



BAKER TECHNOLOGY LIMITED
Company Registration No.: 198100637D

Media Release

Baker Tech reports 68% rise in revenue to S\$81.1 million

- Stable core earnings in 2011 masked by absence of contribution from PPL Shipyard
- Group has cash holdings of S\$169.3 million (or 24.2 cents per share)

Y/E Dec (S\$ million)	4Q 2011	4Q 2010	Chg %	2011	2010	Chg %
Revenue	32.7	21.6	51	81.1	48.4	68
Cost of goods sold	(24.7)	(10.1)	144	(57.6)	(23.5)	145
Gross Profit	8.0	11.5	(30)	23.5	24.9	(6)
Admin Expenses	(3.3)	(2.9)	14	(11.9)	(8.5)	40
Other Operating Expenses, net	(0.3)	(0.2)	27	(0.7)	(2.3)	(67)
Share of Results of Associates	(0.7)	0.1	NM	(0.2)	0.4	NM
Share of results from investment in PPL Shipyard	-	-	-	-	15.8	(100)
Profit before tax	3.8	8.5	(56)	10.6	30.4	(65)
Net Profit	2.8	7.1	(60)	7.6	27.4	(72)
Basic EPS* (cents)	0.41	1.04		1.10	4.07	
Diluted EPS⁺ (cents)	0.29	0.72		0.78	2.81	

* based on a weighted average number of 694,098,861 ordinary shares for the financial period ended 31 December 2011 (31 December 2010—673,536,701)

+ based on the number of ordinary shares in issue during the financial period ended 31 December 2011 adjusted for dilutive effect of 282,662,881 warrants (31 December 2010 —300,305,334 warrants).

22 February 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 a 68% rise in revenue for the 12 months ended 31 December 2011 (FY2011). Net profit for the period however decreased 72% to S\$7.6 million, due largely to the absence of a S\$15.8 million share of results of investment received in 2010 from its 15% interest in PPL Shipyard, prior to the disposal of PPL Holdings in October 2010. The Group has announced a first and final dividend payment of 1 cent per share (FY2010: 3 cents).

"2011 earnings suffered a decline, primarily because of the absence of share of results of investment in PPL Shipyard. However, I am pleased to report that the Group managed to maintain its core earnings. Marine and offshore pretax profits were S\$19.4 million compared to S\$18.6 million in 2010. "

- Chairman, Mr. Lim Ho Seng (林穆升)

FY 2011 Performance

Group revenue increased 68% to S\$81.1million, in line with the higher intake of new orders since late 2010. Gross profit was marginally lower at S\$23.5 million due to lower gross margins resulting from a different product mix and competitive pricing.

However, pretax profit suffered a 65% decline to S\$10.6 million in the absence of share of results from its investment in PPL Shipyard (following the disposal of PPL Holdings Pte Ltd in October 2010), lower gross profits, share of losses at York and higher professional and legal fees.

Over the 12-month period, shareholders' funds decreased from S\$187.1 million to S\$171.8 million. This was mainly due to lower cash holdings which arose from the payment of dividends (S\$21.0 million) as well as a write-down for its stake in Oslo-quoted Discovery Offshore S.A. (S\$7.5 million) to account for fair value changes which was partially offset by retained profits and conversion of warrants for the year. The Group's financial position remains strong; it is debt-free and its net available cash and cash equivalents stood at a healthy S\$169.3 million (24.2 cents) as at end December 2011.

4Q 2011 Performance

For the three months ended 31 December 2011 (4Q 2011), Group revenue rose 51% to S\$32.7 million on the back of a higher level of progressive recognition of revenue from new orders secured in early 2011. However, due to lower margins, gross profit decreased 30% to S\$8.0 million. The Group's share of results from its 49% stake in trailer axle manufacturer York Transport Equipment (Asia) Pte Ltd ("York") was a loss of S\$0.7 million, mainly due to exchange losses resulting from the weakening Indian Rupee against the US Dollar. Consequently, Group net profit declined by 60% to S\$2.8 million.

Outlook

The Group's net order book as at 31 December 2011 was US\$80 million, up from US\$33 million a year ago. These orders are expected to be completed within the next 12 to 18 months.

"Order enquiries have slowed down as a result of the uncertainties in the global economy and volatility in the financial markets. However, the healthy order book of US\$80 million will underpin the group's performance in the coming year."

"We believe that the offshore and marine sector remains attractive and offers tremendous potential in the longer term. We intend to build up a portfolio of assets within the sector that can leverage on our strong marine and offshore engineering heritage. Besides the investment in Oslo-listed Discovery Offshore, we are actively identifying companies that can provide Baker Tech with a platform for growth to create sustainable long term value for our shareholders."

- Chairman, Mr. Lim Ho Seng (林穆升)

With regards to the legal suit between Sembcorp Marine Ltd ("SCM") and PPL Holdings Pte Ltd ("PPLH") and E-Interface Holdings Limited ("E-Interface"), in which PPL Shipyard Pte Ltd ("PPL Shipyard") is also a party as second defendant to the counterclaim, the Group has announced on 26 Jan 2012 that submissions have been made by all parties to the Court. The Group will announce the Court's decision when rendered. As announced previously, due to the legal dispute, the gain from the disposal of PPLH to QD Asia Pacific Ltd. in October 2010 had been deferred pending the outcome of the Suit.

About Baker Technology Limited (Bloomberg: BTL SP, Reuters: BATE.SI) www.bakertech.com.sg

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. Baker Tech also has a 49% interest in York Transport Equipment (Asia) Pte Ltd, a manufacturer and distributor of trailer axles and related components. Baker Tech continually seeks to raise its standards of corporate governance and shareholder communications. In the recent Singapore Corporate Awards 2011, Baker Tech won a Gold award for Best Managed Board and a Silver award for Best Annual Report awards, for companies under S\$300 million in market capitalization.

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