



Media Release

Baker Tech reports 1H 2020 net loss of \$3.3 million as compared to net loss of \$2.4 million for corresponding period in 1H 2019.

Y/E Dec (\$ million)	1H 2020	1H 2019	Chg %
Revenue	31.7	37.2	-15
Cost of sales	(29.3)	(23.1)	+27
Gross Profit	2.4	14.1	-83
Administrative expenses	(8.3)	(10.6)	-21
Other operating income	1.6	0.1	NM
Foreign exchange gain / (loss)	1.4	(0.4)	NM
Finance cost	(0.4)	(0.5)	-12
Share of results of associates	-	(5.0)	NM
Loss before tax	(3.3)	(2.2)	+52
Income tax credit/ (expense)	-	(0.05)	NM
Net loss for the period	(3.3)	(2.2)	+48
Attributable to:			
Owners of the Company	(2.4)	1.9	NM
Non-controlling interests	(0.9)	(4.1)	-77
Net loss for the period	(3.3)	(2.2)	+48
Basic and Diluted EPS* (cents)	(1.16)	0.95	

* based on the weighted average number of ordinary shares in issue of 202,877,948.
NM – Not meaningful

30 July 2020 – Baker Technology Limited ('Baker Tech' or 'the Group') reports its half yearly financial results for the year ending 31 December 2020.

2020 Performance

Revenue for the Group for the first half of 2020 ("1H 2020") saw a decline of \$5.5 million to \$31.7 million as compared to the corresponding period in 2019 ("1H 2019"). The decrease in revenue was due to lower charter income as certain vessels were off hire during the current period, partially offset by an increase in fabrication revenue.

Gross profit reduced by 83% from \$14.1 million in 1H 2019 to \$2.4 million for 1H 2020 as a result of lower margin from chartering activities as vessel operating expenses including vessel depreciation were still being incurred during the off hire period and fabrication projects in 1H 2020.

The Group also reports a net loss of \$3.3 million for 1H 2020 as compared to a net loss of \$2.2 million in 1H 2019 after taking into consideration:

- (a) Higher other operating income mainly from the receipt of various governmental relief for COVID-19 of about \$1.3 million;
- (b) Lower administrative expenses due to higher absorption of overheads (e.g. labour cost, rental and depreciation) into the cost of sales in line with higher fabrication revenue for the period;
- (c) Foreign exchange gain of \$1.4 million due to the strengthening of the US dollar against the Singapore dollar and;
- (d) Lower losses incurred by the Group's subsidiary, CH Offshore Ltd ("CHO"), in 1H 2020 due to the absence of share of losses from its 49% owned Indonesian associate.

After taking into account non-controlling interests (i.e. minority shareholders of CHO), net loss attributable to shareholders stands at \$2.4 million for 1H 2020 as compared to a net profit attributable to shareholders of \$1.9 million for the corresponding period in 2019.

Group shareholders' fund sees a slight increase from \$209.3 million as at 31 December 2019 to \$209.4 million as at 30 June 2020 as net loss attributable to shareholders of \$2.4 million for the current period was offset by foreign currency translation gain arising from the consolidation of subsidiaries reported in foreign currencies.

Outlook

The global situation in relation to the COVID-19 pandemic is still uncertain with some countries experiencing second and third wave infections. We anticipate increased costs arising from foreign worker accommodation, heightened procedures and/or policies to abide by government implemented Safe Management Measures implemented for the marine sector.

Although oil prices have improved since May 2020, they remain under pressure and are still below January 2020 levels. Economic activity around the world has suffered and continues to suffer as a result of the pandemic, thus impacting industrial supply and demand with high inventory levels in the Oil and Gas sector. The sector expectations remain uncertain and volatile and we continue to monitor our operational business performance and costs and will respond accordingly if appropriate and necessary to adapt to the changing business environment.

About Baker Technology Limited (Bloomberg: BTL SP, Reuters: BATE.SI)

Baker Technology Limited ("Baker Tech", together with its subsidiaries, the "Baker Tech Group") is a leading manufacturer and provider of specialised marine offshore equipment and services, mainly focused on the offshore oil and gas industry.

Baker Tech Group's core business is in the design, construction, operations and chartering of mobile offshore units and offshore supply vessels, along with a wide range of critical equipment and components for the offshore marine industry. 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.

Visit us at www.bakertech.com.sg

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