



**BAKER TECHNOLOGY LIMITED**

Company Registration No.: 198100637D

**Quarterly Financial Statement And Dividend Announcement for the Period Ended 31 March 2009**

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

		Group		Change
		3 months ended 31 March 2009	3 months ended 31 March 2008	
		S\$'000	S\$'000	%
Revenue	(a)	18,465	-	NM
Cost of goods sold		(12,555)	-	NM
<b>Gross profit</b>	(a)	5,910	-	NM
Other operating income		3,601	90	3,901
Administrative expenses		(1,112)	(215)	417
Other operating expenses		(159)	-	NM
Finance cost		(2)	-	NM
Share of results of associates	(b)	(702)	203	NM
<b>Profit before taxation</b>	(c)	7,536	78	9,562
Income tax expenses		(1,439)	(9)	15,889
<b>Net profit attributable to equity holders of the Company</b>	(a)	6,097	69	8,736

NM – Not meaningful

**Explanatory notes:**

- (a) On 30 April 2008, the Group acquired the entire issued and paid-up capital of Sea Deep Shipyard Pte. Ltd. and its subsidiary ("Sea Deep"). With the completion of this acquisition, the Group is now principally involved in the offshore marine oil and gas sector. The comparative figures for Q1 2008 were before this acquisition.
- (b) This relates to the Group's 49% share of result in York Transport (Asia) Equipment Pte Ltd ("York").

(c) Profit before taxation is stated after charging / (crediting):

	Group		
	3 months ended 31 March 2009	3 months ended 31 March 2008	Change
	S\$'000	S\$'000	%
Depreciation	437	1	43,600
Amortisation of intangible assets	159	-	NM
Foreign exchange gain	(3,552)	(12)	29,500
Interest income	(19)	(78)	(76)

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	Group		Company	
	31/3/2009	31/12/2008	31/3/2009	31/12/2008
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Non-current assets</u></b>				
Property, plant and equipment	8,283	8,647	6	6
Intangible assets	7,709	7,868	-	-
Investment in subsidiaries	-	-	23,600	23,600
Investment in associates (a)	9,867	10,569	9,616	9,616
Other investment (b)	5,066	5,066	-	-
	30,925	32,150	33,222	33,222
<b><u>Current assets</u></b>				
Inventories	2,663	4,513	-	-
Work-in-progress	5,849	8,571	-	-
Trade receivables	18,257	36,304	-	-
Other receivables	649	887	35	14
Amounts due from subsidiaries	-	-	1,222	1,872
Cash and cash equivalents	62,663	37,644	268	25
	90,081	87,919	1,525	1,911
<b><u>Current liabilities</u></b>				
Obligations under finance leases	39	39	-	-
Progress billing in excess of WIP	37,663	40,292	-	-
Trade payables and other liabilities	11,005	14,725	218	237
Amounts due to subsidiary	-	-	7,429	7,409
Tax payable	5,555	4,357	8	8
	54,262	59,413	7,655	7,654
Net current assets / (liabilities)	35,819	28,506	(6,130)	(5,743)
<b><u>Non-current liabilities</u></b>				
Obligations under finance leases	(197)	(206)	-	-
<b>Net assets</b>	66,547	60,450	27,092	27,479
<b><u>Equity attributable to equity holders of the Company</u></b>				
Share capital	18,115	18,115	18,115	18,115
Reserves	48,432	42,335	8,977	9,364
<b>Total equity</b>	66,547	60,450	27,092	27,479

**Explanatory notes:**

- (a) This relates to the 49% stake in York.
- (b) The amount relates to the 15% equity stake in PPL Shipyard Pte Ltd ("PPL"), held through PPL Holdings Pte Ltd and its subsidiary..

**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year**

**Amount repayable in one year or less, or on demand**

As at 31/3/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
39	-	39	-

**Amount repayable after one year**

As at 31/3/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
197	-	206	-

**Details of any collateral**

Certain motor vehicles are under finance lease arrangements.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group	
	3 months ended 31 March 2009 S\$'000	3 months ended 31 March 2008 S\$'000
<b>Cash flows from operating activities:</b>		
Profit before tax	7,536	78
Adjustments for:		
Depreciation	437	1
Amortisation of intangible assets	159	-
Interest income	(19)	(78)
Interest expenses	2	-
Share of results of associates	702	(203)
<b>Operating profit / (loss) before working capital changes</b>	<b>8,817</b>	<b>(202)</b>
Decrease in trade receivables	18,047	-
Decrease in other receivables	238	(134)
Decrease in inventories	1,850	-
Increase in pledged deposits	(2,294)	-
Increase in progress billing in excess of WIP	93	-
Decrease in trade payables and other liabilities	(3,720)	(8)
<b>Net cash flows from / (used in) operations</b>	<b>23,031</b>	<b>(344)</b>
Interest received	19	78
Interest paid	(2)	-
Income tax paid	(241)	-
<b>Net cash flows from / (used in) operating activities</b>	<b>22,807</b>	<b>(266)</b>
<b>Cash flows from investing activities:</b>		
Dividend received from associates	-	605
Purchase of property, plant and equipment	(73)	-
<b>Net cash flows (used in) / from investing activities</b>	<b>(73)</b>	<b>605</b>
<b>Cash flows from financing activities:</b>		
Net proceeds from conversion of warrants	-	3
Repayment of obligations under finance leases	(9)	-
<b>Net cash flows (used in) / from financing activities</b>	<b>(9)</b>	<b>3</b>
Net increase in cash and cash equivalents	22,725	342
Cash and cash equivalents at beginning of period	31,109	27,206
<b>Cash and cash equivalents at end of period [Note A]</b>	<b>53,834</b>	<b>27,548</b>
<b>Note A:</b>		
Cash and cash equivalents at end of period comprised of:	<b>31/3/2009</b>	<b>31/3/2008</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash at banks and in hand	8,436	1,120
Short-term deposits	54,227	26,428
	62,663	27,548
Less: Pledged deposits **	(8,829)	-
	53,834	27,548

\*\* - These are deposits pledged to the banks as collateral for banking facilities and the issuance of bank guarantees.

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

<b>Group</b>	<b>Share capital</b>	<b>Capital reserve</b>	<b>Accumulated profits</b>	<b>Total reserves</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance at 1/1/2008</b>	18,110	2,344	21,174	23,518	41,628
Issuance of new shares from conversion of warrants	3	-	-	-	3
Profit for the period	-	-	69	69	69
<b>Balance at 31/3/2008</b>	18,113	2,344	21,243	23,587	41,700
Issuance of new shares from conversion of warrants	1	-	-	-	1
Profit for the period	-	-	3,387	3,387	3,387
<b>Balance at 30/6/2008</b>	18,114	2,344	24,630	26,974	45,088
Issuance of new shares from conversion of warrants	1	-	-	-	1
Profit for the period	-	-	8,502	8,502	8,502
<b>Balance at 30/9/2008</b>	18,115	2,344	33,132	35,476	53,591
Issuance of new shares from conversion of warrants	-	-	-	-	-
Profit for the period	-	-	6,859	6,859	6,859
<b>Balance at 31/12/2008</b>	18,115	2,344	39,991	42,335	60,450
Issuance of new shares from conversion of warrants	-	-	-	-	-
Profit for the period	-	-	6,097	6,097	6,097
<b>Balance at 31/3/2009</b>	<b>18,115</b>	<b>2,344</b>	<b>46,088</b>	<b>48,432</b>	<b>66,547</b>

<b>Company</b>	<b>Share capital</b>	<b>Capital reserve</b>	<b>Accumulated profits</b>	<b>Total reserves</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance at 1/1/2008</b>	18,110	2,344	5,851	8,195	26,305
Issuance of new shares from conversion of warrants	3	-	-	-	3
Profit for the period	-	-	392	392	392
<b>Balance at 31/3/2008</b>	18,113	2,344	6,243	8,587	26,700
Issuance of new shares from conversion of warrants	1	-	-	-	1
Loss for the period	-	-	(591)	(591)	(591)
<b>Balance at 30/6/2008</b>	18,114	2,344	5,652	7,996	26,110
Issuance of new shares from conversion of warrants	1	-	-	-	1
Loss for the period	-	-	(271)	(271)	(271)
<b>Balance at 30/9/2008</b>	18,115	2,344	5,381	7,725	25,840
Issuance of new shares from conversion of warrants	-	-	-	-	-
Profit for the period	-	-	1,639	1,639	1,639
<b>Balance at 31/12/2008</b>	18,115	2,344	7,020	9,364	27,479
Issuance of new shares from conversion of warrants	-	-	-	-	-
Loss for the period	-	-	(387)	(387)	(387)
<b>Balance at 31/3/2009</b>	<b>18,115</b>	<b>2,344</b>	<b>6,633</b>	<b>8,977</b>	<b>27,092</b>

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

During the period ended 31 March 2009, no warrant was exercised. As at 31 March 2009, 24,121,243 warrants remained outstanding (31 December 2008 - 24,121,243 warrants).

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

As at 31 March 2009, the Company's issued share capital was S\$18,115,259 (31 December 2008 – S\$18,115,259) comprising 631,378,576 ordinary shares (31 December 2008 – 631,378,576 ordinary shares).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by its auditors, Messrs Ernst & Young.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The accounting policies and methods of computation applied in the financial statements for the current financial period are consistent with those of the audited financial statements for the year ended 31 December 2008.

The new or revised Financial Reporting Standards ("FRS") and Interpretations to FRS that are applicable for the current financial year has no material effect on the financial statements.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group	
	3 months ended 31 March 2009	3 months ended 31 March 2008
(i) Basic earnings per share (in cents)	0.97	0.01
(ii) Diluted earnings per share (in cents)	0.93	0.01

- (i) Basic earnings per ordinary shares for the financial period ended 31 March 2009 was calculated based on the weighted average number of ordinary shares in issue of 631,378,576 (31 March 2008 – 631,253,524).
- (ii) Earnings per share for the financial period ended 31 March 2009 on a fully diluted basis was calculated based on the number of ordinary shares in issue during the period adjusted for the dilutive effect of 24,121,243 warrants (31 March 2008 – 24,202,243).

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	31/3/2009	31/12/2008	31/3/2009	31/12/2008
Net Asset Value per ordinary share based on issued share capital at the end of the period (in cents)	10.5	9.6	4.3	4.4

Net asset value per ordinary share as at 31 March 2009 and 31 December 2008 was calculated based on the number of shares in issue of 631,378,576.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Revenue**

Following the acquisition of Sea Deep Shipyard Pte Ltd ('Sea Deep') on 30 April 2008, the Group is now a manufacturer and provider of specialised marine offshore equipment and services for the oil and gas industry.

Previously, the Group was principally in the trailer axle business through its 100% interest in York, which the Group subsequently disposed its 51% interest on 5 October 2007. From October 2007 to April 2008, the Group was in a transition period and had no operating subsidiaries prior to the acquisition of Sea Deep. As a result, there was no reported revenue for the 3 months period ended 31 March 2008.

For the three months ended 31 March 2009, Group revenue was S\$18.5 million, accounted wholly by Sea Deep which continued to perform well.

## **Profitability**

Gross profit was S\$5.9 million. Pretax profit was \$7.5 million, boosted by a foreign exchange gain of S\$3.6 million, mainly from the strengthening of US\$ against S\$ for the period.

Share of losses from our 49%-owned associate York was S\$0.7 m, compared to a share of profit of S\$0.2 m a year ago. York which manufactures and distributes trailer axles and related components was adversely affected by the global recession.

Group net profit was S\$6.1 million, resulting in an earnings per share of 0.97 cents (or 0.93 cents on a fully diluted basis). Group net profit for the corresponding period in 2008 was S\$69,000.

## **Financial position & cash flow**

The Group's financial position strengthened further in tandem with the strong performance in the current quarter; the Group's total shareholders' fund increased to S\$66.5 million as at 31 March 2009 from S\$60.5 million as at 31 December 2008. Consequently, net assets per share was 10.5 cents, up from 9.6 cents as at end 31 December 2008.

The strong performance, coupled with improved financial discipline in the collection of trade receivables, saw the Group's available cash and cash equivalents rising 73% from S\$31.1 million as at 31 December 2008 to S\$53.8 million as at 31 March 2009.

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

There is no material variance from the previous prospect statement as announced in the 2008 full year announcement on 26 February 2009.

### **10. 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**

The Group's order book stood at US\$47 million as at 31 March 2009, down from US\$57 million as at 31 December 2008. These orders will be completed over the next 12–18 months.

The current global economic and financial crisis will continue to affect the outlook for the offshore marine oil and gas industry for the current financial year. The Group will be facing a challenging year ahead. However the Group expects to remain profitable in FY2009.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on? None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? None

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect**

No dividend has been declared or recommended by the Company.

**13. Confirmation by the Board**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to its attention which may render the first quarter 2009 financial results to be false or misleading.

**BY ORDER OF THE BOARD**

Aw Seok Chin  
Company Secretary  
23 April 2009