



**BAKER TECHNOLOGY LIMITED**  
 Unique Entity Number: 198100637D

**Media Release**

***Baker Tech reports record quarterly earnings of S\$61.3 million in 2Q 2012  
 as it recognises profits from sale of PPL Holdings***

S\$ million Y/E Dec	2Q 2012	2Q 2011	Chg %	1H 2012	1H 2011	Chg %
Revenue	25.0	19.3	30	60.1	29.9	101
Cost of goods sold	(18.0)	(14.7)	22	(48.2)	(20.0)	141
Gross Profit	7.1	4.6	55	12.0	9.9	21
Administrative Expenses	(2.6)	(3.1)	(18)	(4.6)	(5.4)	(15)
Other Operating Income / (Expenses), net	57.8	(2.1)	NM	68.6	(3.5)	NM
Share of Associates	-	0.1	NM	0.6	0.6	-
Profit/(Loss) before tax	62.3	(0.6)	NM	76.5	1.6	4,723
Net Profit/(Loss)	61.3	(0.9)	NM	74.9	0.5	14,680
Basic EPS* (cents)	8.76	(0.13)		10.7	0.07	
Diluted EPS+ (cents)	5.70	(0.13)		7.64	0.05	

\* based on a weighted average number of 700,208,367 ordinary shares for the financial period ended 30 June 2012 (30 June 2011—687,893,952)

+ based on the number of ordinary shares in issue during the financial period ended 30 June 2012 adjusted for dilutive effect of 280,117,952 warrants (30 June 2011 —282,662,881). It excludes the outstanding W121116 warrants as the average market price was below the exercise price during the period.

**23 July 2012 – 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 has reported record quarterly net earnings of S\$61.3 million for the three months ended 30 June 2012 (2Q 2012). For the six months ended 30 June 2012 (1H 2012), the Group reported a net profit of S\$74.9 million.

"We are pleased with the favourable outcome of the legal suit between PPL Holdings Pte Ltd ("PPLH") and E-Interface Holdings Limited ("E-Interface"), and Sembcorp Marine Ltd ("SCM"). As the latter's subsequent appeal on the judgement pertains only to the Joint Venture Agreement between PPLH and SCM, there will be no further bearing on the disposal. As such, Baker Tech considers the disposal of PPLH to QD Asia Pacific to be completed. The Group will retain the sales proceeds of US\$116.2 million and has recognised the deferred gain on disposal of S\$58.2 million in 2Q 2012."

- Chairman, Mr. Lim Ho Seng (林穆升)

## **2Q 2012 Performance**

Group revenue rose 30% to S\$25.0 million on the back of progressive recognition of orders, especially of those secured last year. As a result, gross profit increased by 55% to S\$7.1 million. Administrative expenses decreased 18% to S\$2.6 million due mainly to lower professional and legal fees. Foreign exchange loss was S\$0.4 million, down from S\$2.2 million previously.

With the recognition of the S\$58.2 million deferred gain on disposal of PPLH in the current quarter, Group net profit for 2Q 2012 was S\$61.3 million, compared to a net loss of S\$0.9 million in 2Q 2011.

## **1H 2012 Performance**

Group revenue doubled to S\$60.1 million, but gross profit increased by a slower 21% to S\$12.0 million due to different product mix and competitive pricing. Administrative expenses decreased 15% to S\$4.6 million due mainly to lower professional and legal fees. Foreign exchange loss was S\$0.8 million, down from S\$3.6 million previously.

Group pre-tax profit was boosted by the recognition of a S\$58.2 million deferred gain on the sale of PPLH and a S\$10.9 million gain from the disposal of its 49% stake in York Transport Equipment (Asia) Pte Ltd ("York").

For 1H 2012, the Group's net cash outflow from operating activities was S\$38.9 million, due mainly to higher working capital requirements as a result of higher work-in-progress, inventories and receivables, and payments to suppliers. Net cash inflows from investing activities were S\$18.9 million; the Group received S\$21.8 million proceeds from the sale of York and invested a further S\$2.8 million in Oslo-listed Discovery Offshore S.A. Net cash flows from financing activities were S\$5.4 million. Overall, there was a net decrease in cash and cash equivalents of S\$14.5 million.

The Group's financial position is strong; it has negligible gearing and its net available cash and cash equivalents stood at a healthy S\$154.8 million (or 22 cents per share) as at end June 2012. Shareholders' funds increased to S\$244.4 million from S\$171.8 million as at end December 2011, boosting net assets value per share to 34.9 cents (FY2011: 24.5 cents).

The Group also recently completed its renounceable non-underwritten rights issue of warrants. When converted, these warrants could provide another S\$75.6 million in additional funds to the Group.

## **Outlook**

The Group's net order book as at 30 June 2012 was US\$64 million, up from US\$57 million a year ago. These orders are expected to be completed within the next 12 to 18 months.

***"Order enquiries have been slow as the Eurozone debt crisis looms over the global economy while the financial markets remain volatile and credit tightness persists. Our current outstanding net order book of US\$64 million is at a comfortable level to sustain us through the next 12 to 18 months. We will continue to differentiate ourselves through product excellence, continuous innovation, on-time delivery and superior customer service as we enhance our market competitiveness and cultivate new markets."***

***With the legal suit behind us, the Group is looking to move forward with greater assuredness. Baker Tech has an excellent foundation and strong heritage in offshore engineering to leverage on as we go on to build up a portfolio of assets to expand our presence in the oil and gas sector."***

**- Chairman, Mr. Lim Ho Seng (林穆升)**

**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. It also owns a 19% stake in Oslo-listed Discovery Offshore SA, a specialised drilling company with two ultra-high specification jack-up rigs scheduled for delivery in 2013.

Baker Tech continually seeks to raise its standards of corporate governance and shareholder communications. In the recent Singapore Corporate Awards 2012, Baker Tech won its second consecutive Silver award for Best Annual Report, for companies under S\$300 million in market capitalization. In the previous three consecutive years, the Group had won awards in the “Best Managed Board” category.

Please visit us at [www.bakertech.com.sg](http://www.bakertech.com.sg)

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