



BAKER TECHNOLOGY LIMITED
Company Registration No.: 198100637D

Media Release

***Baker Tech reports net profit of S\$4.2 million for 4Q 2013,
S\$22.4 million for FY2013; proposes dividends of 5 cents per share***

Y/E Dec (S\$ million)	4Q2013	4Q2012	Chg %	FY2013	FY2012	Chg %
Revenue	15.4	16.4	(6)	83.3	98.2	(15)
Cost of goods sold	(9.0)	(11.4)	(21)	(59.5)	(73.2)	(18)
Gross Profit	6.4	5.0	28	23.8	25.1	(5)
Admin Expenses	(2.2)	(3.3)	(34)	(7.8)	(9.7)	(20)
Other Operating Expenses, net	1.0	(0.3)	NM	10.6	69.0	(85)
Share of Results of Associates	-	(0.0)	NM	(0.5)	0.6	NM
Profit before tax	5.2	1.4	284	26.1	84.8	(69)
Net Profit	4.2	1.0	340	22.4	81.6	(73)
Basic EPS* (cents)	0.47	0.13		2.69	11.54	
Diluted EPS⁺ (cents)	0.40	0.09		2.29	8.27	
NAV per share[^](cents) as at 31 Dec				27.5	36.4	

* based on a weighted average number of 832,125,414 ordinary shares for the financial year ended 31 December 2013 (31 December 2012 — 707,031,802 shares)

+ based on the number of ordinary shares in issue during the financial year ended 31 December 2013 adjusted for dilutive effect of 144,706,822 warrants (31 December 2012 — 280,040,952 warrants).

[^] based on 872,140,844 shares in issue as at 31 December 2013 (31 December 2012: 736,806,714 shares)

18 February 2014 – 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 surge in net profit for the fourth quarter of the financial year 2013 ("4Q2013"), rising 340% to S\$4.2 million from a year ago. For the full year ended 31 December 2013 ("FY2013"), net profit was \$22.4 million, 73% lower than the \$81.6 million recorded in FY2012 due to lower gains on disposals of investments in FY2013.

"Business conditions have been challenging, but despite that, the Group achieved satisfactory profit and continues to have a strong balance sheet with no borrowings. We recognise the faith and loyalty that our shareholders have placed in us, and for the full year 2013, we are proposing an ordinary dividend of 1 cent and a special dividend of 4 cents."

- Chairman, Mr. Lim Ho Seng (林穆升)

4Q2013 Performance

For the three months period ended 31 December 2013, Group revenue was 6% lower compared to 4Q2012 in line with a general slowdown in order intake. However, project margins were higher in 4Q2013 due to

improvements in production efficiency and gains from favourable foreign exchange rates, resulted in a net profit of S\$4.2 million for the quarter, compared to S\$1.0 million in 4Q2012.

FY2013 Performance

Group revenue eased by 15% to S\$83.3 million due to lower revenue recognition for new projects that were secured in FY2013. However, gross profit decreased by only 5% to S\$23.8 million on better margins. Pretax profit for FY2013 was S\$26.1 million, bolstered by a gain of S\$8.8 million from the Group's disposal of its stake in Discovery Offshore S.A. in 2Q2013. This compares with FY2012 pretax profit of S\$84.8 million as the Group recognised gains from the sale of stakes in PPL Holdings Pte Ltd (S\$58.2 million) and York Transport Equipment (Asia) Pte Ltd (S\$10.9 million) in that year. Excluding these investment gains, net profits were S\$13.6 million and S\$12.5 million for FY2013 and FY2012, respectively.

As at 31 December 2013, shareholders' funds stood at S\$239.8 million, compared to S\$268.1 million at the end of the previous year. The special dividend of 8.5 cents per share which was paid out to shareholders in May 2013 was a large factor in the reduction in shareholders' funds, though this was partially offset by proceeds from the conversion of warrants, and retained profits for FY2013. Overall, the Group's financial position remains robust, with cash holdings of S\$205.9 million (23.6 cents per share) and no borrowings.

Outlook

The Group's net order book for its core subsidiary, Sea Deep Shipyard Pte Ltd, stood at US\$54 million as at 31 December 2013, compared to US\$33 million as at 30 June 2013. These orders are expected to be completed within the next 12 to 18 months. The operating environment is expected to be competitive and challenging in the near term, but the Group remains focused on the long term prospects of the oil and gas industry and will continue to evaluate opportunities within the industry.

“Over the course of 2013, we have established two new subsidiaries, Baker Engineering Pte. Ltd. and BT Investment Pte. Ltd. We have brought in new personnel to helm these subsidiaries, and also strengthened our Board of Directors. These changes herald a new direction in the growth of Baker Tech and we will keep shareholders updated on further developments.”

- Chairman, Mr. Lim Ho Seng (林穆升)

Adjustments of exercise price of outstanding warrants

The Board is of the view that it is appropriate to adjust the exercise price of the 2012 warrants of S\$0.185 per share to a lower exercise price of S\$0.145 per share so as to reflect the lower intrinsic value of the shares of the Company after the proposed special dividend. The warrants' exercise price had previously been adjusted from S\$0.27 per share to S\$0.185 per share following the proposed special dividend for FY2012.

About Baker Technology Limited (Ticker symbols: 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.

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