



BAKER TECHNOLOGY LIMITED
Company Registration No.: 198100637D

Media Release

***Baker Tech reports net profit of S\$26.7 million,
announces dividend of 3.0 cents per share, translating to yield of 10.3%***

S\$ million Y/E Dec	4Q 2010	4Q 2009 (restated)	YoY % Chg	FY2010	FY2009 (restated)	YoY % Chg
Revenue	21.6	15.6	39	48.4	79.2	(39)
Gross Profit	11.5	14.0	(18)	24.9	51.3	(51)
Admin Expenses	(2.9)	(2.4)	23	(8.5)	(7.3)	17
Other Op Income/Expenses	(0.2)	(1.5)	(87)	(2.3)	(3.1)	(26)
Share of Associates	0.1	0.3	(51)	0.4	(0.3)	NM
Share of Results (PPLS)	-	13.9	(100)	15.8	55.4	(71)
Profit before tax	8.5	24.2	(65)	30.4	96.1	(69)
Net Profit	6.4	22.3	(71)	26.7	88.6	(70)
Basic EPS* (cents)				3.97	13.86	
Diluted EPS+ (cents)				2.74	13.84	

* based on a weighted average number of 673,536,701 ordinary shares for the financial period ended 31 December 2010 (31 December 2009—639,287,313)

+ based on the number of ordinary shares in issue during the financial period ended 31 December 2010 adjusted for dilutive effect of 300,305,334 warrants (31 December 2009—731,802 warrants).

22 February 2011 – Baker Technology Limited ('Baker Tech' or 'the Group') 巴克科技有限公司, a SGX-ST mainboard-listed manufacturer and provider of specialised marine offshore equipment and services for the oil and gas industry, has reported a net profit of S\$26.7 million for the financial year ended 31 December 2010. During the year, the Group completed the disposal of its wholly-owned subsidiary, PPL Holdings to QD Asia Pacific for a consideration of US\$116.25 million (or S\$150.54 million). However, due to the pending legal suit with Sembcorp Marine Ltd in respect of this disposal, the Group has deferred the gain on disposal of S\$58.2 million. Notwithstanding, the Board is proposing a dividend of 3.0 cents per share (FY 2009: 2.25 cents).

“2010 was a significant year for Baker Tech and we would like to thank shareholders for their support for the disposal of PPL Holdings. The proposed dividend translates into an attractive yield of 10.3% for our shareholders”

- Chairman, Mr. Lim Ho Seng (林穆升)

The group had restated its FY 2009 earnings due to the adoption of FRS 31 whereby it equity accounted for its indirect 15% stake in PPL Shipyard, held by its wholly-owned subsidiary PPL Holdings. For FY 2009, its share of results from PPL Shipyard was restated as S\$55.4 million, compared to the S\$5.4 million dividend income reported previously. For FY2010, as the Group was unable to obtain the results of PPL Shipyard for the period 1 January 2010 to 26 October 2010 (date of disposal of PPL Holdings), it has therefore reported its shares of results from PPL Shipyard based on the S\$15.8 million interim dividend income received on 30 April 2010.

FY2010 Performance

Group revenue decreased 39% to S\$48.4 million in FY2010, reflecting the slower new order intakes in 2009 when oil and gas projects were delayed due to the global financial crisis. Gross profit decreased 51% to S\$24.9 million. Administrative expenses were 17% higher at S\$8.5 million due to higher professional and legal fees. Other expenses, mainly foreign exchange losses due to the weaker USD, fell 26% to S\$2.3 million. Share of profits from the Group's 49% stake in York reversed from a loss of S\$251,000 to S\$389,000 in FY2010, on the back of improved operating environment for the trailer axle industry in India. Share of results of PPL Shipyard was S\$15.8million (dividend income) compared to a share of profit of S\$55.4 million a year ago. As a result, net profit was 70% lower at S\$26.7 million.

4QFY10 Performance

Group revenue was up 39% to S\$21.6 million as compared to a year ago, mainly due to the progressive recognition of revenue from new orders secured in early 2010. However, due to the absence of higher value contracts for fabrication of specialised steel structures that were in the final stages of completion (where higher margins were also recognized) as compared to the same period a year ago, gross profit decreased 18%, from S\$13.9 million in 4Q2009 to S\$11.5 million. Administrative expenses were 23% higher at S\$2.9 million due to higher professional and legal fees. Other expenses, mainly foreign exchange losses due to the weaker USD, fell sharply from S\$1.5 million to S\$0.2 million in the current quarter. Share of results of PPL Shipyard was nil as PPL Holdings was disposed of during 4Q 2010. Consequently, net profit was 71% lower at \$6.4 million.

Strong Financials

The Group's financial position has been significantly enhanced following the disposal of wholly-owned subsidiary, PPL Holdings in 4Q2010. As a result, cash and cash equivalents stood at S\$214.1 million as of December 2010, up from S\$76.4 million previously. The Group has no bank borrowings.

Order book

The Group's net order book strengthened to US\$33 million as at end December 2010, from US\$20 million as at end September 2010. This was also a vast improvement from the net order book of US\$7 million a year ago. These orders are expected to be completed within the next 12 months.

Outlook

Based on the rising demand for oil by emerging markets such as China and India, the US Energy Information Administration (EIA) expects the world oil market to continue to tighten over the next two years. In the latest survey of 402 companies by Barclays Capital published in December 2010, global exploration and production (E&P) spending is also forecast to rise 11 percent in 2011 to \$490 billion from \$442 billion in 2010 (Source: "The Original E&P Spending Survey").

“We are encouraged by the strong pickup in activities within the oil and gas sector since the last quarter of 2010. This has translated into higher order intake for the Group in recent

months. With our cash holdings of more than S\$200 million and a healthy balance sheet, we are actively exploring synergistic opportunities and potential businesses in the marine offshore sector to add to the Group."

- Chairman, Mr. Lim Ho Seng (林穆升)

The Group remains confident of the oil and gas sector's long term fundamentals and expects to remain profitable in FY2011.

- END -

About Baker Technology Limited

Listed on SGX-ST mainboard, 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, upgrading and conversion, onsite and offsite repair and construction of a wide range of equipment and components for use in the offshore environment. These include jacking systems, offshore pedestal cranes, rack chords structures, skidding systems, raw water tower structures and anchor winches. It also provides project management consultancy, engineering services, quality assurance, and construction supervision. Baker Tech has market presence in China, the Middle East, Asia and USA. It also has a 49% interest in York Transport Equipment (Asia) Pte Ltd, a manufacturer and distributor of trailer axles and related components. For more information, please visit us at www.bakertech.com.sg

Media/IR Contacts:

Juliet Ang, NRA Capital

Tel: 6236 6895/9839 9016 Email: juliet.ang@nracapital.com

Hu Junli, NRA Capital

Tel: 6236 6894/9826 5516 Email: junli.hu@nracapital.com