



BAKER TECHNOLOGY LIMITED

Unique Entity No.: 198100637D

ADJUSTMENTS TO THE OUTSTANDING WARRANTS OF THE COMPANY

The Board of Directors of Baker Technology Limited (the “**Company**”) refers to its announcement released on 18 February 2014 relating to its unaudited financial results for the year ended 31 December 2013 (“**FY2013**”) (the “**Results Announcement**”). In the Results Announcement, the Directors of the Company (the “**Directors**”) have recommended a first and final tax exempt (one-tier) dividend of 1.0 cents for each existing ordinary share in the capital of the Company (“**Share**”) and a special tax exempt (one-tier) dividend of 4.0 cents per Share in respect of FY2013 (the “**2013 Proposed Special Dividend**”). The 2013 Proposed Special Dividend, if declared, will be distributed out of reserves which are attributable to profits or gains arising from the disposal of investments by the Company.

In FY2012, the Company had undertaken a renounceable non-underwritten rights issue of warrants and the warrants (the “**2012 Warrants**”) were issued on 6 June 2012 and constituted under a deed poll dated 4 May 2012 (the “**Deed Poll**”). In 2013, the 2012 Warrants exercise price was adjusted from S\$0.27 to S\$0.185 per warrant to account for the special one-tier tax exempt dividend per Share in respect of the financial year ended 31 December 2012 (“**FY2012**”).

In connection with the 2013 Proposed Special Dividend, the Company has appointed NRA Capital Pte. Ltd. (“**NRA Capital**”) as the Approved Person (as defined in the Deed Poll) to determine the adjustments, if any, to be made or which would be appropriate to be made to the 2012 Warrants and Ernst & Young LLP (“**EY**”) as the Auditors (as defined in the Deed Poll) to certify the adjustments to the 2012 Warrants, where appropriate.

In light of the 2013 Proposed Special Dividend of 4.0 cents per Share referred to above, and in accordance with Condition 5(f) of the Deed Poll, the Company wishes to make the following adjustment to the exercise price of the 2012 Warrants (the “**2013 Proposed Adjustment**”):-

	Before adjustment	After adjustment
Exercise price per 2012 Warrant	S\$0.185	S\$0.145

As the 2013 Proposed Special Dividend, if declared, will be distributed out of reserves which are attributable to profits or gains from the disposal of investments by the Company, 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 2013 Proposed Special Dividend. With the 2013 Proposed Adjustment, the total intrinsic value of each 2012 Warrant is preserved and warrant holders who do not exercise their holdings of warrants into underlying shares to participate in the 2013 Proposed Special Dividend will not be disadvantaged.

NRA Capital, as the Approved Person, has considered and determined that the 2013 Proposed Adjustment is appropriate and the Directors, having considered the 2013 Proposed Adjustment, are of the view that the 2013 Proposed Adjustment should be applied to the exercise price of the 2012 Warrants. EY, as the Auditors, has certified that the 2013 Proposed Adjustment may be made to the 2012 Warrants.

The 2013 Proposed Adjustment was derived based on the following formula:

$$\text{New Exercise Price of 2012 Warrants} = P - D$$

where:

D = the 2013 Proposed Special Dividend; and

P = existing Exercise Price of the 2012 Warrants

The Company will be seeking approval from shareholders for the proposed dividend at the forthcoming Annual General Meeting to be held on 25 April 2014 and will be making announcements on the proposed dividend and the 2013 Proposed Adjustment, including where appropriate, the effective date of the adjustment to the exercise price of the 2012 Warrants, in due course.

Shareholders, warrant holders and potential investors are advised to exercise caution when dealing in the Company's securities. When in doubt, shareholders, warrant holders and potential investors are advised to seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

By order of the Board
Baker Technology Limited

Nga Ko Nie
Company Secretary

18 February 2014