



BAKER TECHNOLOGY LIMITED
Company Registration No.: 198100637D

Media Release

Baker Tech reports 2Q 2018 net loss of \$1 million, revenue up at \$3.5 million

Y/E Dec (\$\$ million)	2Q 2018	2Q 2017	Chg %	1H 2018	1H 2017	Chg %
Revenue	3.5	1.4	+147	4.2	2.4	+73
Cost of goods sold	(2.1)	(0.8)	+160	(2.4)	(0.3)	+784
Gross Profit	1.4	0.6	+130	1.8	2.2	-15
Administrative expenses	(4.4)	(2.2)	+97	(9.2)	(4.5)	+104
Other operating income, net	0.2	0.2	+13	0.4	0.4	+5
Foreign exchange gain/(loss)	1.8	(0.6)	NM	1.1	(2.3)	NM
Loss before taxation	(1.0)	(2.0)	-50	(5.9)	(4.3)	+38
Income tax credit/(expense)	-	(0.1)	NM	-	0.3	-83
Net Loss	(1.0)	(2.1)	-52	(5.8)	(4.0)	+46
Basic/Diluted EPS[^] (cents)	(0.48)	(1.02)		(2.87)	(1.97)	

[^] based on the weighted average number of ordinary shares in issue of 202,877,948
NM – not meaningful

27 July 2018 – 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 \$1 million on revenue of \$3.5 million for the three months ended 30 June 2018 ("2Q 2018").

2Q 2018 Performance

Revenue for 2Q 2018 increased to \$3.5 million compared to \$1.4 million a year ago, supported mainly by charter income.

The Group reported a net loss of \$1 million for 2Q 2018, compared to \$2.1 million in 2Q 2017, amid continued uncertainty in the industry.

Administrative expenses for the current quarter was up at \$4.4 million from \$2.2 million for the corresponding period in 2017, attributed to depreciation charges of the completed liftboat and under-absorption of overheads.

Foreign exchange gains stood at \$1.8 million for the current quarter due to the strengthening of the U.S. dollar against the Singapore dollar.

1H 2018 Performance

The Group's revenue increased to \$4.2 million in 1H 2018, from \$2.4 million in 1H 2017.

The Group recorded a lower gross profit of \$1.8 million for 1H 2018, from \$2.2 million in the corresponding period in 2017, due to the absence of a write-back of expired warranty provision for the current period.

The Group reported net operating cash outflows of \$6.4 million in 1H 2018 to fund working capital required for operations. Cash and short-term deposits were at \$76.4 million, with no borrowings as of 30 June 2018. Shareholders' funds decreased to \$197.4 million as at 30 June 2018, mainly due to net loss in the current period.

Outlook

In line with higher oil prices, the industry outlook has improved with better utilisation of vessels and equipment. However, charter rates have not increased amidst overcapacities in a fragmented market.

The Group will continue to be cautious and prudent in its approach in mitigating the challenges ahead.

On 26 July 2018, the Group completed the acquisition of 371,646,150 shares (or 52.72%) in CH Offshore Ltd. ("CHO") for approximately \$45.1 million. The Group will make a mandatory unconditional cash offer for up to a maximum of 93,486,233 shares (or 13.26%) in CHO. This acquisition is expected to contribute to the Group's revenue and results for the financial year ending 31 December 2018.

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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Media/IR Contact:

Jeanette Chang, Executive Director

Tel: (65) 6262 1380

Email: investor_relations@bakertech.com.sg