>
<b>Net assets</b>		<b>232,453</b>	<b>227,689</b>	<b>223,557</b>	<b>211,556</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	12	108,788	108,788	108,788	108,788
Reserves		92,305	85,265	114,769	102,768
		<u>201,093</u>	<u>194,053</u>	<u>223,557</u>	<u>211,556</u>
Non-controlling interests		31,360	33,636	–	–
<b>Total equity</b>		<b>232,453</b>	<b>227,689</b>	<b>223,557</b>	<b>211,556</b>

**C. Condensed interim statements of changes in equity**

Group	Attributable to owners of the Company							
	Share capital (Note 12) \$'000	Capital reserve <sup>(1)</sup> \$'000	Retained earnings \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Total reserves \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>2021</b>								
<b>At 1 January 2021</b>	108,788	2,344	83,790	901	(1,770)	85,265	33,636	227,689
Profit for the year	–	–	5,886	–	–	5,886	(3,000)	2,886
<u>Other comprehensive income</u>								
Net fair value changes on equity instruments at FVOCI	–	–	–	32	–	32	–	32
Net fair value changes on debt instruments at FVOCI	–	–	–	(3)	–	(3)	–	(3)
Foreign currency translation	–	–	–	–	1,125	1,125	724	1,849
Total comprehensive income for the year	–	–	5,886	29	1,125	7,040	(2,276)	4,764
<b>At 31 December 2021</b>	108,788	2,344	89,676	930	(645)	92,305	31,360	232,453
<b>2020</b>								
<b>At 1 January 2020</b>	108,788	2,344	98,601	561	(964)	100,542	46,140	255,470
Loss for the year	–	–	(13,797)	–	–	(13,797)	(12,136)	(25,933)
<u>Other comprehensive income</u>								
Net fair value changes on equity instruments at FVOCI	–	–	–	340	–	340	–	340
Foreign currency translation	–	–	–	–	(806)	(806)	(368)	(1,174)
Total comprehensive income for the year	–	–	(13,797)	340	(806)	(14,263)	(12,504)	(26,767)
<u>Contributions by and distributions to owners</u>								
Dividend on ordinary shares	–	–	(1,014)	–	–	(1,014)	–	(1,014)
<b>At 31 December 2020</b>	108,788	2,344	83,790	901	(1,770)	85,265	33,636	227,689

**C. Condensed interim statements of changes in equity (cont'd)**

Company	Attributable to owners of the Company					Total equity \$'000
	Share capital (Note 12) \$'000	Capital reserve <sup>(1)</sup> \$'000	Retained earnings \$'000	Fair value reserve \$'000	Total reserves \$'000	
<b>2021</b>						
<b>At 1 January 2021</b>	108,788	2,344	99,523	901	102,768	211,556
Profit for the year	–	–	11,972	–	11,972	11,972
<u>Other comprehensive income</u>						
Net fair value changes on equity instruments at FVOCI	–	–	–	32	32	32
Net fair value changes on debt instruments at FVOCI	–	–	–	(3)	(3)	(3)
Total comprehensive income for the year	–	–	11,972	29	12,001	12,001
<b>At 31 December 2021</b>	108,788	2,344	111,495	930	114,769	223,557
<b>2020</b>						
<b>At 1 January 2020</b>	108,788	2,344	90,769	561	93,674	202,462
Profit for the year	–	–	9,768	–	9,768	9,768
<u>Other comprehensive income</u>						
Net fair value changes on equity instruments at FVOCI	–	–	–	340	340	340
Total comprehensive income for the year	–	–	9,768	340	10,108	10,108
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	–	–	(1,014)	–	(1,014)	(1,014)
<b>At 31 December 2020</b>	108,788	2,344	99,523	901	102,768	211,556

(1) Capital reserve arose from restructuring exercise in prior years.

#### D. Condensed interim consolidated statement of cash flows

		Group	
	Note	12 months ended 2021	31 Dec 2020
		\$'000	\$'000
<b>Cash flows from operating activities</b>			
Profit/(loss) before tax	6	2,440	(25,907)
Adjustments for:			
Bad debts expense		13	–
Depreciation of property, plant and equipment		13,441	16,132
Depreciation of right-of-use assets		1,140	1,141
Amortisation of intangible assets		258	259
Inventories written down		34	137
Impairment of vessels		–	11,712
Impairment on loan to an associated company		82	1,605
(Reversal of)/allowance for expected credit losses		(1,468)	2,958
Interest income		(94)	(249)
Interest expense		657	788
Unrealised foreign exchange (gain)/loss		(1,015)	1,687
Loss on disposal of property, plant and equipment		3,829	2,230
		<hr/>	<hr/>
<b>Operating cash flows before working capital changes</b>		19,317	12,493
(Increase)/decrease in inventories and work-in-progress		(1,146)	127
Increase in contract assets		(3,819)	(1,199)
Increase in contract liabilities		612	47
Increase in trade and other receivables		(3,465)	(1,350)
Increase/(decrease) in trade and other payables		1,880	(5,707)
		<hr/>	<hr/>
<b>Cash flows from operations</b>		13,379	4,411
Interest received		92	261
Interest paid		(657)	(788)
Income tax paid		(1,147)	(1,270)
		<hr/>	<hr/>
<b>Net cash flows from operating activities</b>		11,667	2,614
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(2,291)	(6,662)
Proceeds from disposal of property, plant and equipment		7,709	3,444
Maturity of investment securities		671	270
Purchase of investment securities		(938)	–
		<hr/>	<hr/>
<b>Net cash flows from/(used in) investing activities</b>		5,151	(2,948)
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		1,500	3,500
Repayment of borrowings		(3,132)	(1,209)
Payment of principal portion of lease liabilities		(849)	(799)
Dividend on ordinary shares		–	(1,014)
		<hr/>	<hr/>
<b>Net cash flows (used in)/from financing activities</b>		(2,481)	478
		<hr/>	<hr/>
Net increase in cash and cash equivalents		14,337	144
Effect of exchange rate changes on cash and cash equivalents		1,107	(1,050)
Cash and cash equivalents at beginning of financial year		44,316	45,222
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of financial year</b>		59,760	44,316
		<hr/> <hr/>	<hr/> <hr/>

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

Baker Technology Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2021 comprised the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are investment holding and the provision of specialised marine offshore equipment and services for the oil and gas industry.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (SGD or \$), which is the Company’s functional currency, and all values in the tables are rounded to the nearest thousand (\$’000), except when otherwise indicated.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions were reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there were no significant judgements made in applying the accounting policies in the condensed interim financial statements.

## **E. Notes to the condensed interim consolidated financial statements (Cont'd)**

### **2.2 Use of judgements and estimates (cont'd)**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 9 – impairment test on vessels
- Note 10 – allowance for expected credit losses of trade receivables

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### **4. Segment and revenue information**

The Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- (i) The marine offshore segment is essentially the Group's principal business activity as manufacturers and providers of specialised marine offshore equipment and services for the oil and gas industry. The Group's core business is in the design, construction, operating and chartering of mobile offshore units and offshore services vessels, along a wide range of critical equipment and components for the offshore marine industry.
- (ii) The investments segment relates to the Group's investments in available-for-sale investments.
- (iii) The corporate segment is involved in Group-level corporate services and treasury functions.

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 4.1 Reportable segments

The following table present revenue and profit information for the Group's operating segments for the 6 months ended 31 December 2021 ("2H2021") and 2020 ("2H2020"), respectively:

	Marine offshore		Investments		Corporate		Adjustments and elimination		Consolidated	
	2H2021 \$'000	2H2020 \$'000	2H2021 \$'000	2H2020 \$'000	2H2021 \$'000	2H2020 \$'000	2H2021 \$'000	2H2020 \$'000	2H2021 \$'000	2H2020 \$'000
Revenue from external customers	39,122	31,478	–	–	–	–	–	–	39,122	31,478
Results:										
Depreciation and amortisation	(7,391)	(8,652)	–	–	(2)	–	–	–	(7,393)	(8,652)
Interest income	6	24	3	–	29	20	–	–	38	44
Finance cost	(313)	(370)	–	–	–	–	–	–	(313)	(370)
Inventories written down	(34)	(137)	–	–	–	–	–	–	(34)	(137)
Impairment of vessels	–	(11,712)	–	–	–	–	–	–	–	(11,712)
Segment profit/(loss)	2	(20,263)	11,484	7,444	12,079	9,473	(24,420)	(19,240)	(855)	(22,586)
Other segment information:										
Additions to non-current assets:-										
- Purchase of property, plant and equipment	1,072	3,905	–	–	–	2	–	–	1,072	3,907

The following table present revenue and profit information for the Group's operating segments for the 12 months ended 31 December 2021 and 31 December 2020, respectively:

	Marine offshore		Investments		Corporate		Adjustments and elimination		Consolidated	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Revenue from external customers	69,497	63,164	–	–	–	–	–	–	69,497	63,164

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 4.1 Reportable segments (Cont'd)

	Marine offshore		Investments		Corporate		Adjustments and elimination		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Results:										
Depreciation and amortisation	(14,836)	(17,530)	–	–	(3)	(2)	–	–	(14,839)	(17,532)
Interest income	21	140	22	–	51	109	–	–	94	249
Finance cost	(657)	(788)	–	–	–	–	–	–	(657)	(788)
Inventories written down	(34)	(137)	–	–	–	–	–	–	(34)	(137)
Impairment of vessels	–	(11,712)	–	–	–	–	–	–	–	(11,712)
Segment profit/(loss)	3,814	(23,276)	11,497	7,231	11,939	9,768	(24,810)	(19,630)	2,440	(25,907)
Other segment information:										
Purchase of investment securities	–	–	938	–	–	–	–	–	938	–
Additions to non-current assets:-										
- Purchase of property, plant and equipment	2,288	6,660	–	–	3	2	–	–	2,291	6,662

The following table presents assets and liabilities information for the Group's operating segments as at 31 December 2021 and 31 December 2020, respectively:

	Marine offshore	Investments	Corporate	Adjustments and elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets					
31 December 2021	220,465	50,336	42,563	(47,113)	266,251
31 December 2020	231,239	54,722	24,656	(47,113)	263,504
Segment liabilities					
31 December 2021	33,193	16	589	–	33,798
31 December 2020	35,257	20	538	–	35,815

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 4.1 Reportable segments (Cont'd)

#### Geographical information

	Group Revenue from external customers			
	6 months ended		12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
Asia Pacific (excluding China and Singapore)	20,524	24,506	39,918	45,688
Singapore	4,393	2,065	6,349	4,182
Africa	7,225	1,294	13,794	3,810
Americas	575	1,866	668	3,787
Europe	4,514	969	6,550	3,236
Middle East	1,858	736	2,180	2,415
China	33	42	38	46
	39,122	31,478	69,497	63,164

	Group Non-current assets	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
Asia Pacific (excluding China and Singapore)	–	10,271
Singapore	164,845	175,397
	164,845	185,668

Segment revenue is based on the countries in which customers are invoiced. Non-current assets information consists of property, plant and equipment, right-of-use assets and intangible assets as presented in the consolidated balance sheet and are based on the geographical location of the entities.

### 4.2 Disaggregation of revenue

	Group			
	6 months ended		12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
Marine offshore revenue	36,602	30,045	66,040	59,542
Spare sales	2,520	1,433	3,457	3,622
	39,122	31,478	69,497	63,164

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 4.2 Disaggregation of revenue (Cont'd)

	6 months ended 2021		6 months ended 2020	
	At a point in time \$'000	Over time \$'000	At a point in time \$'000	Over time \$'000
Asia Pacific (excluding China and Singapore)	100	20,424	12	24,494
Singapore	116	4,277	349	1,716
Africa	17	7,208	9	1,285
Americas	43	532	160	1,706
Europe	353	4,161	163	806
Middle East	1,858	–	698	38
China	33	–	42	–
	2,520	36,602	1,433	30,045

  

	12 months ended 2021		12 months ended 2020	
	At a point in time \$'000	Over time \$'000	At a point in time \$'000	Over time \$'000
Asia Pacific (excluding China and Singapore)	267	39,651	219	45,469
Singapore	432	5,917	588	3,594
Africa	51	13,743	35	3,775
Americas	136	532	256	3,531
Europe	353	6,197	163	3,073
Middle East	2,180	–	2,315	100
China	38	–	46	–
	3,457	66,040	3,622	59,542

A breakdown of sales:

	Group		
	31 Dec 2021 \$'000	31 Dec 2020 \$'000	Change %
Sales reported for the first half year	30,375	31,686	-4
Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	3,294	(3,313)	NM
Sales reported for second half year	39,122	31,478	+24
Operating loss after tax before deducting non-controlling interests reported for second half year	(408)	(22,620)	-98

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 2020:

	Group		Company	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Financial assets</b>				
<i>Equity securities at fair value through other comprehensive income</i>				
- Corporate bonds (quoted) (Level 1)	272	–	272	–
- Unquoted equity securities (Level 2)	2,545	2,513	2,545	2,513
Trade and other receivables (excluding GST recoverable and prepaid expenses)	22,589	18,305	64	65
Amounts due from subsidiaries	–	–	94,392	101,186
Cash and short-term deposits	59,760	44,316	42,459	24,556
Loan to associated company	5,824	5,780	–	–
Total undiscounted financial assets	90,990	70,914	139,732	128,320
<b>Financial liabilities</b>				
Trade and other payables (excluding deferred income and provision for reinstatement)	12,221	10,321	589	529
Amounts due to subsidiaries	–	–	4,225	4,861
Loans and borrowings	12,610	14,887	–	–
Lease liabilities	2,917	3,952	–	–
Total undiscounted financial liabilities	27,748	29,160	4,814	5,390
Total net undiscounted financial assets	63,242	41,754	134,918	122,930

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 6. Profit/(loss) before tax

#### 6.1 Significant items

	Group			
	6 months ended		12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
<b>Income:</b>				
Grant income	660	1,295	1,318	2,647
Interest income	38	44	94	249
Foreign exchange gain	–	–	187	–
Reversal of expected credit losses	1,468	–	1,468	–
<b>Expenses:</b>				
Depreciation of property, plant and equipment	6,694	7,951	13,441	16,132
Depreciation of right-of-use assets	570	571	1,140	1,141
Amortisation of intangible assets	129	130	258	259
Loss on disposal of property, plant and equipment	4,727	2,230	3,829	2,230
Foreign exchange loss	55	2,636	–	1,220
Interest expenses	313	370	657	788
Inventories written down	34	137	34	137
Allowance for expected credit losses	–	2,958	–	2,958
Bad debt expenses	3	–	13	–
Impairment of vessels	–	11,712	–	11,712
Impairment of loan to an associated company	82	1,605	82	1,605

#### 6.2 Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group			
	6 months ended		12 months ended	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
Management and agency fee from associated companies	34	83	223	156
Interest income from an associated company	–	16	–	73

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 7. Income tax expense/(credit)

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	6 months ended 31 Dec 2021 \$'000	31 Dec 2020 \$'000	12 months ended 31 Dec 2021 \$'000	31 Dec 2020 \$'000
<b>Statement of comprehensive income:</b>				
<i>Current income tax:</i>				
- Current income taxation	19	541	19	541
- Under/(over) provision in respect of prior years	312	534	313	526
	<hr/>		<hr/>	
	331	1,075	332	1,067
<i>Deferred income tax:</i>				
- Origination and reversal of temporary differences	(778)	(1,041)	(778)	(1,041)
	<hr/>		<hr/>	
Income tax (credit)/expenses recognised in the statement of comprehensive income	(447)	34	(446)	26
	<hr/>		<hr/>	

### 8. Earnings per share and net asset value per share

Basic earnings per ordinary share for the six months and full year ended 31 December 2021 and 31 December 2020 are calculated by dividing profit/(loss) for the financial period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial periods of 202,877,948.

The Group has no dilution in its earnings per share at 31 December 2021 and 31 December 2020.

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net asset value per ordinary share based on issued share capital at the end of the period (in cents)	99.1	95.7	110.2	104.3
	<hr/>		<hr/>	

Net asset value per ordinary share as at 31 December 2021 and 31 December 2020 are calculated based on the number of ordinary shares in issue of 202,877,948.

## **E. Notes to the condensed interim consolidated financial statements (Cont'd)**

### **9. Property, plant and equipment**

During the year ended 31 December 2021, the Group acquired assets amounting to \$2,291,000 (31 December 2020: \$6,662,000) and disposed assets amounting to \$9,819,000 (31 December 2020: \$5,674,000).

In December 2020, the Group entered into agreements with an external party for the sale of two of its vessels. The sales were subsequently completed in January and February 2021. As a result, the carrying value of these vessels and the related dry-docking expenditure of \$1,748,000 were transferred to assets held for sale as of 31 December 2020.

#### Impairment testing on vessels

As at 31 December 2021, the Group carried out a review of the recoverable amount of its vessels due to the continued weakness in the oil and gas industry. The recoverable amount of the vessels was based on its value in use and the pre-tax discount rate was 9.5% (31 December 2020: 9.5%). As the recoverable amount was computed to be higher than the carrying value, no impairment loss was recognised during 2021 (2020: impairment loss of \$11,712,000 recognised).

### **10. Trade receivables**

As at 31 December 2021, the carrying amount of the Group's trade receivables, net of allowance for expected credit losses ("ECL") of \$3,407,000 (31 December 2020: \$4,962,000) amounted to \$20,287,000 (31 December 2020: \$15,456,000), which represented 17% (31 December 2020: 21%) of its current assets.

#### Allowance for expected credit losses of trade receivables

The Group uses a provision to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customers segments that have similar loss patterns. The provision matrix is initially based on the Group's historical default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. As at 31 December 2021, the Group assessed that the ECL provision recorded is adequate.

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 11. Loans and borrowings

	Group	
	31 Dec 2021	31 Dec 2020
	\$'000	\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	7,343	8,766
Unsecured	2,109	1,242
	<hr/>	<hr/>
	9,452	10,008
	<hr/>	<hr/>
<u>Amount repayable after one year</u>		
Secured	462	1,786
Unsecured	5,162	5,763
	<hr/>	<hr/>
	5,624	7,549
	<hr/>	<hr/>
Total loans and borrowings	15,076	17,557

The secured bank borrowing is secured by a subsidiary's vessel.

### 12. Share capital

	Group and Company			
	31 Dec 2021		31 Dec 2020	
	No. of shares	\$'000	No. of shares	\$'000
<b>Issued and fully paid:</b>				
At 31 December 2021 and 31 December 2020	202,877,948	108,788	202,877,948	108,788

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company did not hold any treasury shares as at 31 December 2021 and 31 December 2020. There was no sale, transfer, disposal, cancellation and use of treasury shares during the twelve months ended 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

There was no sale, transfer, cancellation and/or use of subsidiary holdings during the six months ended 31 December 2021.

## **F. Other information required by Listing Rule Appendix 7.2**

### **1. Review**

The condensed consolidated statement of financial position of Baker Technology Limited and its subsidiaries (the “Group”) as at 31 December 2021 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

### **2. Review of performance of the Group**

#### **Revenue**

Group revenue for the second half in 2021 (“2H2021”) increased by \$7.6 million or 24% to \$39.1 million as compared to the corresponding period in 2020 (“2H2020”), primarily due to higher fabrication revenue and charter revenue as a result of improved operating conditions in the marine offshore industry. Similarly, Group’s revenue saw an increase from \$63.2 million in FY2020 to \$69.5 million in FY2021.

#### **Profitability**

The Group reported net loss of \$0.4 million for 2H2021 as compared net loss of \$22.6 million for 2H2020 mainly due to the following:

- Higher gross profit due to higher revenue and margins from fabrication and chartering activities;
- Lower losses incurred by its 54.98%-owned subsidiary, CH Offshore Ltd (“CHO”), primarily due to the absence of vessel impairment charged in 2H2021 (2H2020: \$11.7 million) and lower impairment of loan to an associated company;
- Reversal of expected credit losses of \$1.5 million in 2H2021 instead of a charge of \$3.0 million in 2H2020; and
- Lower foreign exchange losses in the current period.

However, the above was partially offset by higher losses on disposal of vessels and lower government grant income during 2H2021.

On a full year basis, the Group reported a net profit of \$2.9 million for FY2021 as compared to a net loss of \$25.9 million for the corresponding period. The increase in profitability was mainly due to higher gross margins, lower losses incurred by CHO, reversal of expected credit losses and foreign exchange gain in FY2021.

After taking into account non-controlling interests (i.e. minority shareholders of CHO), net profit attributable to shareholders was \$5.9 million for FY2021, as compared to a net loss attributable to shareholders of \$13.8 million for FY2020.

## **F. Other information required by Listing Rule Appendix 7.2 (Cont'd)**

### **2. Review of performance of the Group (Cont'd)**

#### **Financial position and cash flow**

Group shareholders' fund increased from \$194.1 million as at 31 December 2020 to \$201.1 million as at 31 December 2021 due to net profit attributable to shareholders of \$5.9 million for the current year and foreign currency translation gain of \$1.1 million arising from the consolidation of subsidiaries reported in foreign currencies.

Cash and cash equivalents increased from \$44.3 million as at 31 December 2020 to \$59.8 million as at 31 December 2021, primarily due to better operating cash flows during FY2021.

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

Not applicable.

### **4. 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**

2021 saw an encouraging uptick in economic activity after the contractions in 2020 with higher oil prices and falling inventories. However, 2022 could see global oil production outpace consumption as demand is anticipated to wane with projected slower global growth. The uncertainties around geo-political realities and the Covid-19 pandemic will continue to have an impact on economic growth and oil demand. To prepare for the unexpected and to remain nimble, we will continue to manage our operations conservatively, leveraging core capabilities to remain relevant in the long term.

### **5. Dividend information**

#### 5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? Yes

The Directors are pleased to recommend a final cash dividend of 0.5 cent per share tax exempt one-tier (2020: Nil) in respect of the financial year ended 31 December 2021 for approval by shareholders at the forthcoming Annual General Meeting.

Name of Dividend	Final dividend
Dividend type	Cash
Dividend per share	0.5 cent
Tax rate	Tax exempt (one-tier)

#### 5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

#### 5c. Date Payable

To be announced at a later date

**F. Other information required by Listing Rule Appendix 7.2 (Cont'd)**

**5. Dividend information (Cont'd)**

5d. Book Closure Date

To be announced at a later date

**6. Interested person transactions**

The Company did not obtain a general mandate from shareholders for Interested Person Transactions.

**7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**8. Review of performance of the Group – turnover and earnings**

Refer to paragraph F2.

**9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Name	Age	Family relationship with director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Jeanette Chang	45	Daughter of Dr Benety Chang and Dr Doris Heng Chin Ngor. Dr Benety Chang is an Executive Director and substantial shareholder of the Company. He is also the CEO of CH Offshore Ltd. ("CHO"), a subsidiary of the Company.  Dr Doris Heng Chin Ngor is also a substantial shareholder of the Company.	Chief Executive Officer of the Company since 1 January 2019. Responsible for overall management of the Company and its subsidiaries.  Non-Executive Non-Independent Director of CHO since 27 August 2018.	Not applicable

On behalf of the Board of Directors

Wong Meng Yeng  
Board Chairman

Jeanette Chang  
CEO

**BY ORDER OF THE BOARD**

Lim Mee Fun  
Company Secretary  
25 February 2022