



BAKER TECHNOLOGY LIMITED
Company Registration No.: 198100637D

Media Release

**Baker Tech suffered impairment loss of \$7.6 million on goodwill in a subsidiary
with net loss for FY 2016 at \$8.3 million**

Y/E Dec (\$ million)	4Q 2016	4Q 2015	Chg %	FY 2016	FY 2015	Chg %
Revenue	2.4	7.9	(70)	21.5	54.1	(60)
Cost of goods sold	(0.8)	(6.4)	(88)	(15.8)	(38.8)	(59)
Gross Profit	1.6	1.5	7	5.7	15.2	(63)
Administrative expenses	(2.5)	(2.2)	14	(11.0)	(10.5)	4
Other operating income/(expenses), net	(0.05)	0.3	NM	2.4	1.1	117
Impairment loss on goodwill	(7.6)	-	NM	(7.6)	-	NM
Foreign exchange gain	3.2	0.3	817	1.2	5.3	(78)
(Loss) / Profit before tax	(5.4)	(0.02)	NM	(9.2)	11.1	NM
Net (Loss) / Profit	(4.5)	0.05	NM	(8.3)	9.2	NM
Basic/Diluted EPS* (cents)	(2.20)	0.03		(4.10)	4.66	

* Based on the weighted average number of ordinary shares in issue of 202,877,948 for 4Q 2016 and FY 2016 (4Q 2015 – 202,877,948[^], FY 2015 – 196,580,291[^])

[^] Numbers are adjusted based on the revised number of shares as a result of shares consolidation

27 February 2017 – 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 a net loss of \$8.3 million for the year ended 31 December 2016, while revenue fell to \$21.5 million year on year.

4Q 2016 Performance

Revenue for 4Q 2016 fell to \$2.4 million from \$7.9 million for the corresponding period in 2015. The Group reported a net loss of \$4.5 million in 4Q 2016 from a net profit of \$54,000 for the corresponding period in 2015. The loss was attributed to the impairment of goodwill in a subsidiary (\$7.6 million) in view of the continued weakness in the oil and gas industry. However, this was partially offset by a foreign exchange gain of \$3.2 million, from the strengthening of US dollar against the Singapore dollar during the quarter.

FY 2016 Performance

The Group's revenue was down 60% year on year at \$21.5 million, as weak sentiment continues to weigh on the oil and gas industry. Lower revenue, foreign exchange gain and the impairment loss on goodwill recorded for FY 2016 resulted in a net loss of \$8.3 million for the year, as compared to a net profit of \$9.2 million in FY 2015.

Shareholders' funds as at 31 December 2016 stood at \$215.7 million, down from \$228.9 million as at 31 December 2015, due to the net loss and the payment of dividend to shareholders during the year.

The Group reported net operating cash outflows of \$8.5 million for 4Q 2016 and \$30.2 million for FY 2016, to fund working capital required for operations. Cash and short-term deposits were at \$107.0 million, with no borrowings as at 31 December 2016.

The Board is recommending a first and final tax exempt (one-tier) dividend of 1.25 cents for the financial year ended 31 December 2016.

Outlook

The extended oil price downturn and reduced exploration and production spending created instability and uncertainty throughout the oil and gas industry during 2016. The slump resulted in projects being deferred or cancelled, and diminished appetite for long-term major capital projects.

We have a balance sheet capable of supporting acquisition and are pursuing opportunities for a diversified revenue stream.

In the meantime, the Group has taken measures to reduce its cost base and curtail discretionary operational expenditure for the foreseeable future.

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. Its product offering features a state-of-the-art self-propelled multi-purpose jack-up liftboat. 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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