



**BAKER TECHNOLOGY LIMITED**  
**(UEN 198100637D)**  
**(Incorporated in Singapore)**

**Unaudited Condensed Interim Financial Statements**  
**For the six months and full year ended 31 December 2022**

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## A. Condensed interim consolidated statement of comprehensive income

	Note	Group					
		6 months ended			12 months ended		
		31 Dec 2022 S\$'000	31 Dec 2021 S\$'000	Change %	31 Dec 2022 S\$'000	31 Dec 2021 S\$'000	Change %
<b>Revenue</b>	4	51,373	39,122	+31	98,501	69,497	+42
Cost of sales		(36,893)	(29,587)	+25	(66,691)	(51,320)	+30
<b>Gross profit</b>		14,480	9,535	+52	31,810	18,177	+75
Other expenses, net		(660)	(3,208)	-79	1,250	(1,201)	NM
Administrative expenses		(11,622)	(6,869)	+69	(21,521)	(13,879)	+55
Finance cost		(262)	(313)	-16	(536)	(657)	-18
<b>Profit/(loss) before tax</b>	6	1,936	(855)	NM	11,003	2,440	NM
Income tax credit	7	308	447	-31	329	446	-26
<b>Profit/(loss) for the period</b>		2,244	(408)	NM	11,332	2,886	NM
<b>Profit/(loss) for the period attributable to:</b>							
Owners of the Company		4,379	1,820	+141	13,400	5,886	+128
Non-controlling interests		(2,135)	(2,228)	-4	(2,068)	(3,000)	-31
		2,244	(408)	NM	11,332	2,886	NM
<b>Other comprehensive income:</b>							
<i>Items that maybe reclassified subsequently to profit or loss</i>							
Net fair value gain on equity instruments at fair value		(20)	32	NM	(20)	32	NM
Net fair value loss on debt instruments at fair value		(16)	(6)	+167	(41)	(3)	NM
Foreign currency translation		(3,286)	425	NM	(704)	1,849	NM
<b>Other comprehensive income for the period, net of tax</b>		(3,322)	451	NM	(765)	1,878	NM
<b>Total comprehensive income for the period</b>		(1,078)	43	NM	10,567	4,764	+122
<b>Total comprehensive income for the period attributable to:</b>							
Owners of the Company		2,141	2,103	+2	12,784	7,040	+82
Non-controlling interests		(3,219)	(2,060)	+56	(2,217)	(2,276)	-3
		(1,078)	43	NM	10,567	4,764	+122
<b>Earnings per share attributable to Owners of the Company</b>							
Basic and diluted (in cents)	8	2.2	0.9		6.6	2.9	

NM – Not meaningful

## B. Condensed interim statements of financial position

	Note	Group		Company	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
		\$'000	\$'000	\$'000	\$'000
<b>Non-current assets</b>					
Property, plant and equipment	9	149,063	160,885	2	3
Right-of-use assets		2,043	3,184	–	–
Intangible assets		517	776	–	–
Investment in subsidiaries		–	–	88,600	88,600
Investment securities		2,756	2,817	2,756	2,817
		<u>154,379</u>	<u>167,662</u>	<u>91,358</u>	<u>91,420</u>
<b>Current assets</b>					
Contract assets		6,822	6,002	–	–
Investment securities		1,730	–	1,730	–
Inventories and work-in-progress		4,077	3,485	–	–
Trade and other receivables	10	28,625	23,518	290	100
Amounts due from subsidiaries		–	–	95,106	94,392
Loan to an associated company		4,644	5,824	–	–
Cash and short-term deposits		71,467	59,760	51,200	42,459
		<u>117,365</u>	<u>98,589</u>	<u>148,326</u>	<u>136,951</u>
<b>Less: Current liabilities</b>					
Contract liabilities		576	928	–	–
Trade and other payables		12,830	12,221	825	589
Loans and borrowings	11	8,317	9,452	–	–
Amounts due to subsidiaries		–	–	3,648	4,225
Income tax payable		679	293	410	–
		<u>22,402</u>	<u>22,894</u>	<u>4,883</u>	<u>4,814</u>
<b>Net current assets</b>		94,963	75,695	143,443	132,137
<b>Non-current liabilities</b>					
Deferred tax liabilities		2,825	3,730	–	–
Loans and borrowings	11	2,961	5,624	–	–
Provision		1,550	1,550	–	–
		<u>7,336</u>	<u>10,904</u>	<u>–</u>	<u>–</u>
<b>Net assets</b>		<u>242,006</u>	<u>232,453</u>	<u>234,801</u>	<u>223,557</u>
<b>Equity attributable to owners of the Company</b>					
Share capital	12	108,788	108,788	108,788	108,788
Reserves		104,075	92,305	126,013	114,769
		<u>212,863</u>	<u>201,093</u>	<u>234,801</u>	<u>223,557</u>
Non-controlling interests		29,143	31,360	–	–
<b>Total equity</b>		<u>242,006</u>	<u>232,453</u>	<u>234,801</u>	<u>223,557</u>

**C. Condensed interim statements of changes in equity**

Group	Attributable to owners of the Company							
	Share capital (Note 12) \$'000	Capital reserve <sup>(1)</sup> \$'000	Retained earnings \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Total reserves \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>2022</b>								
<b>At 1 January 2022</b>	108,788	2,344	89,676	930	(645)	92,305	31,360	232,453
Profit for the year	–	–	13,400	–	–	13,400	(2,068)	11,332
<u>Other comprehensive income</u>								
Net fair value changes on equity instruments at FVOCI	–	–	–	(20)	–	(20)	–	(20)
Net fair value changes on debt instruments at FVOCI	–	–	–	(41)	–	(41)	–	(41)
Foreign currency translation	–	–	–	–	(555)	(555)	(149)	(704)
Total comprehensive income for the year	–	–	13,400	(61)	(555)	12,784	(2,217)	10,567
<u>Contributions by and distributions to owners</u>								
Dividend on ordinary shares	–	–	(1,014)	–	–	(1,014)	–	(1,014)
<b>At 31 December 2022</b>	108,788	2,344	102,062	869	(1,200)	104,075	29,143	242,006
<b>2021</b>								
<b>At 1 January 2021</b>	108,788	2,344	83,790	901	(1,770)	85,265	33,636	227,689
Profit for the year	–	–	5,886	–	–	5,886	(3,000)	2,886
<u>Other comprehensive income</u>								
Net fair value changes on equity instruments at FVOCI	–	–	–	32	–	32	–	32
Net fair value changes on debt instruments at FVOCI	–	–	–	(3)	–	(3)	–	(3)
Foreign currency translation	–	–	–	–	1,125	1,125	724	1,849
Total comprehensive income for the year	–	–	5,886	29	1,125	7,040	(2,276)	4,764
<b>At 31 December 2021</b>	108,788	2,344	89,676	930	(645)	92,305	31,360	232,453

**C. Condensed interim statements of changes in equity (cont'd)**

Company	Attributable to owners of the Company					Total equity \$'000
	Share capital (Note 12) \$'000	Capital reserve <sup>(1)</sup> \$'000	Retained earnings \$'000	Fair value reserve \$'000	Total reserves \$'000	
<b>2022</b>						
<b>At 1 January 2022</b>	108,788	2,344	111,495	930	114,769	223,557
Profit for the year	–	–	12,319	–	12,319	12,319
<u>Other comprehensive income</u>						
Net fair value changes on equity instruments at FVOCI	–	–	–	(20)	(20)	(20)
Net fair value changes on debt instruments at FVOCI	–	–	–	(41)	(41)	(41)
Total comprehensive income for the year	–	–	12,319	(61)	12,258	12,258
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	–	–	(1,014)	–	(1,014)	(1,014)
<b>At 31 December 2022</b>	108,788	2,344	122,800	869	126,013	234,801
<b>2021</b>						
<b>At 1 January 2021</b>	108,788	2,344	99,523	901	102,768	211,556
Profit for the year	–	–	11,972	–	11,972	11,972
<u>Other comprehensive income</u>						
Net fair value changes on equity instruments at FVOCI	–	–	–	32	32	32
Net fair value changes on debt instruments at FVOCI	–	–	–	(3)	(3)	(3)
Total comprehensive income for the year	–	–	11,972	29	12,001	12,001
<b>At 31 December 2021</b>	108,788	2,344	111,495	930	114,769	223,557

(1) Capital reserve arose from restructuring exercise in prior years.

#### D. Condensed interim consolidated statement of cash flows

	Note	Group	
		12 months ended 2022 \$'000	31 Dec 2021 \$'000
<b>Cash flows from operating activities</b>			
Profit before tax	6	11,003	2,440
Adjustments for:			
Bad debts expense		–	13
Depreciation of property, plant and equipment		12,709	13,441
Depreciation of right-of-use assets		1,141	1,140
Amortisation of intangible assets		259	258
Inventories written down		244	34
Impairment on loan to an associated company		–	82
Allowance/(reversal of) for expected credit losses		4,384	(1,468)
Interest income		(554)	(94)
Interest expense		536	657
Unrealised foreign exchange loss/(gain)		934	(1,015)
Loss on disposal of property, plant and equipment		–	3,829
		<hr/>	<hr/>
<b>Operating cash flows before working capital changes</b>		30,656	19,317
Increase in inventories and work-in-progress		(836)	(1,146)
Increase in contract assets		(820)	(3,819)
(Decrease)/increase in contract liabilities		(352)	612
Increase in trade and other receivables		(9,707)	(3,465)
Increase in trade and other payables		648	1,880
		<hr/>	<hr/>
<b>Cash flows from operations</b>		19,589	13,379
Interest received		340	92
Interest paid		(536)	(657)
Income tax paid		(190)	(1,147)
		<hr/>	<hr/>
<b>Net cash flows from operating activities</b>		19,203	11,667
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(1,154)	(2,291)
Proceeds from disposal of property, plant and equipment		–	7,709
Maturity of investment securities		–	671
Purchase of investment securities		(1,801)	(938)
Repayment from associates		1,189	–
		<hr/>	<hr/>
<b>Net cash flows (used in)/from investing activities</b>		(1,766)	5,151
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		–	1,500
Repayment of borrowings		(2,898)	(3,132)
Payment of principal portion of lease liabilities		(900)	(849)
Dividend on ordinary shares		(1,014)	–
		<hr/>	<hr/>
<b>Net cash flows used in financing activities</b>		(4,812)	(2,481)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		12,625	14,337
Effect of exchange rate changes on cash and cash equivalents		(918)	1,107
Cash and cash equivalents at beginning of financial year		59,760	44,316
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of financial year</b>		71,467	59,760

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

Baker Technology Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2022 comprised the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are investment holding and the provision of specialised marine offshore equipment and services for the oil and gas industry.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months and full year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (SGD or \$), which is the Company’s functional currency, and all values in the tables are rounded to the nearest thousand (\$’000), except when otherwise indicated.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions were reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there were no significant judgements made in applying the accounting policies in the condensed interim financial statements.

## **E. Notes to the condensed interim consolidated financial statements (Cont'd)**

### **2.2 Use of judgements and estimates (cont'd)**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 9 – impairment test on vessels
- Note 10 – allowance for expected credit losses of trade receivables

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### **4. Segment and revenue information**

The Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- (i) The marine offshore segment is essentially the Group's principal business activity as manufacturers and providers of specialised marine offshore equipment and services for the oil and gas industry. The Group's core business is in the design, construction, operating and chartering of mobile offshore units and offshore services vessels, along a wide range of critical equipment and components for the offshore marine industry.
- (ii) The investments segment relates to the Group's investments in available-for-sale investments.
- (iii) The corporate segment is involved in Group-level corporate services and treasury functions.

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.



## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 4.1 Reportable segments

The following table present revenue and profit information for the Group's operating segments for the 6 months ended 31 December 2022 ("2H2022") and 2021 ("2H2021"), respectively:

	Marine offshore		Investments		Corporate		Adjustments and elimination		Consolidated	
	2H2022	2H2021	2H2022	2H2021	2H2022	2H2021	2H2022	2H2021	2H2022	2H2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	51,373	39,122	–	–	–	–	–	–	51,373	39,122
Results:										
Depreciation and amortisation	(7,119)	(7,391)	–	–	(1)	(2)	–	–	(7,120)	(7,393)
Interest income	79	6	6	3	394	29	–	–	479	38
Finance cost	(262)	(313)	–	–	–	–	–	–	(262)	(313)
Inventories written down	(89)	(34)	–	–	–	–	–	–	(89)	(34)
Segment profit/(loss)	3,915	2	13,512	11,484	12,519	12,079	(28,010)	(24,420)	1,936	(855)
Other segment information:										
Purchase of investment securities	–	–	1,801	–	–	–	–	–	1,801	–
Additions to non-current assets:-										
- Purchase of property, plant and equipment	759	1,072	–	–	–	–	–	–	759	1,072

The following table present revenue and profit information for the Group's operating segments for the 12 months ended 31 December 2022 and 31 December 2021, respectively:

	Marine offshore		Investments		Corporate		Adjustments and elimination		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	98,501	69,497	–	–	–	–	–	–	98,501	69,497

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 4.1 Reportable segments (Cont'd)

	Marine offshore		Investments		Corporate		Adjustments and elimination		Consolidated	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Results:										
Depreciation and amortisation	(14,107)	(14,836)	–	–	(2)	(3)	–	–	(14,109)	(14,839)
Interest income	89	21	11	22	454	51	–	–	554	94
Finance cost	(536)	(657)	–	–	–	–	–	–	(536)	(657)
Inventories written down	(244)	(34)	–	–	–	–	–	–	(244)	(34)
Segment profit/(loss)	13,052	3,814	13,483	11,497	12,868	11,939	(28,400)	(24,810)	11,003	2,440
Other segment information:										
Purchase of investment securities	–	–	1,801	938	–	–	–	–	1,801	938
Additions to non-current assets:-										
- Purchase of property, plant and equipment	1,154	2,288	–	–	–	3	–	–	1,154	2,291

The following table presents assets and liabilities information for the Group's operating segments as at 31 December 2022 and 31 December 2021, respectively:

	Marine offshore \$'000	Investments \$'000	Corporate \$'000	Adjustments and elimination \$'000	Consolidated \$'000
Segment assets					
31 December 2022	215,431	51,935	51,491	(47,113)	271,744
31 December 2021	220,465	50,336	42,563	(47,113)	266,251
Segment liabilities					
31 December 2022	28,485	18	1,235	–	29,738
31 December 2021	33,193	16	589	–	33,798

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 4.1 Reportable segments (Cont'd)

#### Geographical information

	Group Revenue from external customers			
	6 months ended		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Asia Pacific (excluding China and Singapore)	20,787	20,524	40,857	39,918
Africa	13,289	7,225	15,895	13,794
Europe	10,278	4,514	24,229	6,550
Singapore	3,084	4,393	3,584	6,349
Middle East	2,570	1,858	4,432	2,180
Americas	1,336	575	9,445	668
China	29	33	59	38
	51,373	39,122	98,501	69,497

	Group Non-current assets	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Asia Pacific (excluding China and Singapore)	–	–
Singapore	151,623	164,845
	151,623	164,845

Segment revenue is based on the countries in which customers are invoiced. Non-current assets information consists of property, plant and equipment, right-of-use assets and intangible assets as presented in the consolidated balance sheet and are based on the geographical location of the entities.

### 4.2 Disaggregation of revenue

	Group			
	6 months ended		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Marine offshore revenue	46,022	36,602	90,788	66,040
Spare sales	5,351	2,520	7,713	3,457
	51,373	39,122	98,501	69,497

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 4.2 Disaggregation of revenue (Cont'd)

	6 months ended 2022		6 months ended 2021	
	At a point in time \$'000	Over time \$'000	At a point in time \$'000	Over time \$'000
Asia Pacific (excluding China and Singapore)	744	20,043	100	20,424
Africa	283	13,006	17	7,208
Europe	145	10,133	353	4,161
Singapore	1,568	1,516	116	4,277
Middle East	2,570	–	1,858	–
Americas	12	1,324	43	532
China	29	–	33	–
	5,351	46,022	2,520	36,602

	12 months ended 2022		12 months ended 2021	
	At a point in time \$'000	Over time \$'000	At a point in time \$'000	Over time \$'000
Asia Pacific (excluding China and Singapore)	957	39,900	267	39,651
Africa	304	15,591	51	13,743
Europe	145	24,084	353	6,197
Singapore	1,761	1,823	432	5,917
Middle East	4,432	–	2,180	–
Americas	55	9,390	136	532
China	59	–	38	–
	7,713	90,788	3,457	66,040

A breakdown of sales:

	Group		
	31 Dec 2022	31 Dec 2021	Change
	\$'000	\$'000	%
Sales reported for the first half year	47,128	30,375	+55
Operating profit after tax before deducting non-controlling interests reported for first half year	9,088	3,294	+176
Sales reported for second half year	51,373	39,122	+31
Operating profit/(loss) after tax before deducting non-controlling interests reported for second half year	2,244	(408)	NM

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 2021:

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
<i>Equity securities at fair value through other comprehensive income</i>				
- Corporate bonds (quoted) (Level 1)	1,961	272	1,961	272
- Unquoted equity securities (Level 2)	2,525	2,545	2,525	2,545
Trade and other receivables (excluding GST recoverable and prepaid expenses)	27,594	22,588	257	64
Amounts due from subsidiaries	–	–	95,106	94,392
Cash and short-term deposits	71,467	59,760	51,200	42,459
Loan to associated company	4,644	5,824	–	–
Total undiscounted financial assets	108,191	91,237	151,049	139,732
<b>Financial liabilities</b>				
Trade and other payables (excluding deferred income and provision for reinstatement)	12,830	12,221	825	589
Amounts due to subsidiaries	–	–	3,648	4,225
Loans and borrowings	9,854	12,874	–	–
Lease liabilities	1,882	2,917	–	–
Total undiscounted financial liabilities	24,566	28,012	4,473	4,814
Total net undiscounted financial assets	83,625	63,225	146,576	134,918

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 6. Profit/(loss) before tax

#### 6.1 Significant items

	Group			
	6 months ended		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
<b>Income:</b>				
Grant income	218	660	549	1,318
Interest income	479	38	554	94
Foreign exchange gain	–	–	–	187
Reversal of expected credit losses	–	1,468	–	1,468
<b>Expenses:</b>				
Employee benefits expenses	7,776	6,553	14,640	12,917
Depreciation of property, plant and equipment	6,421	6,694	12,709	13,441
Depreciation of right-of-use assets	570	570	1,141	1,140
Amortisation of intangible assets	129	129	259	258
Loss on disposal of property, plant and equipment	–	4,727	–	3,829
Foreign exchange loss	1,834	55	526	–
Interest expenses	262	313	536	657
Inventories written down	89	34	244	34
Allowance for expected credit losses	2,906	–	4,384	–
Bad debt expenses	–	3	–	13
Impairment of loan to an associated company	–	82	–	82

#### 6.2 Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group			
	6 months ended		12 months ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$'000	\$'000	\$'000	\$'000
Management and agency fee from associated companies	33	34	66	223

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 7. Income tax expense/(credit)

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	6 months ended 31 Dec 2022 \$'000	31 Dec 2021 \$'000	12 months ended 31 Dec 2022 \$'000	31 Dec 2021 \$'000
<b>Statement of comprehensive income:</b>				
<i>Current income tax:</i>				
- Current income taxation	597	47	597	47
- Under/(over) provision in respect of prior years	–	284	(21)	285
	<hr/> 597	<hr/> 331	<hr/> 576	<hr/> 332
<i>Deferred income tax:</i>				
- Origination and reversal of temporary differences	(905)	(778)	(905)	(778)
	<hr/> (905)	<hr/> (778)	<hr/> (905)	<hr/> (778)
Income tax credit recognised in the statement of comprehensive income	(308)	(447)	(329)	(446)
	<hr/> <hr/> (308)	<hr/> <hr/> (447)	<hr/> <hr/> (329)	<hr/> <hr/> (446)

### 8. Earnings per share and net asset value per share

Basic earnings per ordinary share for the six months and full year ended 31 December 2022 and 31 December 2021 are calculated by dividing profit/(loss) for the financial period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial periods of 202,877,948.

The Group has no dilution in its earnings per share at 31 December 2022 and 31 December 2021.

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Net asset value per ordinary share based on issued share capital at the end of the period (in cents)	104.9	99.1	115.7	110.2
	<hr/> 104.9	<hr/> 99.1	<hr/> 115.7	<hr/> 110.2

Net asset value per ordinary share as at 31 December 2022 and 31 December 2021 are calculated based on the number of ordinary shares in issue of 202,877,948.

## **E. Notes to the condensed interim consolidated financial statements (Cont'd)**

### **9. Property, plant and equipment**

During the year ended 31 December 2022, the Group acquired assets amounting to \$1,154,000 (31 December 2021: \$2,291,000) and disposed assets amounting to \$Nil (31 December 2021: \$9,762,000).

#### Impairment testing on vessels

As at 31 December 2022 the Group carried out a review of the recoverable amount of its vessels due to the continued weakness in the oil and gas industry. The recoverable amount of the vessels was based on its value in use and the pre-tax discount rate was 10.5% (31 December 2021: 9.5%) per annum. As the recoverable amount was computed to be higher than the carrying value, no impairment loss was recognised during 2022 (2021: \$Nil).

### **10. Trade receivables**

As at 31 December 2022, the carrying amount of the Group's trade receivables, net of allowance for expected credit losses ("ECL") of \$7,596,000 (31 December 2021: \$3,406,000) amounted to \$26,232,000 (31 December 2021: \$20,286,000), which represented 17% (31 December 2021: 17%) of its current assets.

#### Allowance for expected credit losses of trade receivables

The Group uses a provision to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customers segments that have similar loss patterns. The provision matrix is initially based on the Group's historical default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. As at 31 December 2022, the Group assessed that the ECL provision recorded is adequate.



## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 11. Loans and borrowings

	Group	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	6,013	7,343
Unsecured	2,304	2,109
	<hr/>	<hr/>
	8,317	9,452
	<hr/>	<hr/>
<u>Amount repayable after one year</u>		
Secured	–	462
Unsecured	2,961	5,162
	<hr/>	<hr/>
	2,961	5,624
	<hr/>	<hr/>
Total loans and borrowings	11,278	15,076
	<hr/>	<hr/>

The secured bank borrowing is secured by a subsidiary's vessel.

### 12. Share capital

	Group and Company			
	31 Dec 2022		31 Dec 2021	
	No. of shares	\$'000	No. of shares	\$'000
<b>Issued and fully paid:</b>				
At 31 December 2022 and 31 December 2021	202,877,948	108,788	202,877,948	108,788
	<hr/>	<hr/>	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company did not hold any treasury shares as at 31 December 2022 and 31 December 2021. There was no sale, transfer, disposal, cancellation and use of treasury shares during the twelve months ended 31 December 2022.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2022 and 31 December 2021.

There was no sale, transfer, cancellation and/or use of subsidiary holdings during the six months ended 31 December 2022.

## **F. Other information required by Listing Rule Appendix 7.2**

### **1. Review**

The condensed consolidated statement of financial position of Baker Technology Limited and its subsidiaries (the “Group”) as at 31 December 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

### **2. Review of performance of the Group**

#### **Revenue**

Group revenue for the second half in 2022 (“2H2022”) increased by \$12.3 million or 31% to \$51.4 million as compared to the corresponding period in 2021 (“2H2021”), primarily due to higher fabrication revenue as a result of improved operating conditions.

Similarly, Group’s revenue saw an increase from \$69.5 million in FY2021 to \$98.5 million in FY2022.

#### **Profitability**

The Group reported net profit of \$2.2 million for 2H2022 as compared net loss of \$0.4 million for 2H2021. Similarly, the Group reported a net profit of \$11.3 million for FY2022 as compared to a net profit of \$2.9 million for FY2021.

The improvement in profitability both for 2H2022 and FY2022 were mainly due to the following:

- Higher revenue and margins, mainly generated from fabrication activities; and
- Absence of loss on disposal of vessels of \$4.7 million and \$3.8 million recorded in 2H2021 and FY2021, respectively.

However, the increase in net profit was partially offset by:

- Higher administrative expenses due to allowance for expected credit losses and an increase in payroll expenses; and
- Higher foreign exchange losses for the current periods.

After taking into account non-controlling interests (i.e. minority shareholders of CHO), net profit attributable to shareholders was \$13.4 million for FY2022, as compared to a net profit attributable to shareholders of \$5.9 million for FY2021.

#### **Financial position and cash flow**

Group shareholders’ fund increased from \$201.1 million as at 31 December 2021 to \$212.9 million as at 31 December 2022. This was due mainly to net profit attributable to shareholders of \$13.4 million for the current year but partially offset by payment of \$1.0 million dividend to shareholders and foreign currency translation loss of \$0.6 million arising from the consolidation of subsidiaries reported in foreign currencies.

Cash and cash equivalents increased from \$59.8 million as at 31 December 2021 to \$71.5 million as at 31 December 2022, primarily due to better operating cash flows during FY2022.

**F. Other information required by Listing Rule Appendix 7.2 (Cont'd)**

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Although the outlook across the marine offshore market (oil and gas as well as renewables) continues to show signs of improvement, inflationary pressures (and related increased interest rates), geopolitical tensions and the threat of recession continue to weigh on the market increasing uncertainty and volatility. To prepare for the unknown, the Group will continue to adopt a conservative strategy to adapt to the rapidly evolving environment.

**5. Dividend information**

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? Yes

The Directors are pleased to recommend a final cash dividend of 1.0 cent per share tax exempt one-tier (2021: 0.5 cent) in respect of the financial year ended 31 December 2022 for approval by shareholders at the forthcoming Annual General Meeting.

Name of Dividend	Final dividend
Dividend type	Cash
Dividend per share	1.0 cent
Tax rate	Tax exempt (one-tier)

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

5c. Date Payable

To be announced at a later date

5d. Book Closure Date

To be announced at a later date

**F. Other information required by Listing Rule Appendix 7.2 (Cont'd)**

**6. Interested person transactions**

The Company did not obtain a general mandate from shareholders for Interested Person Transactions.

**7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**8. Review of performance of the Group – turnover and earnings**

Refer to paragraph F2.

**9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Name	Age	Family relationship with director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Jeanette Chang	46	Daughter of Dr Benety Chang and Dr Doris Heng Chin Ngor. Dr Benety Chang is an Executive Director and substantial shareholder of the Company. He is also the CEO of CH Offshore Ltd. ("CHO"), a subsidiary of the Company.  Dr Doris Heng Chin Ngor is also a substantial shareholder of the Company.	Chief Executive Officer of the Company since 1 January 2019. Responsible for overall management of the Company and its subsidiaries.  Non-Executive Non-Independent Director of CHO since 27 August 2018.	Not applicable

On behalf of the Board of Directors

Wong Meng Yeng  
Board Chairman

Jeanette Chang  
CEO

**BY ORDER OF THE BOARD**

Lim Mee Fun  
Company Secretary  
27 February 2023