



BAKER TECHNOLOGY LIMITED
Company Registration No.: 198100637D

Media Release

Baker Tech reports 2Q 2014 net profit of S\$1.0 million

Y/E Dec (S\$ million)	2Q 2014	2Q 2013	Chg %	1H 2014	1H 2013	Chg %
Revenue	17.8	22.1	(20)	36.3	47.2	(23)
Cost of goods sold	(13.6)	(17.5)	(22)	(27.2)	(36.5)	(25)
Gross Profit	4.2	4.7	(11)	9.1	10.7	(15)
Admin Expenses	(2.4)	(2.0)	22	(5.1)	(3.8)	34
Other Operating Income/Expenses, net	(0.3)	9.9	NM	(0.2)	10.0	NM
Share of Results of Associates	-	(0.4)	(100)	-	(0.5)	(100)
Profit before tax	1.4	12.2	(88)	3.8	16.4	(77)
Net Profit (excluding gains on disposal)	1.0	2.5	(61)	2.7	5.7	(52)
Net Profit	1.0	11.3	(92)	2.7	14.6	(81)
Basic EPS* (cents)	0.10	1.35		0.31	1.84	
Diluted EPS+ (cents)	0.09	1.15		0.29	1.56	

* based on the weighted average number of ordinary shares in issue of 898,248,648 and 885,511,434 for 2Q 2014 and 1H 2014, respectively (2Q 2013 — 840,620,599, 1H 2013 — 791,766,461)

+ based on the weighted average number of ordinary shares in issue during the financial periods ended 30 June 2014 adjusted for dilutive effect of 111,828,222 warrants (30 June 2013 — 144,779,822 warrants).

30 July 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, reported net profit of S\$1.0 million on revenue of S\$17.8 million for the three months ended 30 June 2014 (2Q 2014), as compared to a net profit of \$2.5 million (excluding gains on disposal of Discovery Offshore S.A. ("DO") of S\$8.9 million) for the corresponding period in 2013.

For the six months ended 30 June 2014, the Group's net profit decreased to S\$2.7 million from S\$5.7 million (excluding gains on disposal) a year ago due to lower revenue recognition for existing projects.

2Q 2014 Performance

Revenue for the Group in the three months ended 30 June 2014 was marginally lower at S\$17.8 million compared to S\$22.1 million a year ago. Gross profit eased to S\$4.2 million in 2Q 2014 from S\$4.7 million in 2Q 2013. Net profit stood at S\$1.0 million in 2Q 2014, from S\$11.3 million a year ago, due to the absence of divestment gains in 2014. Excluding gains from the disposal of DO, the net profit a year ago was \$2.5 million. A weaker U.S. dollar against the Singapore dollar led to a foreign exchange loss of S\$0.7 million as compared to a gain of S\$1.0 million last year. However the Group practices natural hedging and so maintains a U.S. dollar balance for payments to suppliers and as a result, the bulk of the foreign exchange loss was unrealised translation losses.

1H 2014 Performance

The Group's revenue decreased to S\$36.3 million from S\$47.2 million in 1H2013, as a result of lower revenue recognition. The Group's order in-take in 2014 remained healthy with net order book at US\$61 million as of June 2014, up from US\$54 million as at the end of March 2014. These orders are expected to be completed within the next 12 to 18 months.

The Group's financial position remains strong with S\$153.9 million in cash and short-term deposits, and zero gearing. Shareholders' funds reduced to S\$203.3 million as at 30 June 2014 on payment of dividends of S\$45.2 million to shareholders. This was partially offset by proceeds from the conversion of warrants (S\$6.1 million) and retained profits for the period.

Outlook

The Group maintains its optimism on the long-term fundamentals of the oil and gas industry as it has been receiving good enquiries on offshore components and equipment. Baker Engineering Pte. Ltd. ("BEPL"), a subsidiary of the Group, has also completed its design for a state-of-the-art liftboat (a self-propelling multi-purpose jack-up) and will commence the construction of the liftboat for future sale or charter. The Group is also continuing to explore external opportunities (including strategic alliances) to provide additional avenues for growth.

"We remain positive on the offshore oil and gas industry, as we have seen a pick-up in prospective sales enquiries. The Group's balance sheet remains strong and we will continue to pursue future investments and acquisitions to enhance shareholder value and solidify future income streams for the Group. "

- 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 and gas industry. Its core business is in the design and fabrication 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 has recently been awarded *(for companies with less than \$300 million in market capitalization)* its second Gold award for Best Managed Board and its third Silver award for Best Annual Report, in the prestigious Singapore Corporate Awards 2014.

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