



**BAKER TECHNOLOGY LIMITED**  
Company Registration No.: 198100637D

## Media Release

***Baker Tech's net order book surges to all-time high of US\$114 million  
- reports 1H 2011 net profit of S\$0.5 million -***

S\$ million Y/E Dec	2Q 2011	2Q 2010	Chg %	1H 2011	1H 2010	Chg %
Revenue	19.3	6.8	+183	29.9	13.0	+130
Cost of goods sold	(14.7)	(2.3)	+551	(20.0)	(4.1)	+389
Gross Profit	4.6	4.5	-	9.9	8.9	+11
Admin Expenses	(3.1)	(2.4)	+31	(5.4)	(3.8)	+44
Other Operating Income / (Expenses), net	(2.1)	0.2	NM	(3.5)	0.2	NM
Share of results of Associates	0.1	0.2	(6)	0.6	0.2	160
Share of results from investment in PPL Shipyard	-	15.8	(100)	-	15.8	(100)
Profit/(Loss) before tax	(0.6)	18.4	NM	1.6	21.4	(93)
Net Profit/(Loss)	(0.9)	17.8	NM	0.5	20.3	(97)
Basic EPS* (cents)	(0.13)	2.67		0.07	3.05	
Diluted EPS* (cents)	(0.13)	1.85		0.05	2.10	

\* based on a weighted average number of 687,893,952 ordinary shares for the financial period ended 30 June 2011 (30 June 2010—664,311,251)

+ based on the number of ordinary shares in issue during the financial period ended 30 June 2011 adjusted for dilutive effect of 282,662,881 warrants (30 June 2010—300,361,934 warrants).

- **Net order book surges further to US\$114 million, from US\$57 million as at end June 2011.**
- **Group is debt free with cash and cash equivalents of S\$171.5 million (or 24.5 cents per share)**

**11 August 2011 – 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 net loss of S\$886,000 for the three months ended 30 June 2011 (2Q 2011). For the six months ended 30 June 2011 (1H 2011), the Group reported a net profit of S\$507,000. The lower performance was mainly attributed to the timing of the recognition of projects, foreign exchange losses due to the weakening US Dollar and the absence of share of results from our investment in PPL Shipyard (following the disposal of our wholly-owned subsidiary PPL Holdings in Oct 2010).

***"Baker Tech's financial performance in the recent half-year does not fully reflect the recovery in order-intake since late 2010; ongoing contracts are still in early stages of completion. I am pleased to announce that our net order book has surged to an all-time***

***high of US\$114 million, following new contract wins of US\$57 million in July and August. This will lift our financial performance going forward.”***

**- Chairman, Mr. Lim Ho Seng (林穆升)**

#### 2Q 2011 Performance

For the three months ended 30 June 2011 (2Q 2011), revenue rose 183% to S\$19.3 million, following the recovery in order intake since late 2010. However, gross profit in 2Q 2011 was flat at S\$4.6 million, compared to a year ago. This was due to comparatively higher margins in 2Q 2010 as most projects then were either completed or near completion; this usually results in higher margins being recognised during that period. The Group reported a pretax loss of S\$556,000 in 2Q 2011 on the back of higher administrative expenses and higher foreign exchange losses. Admin expenses increased 31% to S\$3.1 million due to higher professional and legal fees. Foreign exchange losses were S\$2.2 million as the USD weakened further against the SGD.

#### 1H 2011 Performance

Group revenue rose 130% to S\$29.9 million for the six months ended 30 June 2011. The revenue increase was in line with the higher level of production activity from the higher intake of new orders since late 2010. Gross profit in 1H2011 however increased at a slower 11% to S\$9.9 million. This was due to lower gross margins achieved in 1H 2011 as fewer projects were in later stages of completion as compared to 1H 2010. There was also a lower write-back of unutilised warranty provision of approximately S\$0.6 million compared to S\$1.4 million in 1H 2010.

Group pre-tax profit in 1H 2011 was S\$1.6 million, compared to S\$21.4 million a year ago. This was mainly attributed to the absence of share of results amounting to S\$15.8 million from its investment in PPL Shipyard, higher administrative expenses (professional and legal fees), and higher foreign exchange losses. The Group has since disposed of its stake in PPL Holdings, its investment subsidiary that held the 15% interest in PPL Shipyard. In 1H 2011, admin expenses increased 44% to S\$5.4 million as a result of higher professional and legal fees, while foreign exchange losses were S\$3.6 million.

#### Healthy Financial Position

The Group is debt-free and its net available cash and cash equivalents stood at a healthy S\$171.5 million as at end June 2011, up from S\$73.0 million a year ago.

Shareholders' funds stood at S\$170.2 million as at 30 June 2011.

#### Outlook

The Group's net order book as at 30 June 2011 was US\$57 million. Since then, the Group has secured new projects which boosted its net order book to US\$114 million. These orders are expected to be completed within the next 12 to 18 months.

***“We are encouraged by the strong pickup in orders and are committed to deliver innovative and reliable solutions to our customers on these orders. Enquiries remain active and we hope to see more of these translate into contracts in the coming months.***

***Notwithstanding the healthy orderbook, the outlook for the Group is uncertain. This is due to the rising risks of a deepening slowdown in the global economy, especially in the US and Europe, and a heightened volatility in the financial markets over sovereign debts concerns. ”***

**- 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. Baker Tech also has a 49% interest in York Transport Equipment (Asia) Pte Ltd, a manufacturer and distributor of trailer axles and related components.

Backer 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.

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

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