

CH OFFSHORE LTD.
(Unique Entity No. 197600666D)
(Incorporated in the Republic of Singapore)

**RESPONSE TO SGX REGCO QUERY ON THE COMPANY'S ANNUAL REPORT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2023**

The Board of Directors (the “**Board**”) of CH Offshore Ltd. (the “**Company**”) has received the following query from SGX RegCo on 4 April 2024 in connection with the Company’s Annual Report 2023 published via SGXNet on 28 March 2024 (“**AR 2023**”):

SGX RegCo’s Query

1. With respect to the transactions with related companies under Note 24, please disclose the related companies involved and whether these are classified as Interested Person Transactions (IPT) pursuant to Chapter 9 of the Listing Manual. If so, to reconcile and explain the differences with the IPT table presented in Page 65 of the Annual Report.

Company’s Response

The Board wishes to clarify that Note 24 relates to disclosure pursuant to FRS 24, i.e. related parties transactions:

- (i) Baker Engineering Pte Ltd (“BEPL”), a related company
- (ii) BT Titanium Pte Ltd (“BTT”), a related company
- (iii) PT Bahtera Nusantara Indonesia (“PTBNI”), a related party

Transactions with BEPL and BTT are disclosed in the IPT table presented in Page 65 of the Annual Report as both BEPL and BTT are part of Baker Technology Group of companies. Transactions with PTBNI, an associated company, are not classified as IPT.

Transactions with Falcon Energy Group of companies are disclosed in the IPT table presented in Page 65 but not in Note 24 as the Group did not recognise the interest income of US\$179,000 from Falcon Energy Group of companies in view of uncertainties in collectability.

There is an error in Note 24 where the Company has included GST in the disclosure. For clarity, there is no impact on the profit & loss statement as the error is one of disclosure. Please see below the tables to reconcile the differences between the disclosure in the IPT table and the disclosure under Note 24:

IPTs not under shareholders’ mandate

	As per IPT table (US\$’000)	GST (US\$’000)	As per Note 24 (US\$’000)
Baker Technology Group of Companies	111	9	120

IPTs under shareholders’ mandate

	As per IPT table (US\$’000)	GST (US\$’000)	Transactions less than S\$100,000 (US\$’000)	As per Note 24 (US\$’000)
Baker Technology Group of Companies	528	18	4	550*

* This is the aggregate of (i) management and agency fee earned of US\$288,000; and (ii) fees paid for services rendered of US\$262,000.

SGX RegCo's Query

2. Listing Rule 710A requires an issuer to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity. An issuer must describe in its annual report its board diversity policy, including the following:

- (a) the issuer's targets to achieve diversity on its board;
- (b) the issuer's accompanying plans and timelines for achieving the targets;
- (c) the issuer's progress towards achieving the targets within the timelines; and
- (d) a description of how the combination of skills, talents, experience and diversity of its directors serves the needs and plans of the issuer.

As the Company had not provide any specific targets in relation to Board Diversity, as well as the accompanying plans, timelines and progress towards achieving such targets in the Annual Report, please disclose accordingly pursuant to Listing Rule 710A.

Company's Response

The Company is committed to fostering board diversity across gender, age, ethnicity and experience, following the adoption of its Board Diversity Policy in August 2022.

As outlined in the AR 2023, the Nominating Committee and the Board believes that in addition to gender diversity, other dimensions to diversity remain a priority such as competencies, experience, knowledge base amongst others. The Board boasts a wide range of diversity, including female and ethnic minority representation, a broad spectrum of ages from the 40s to 70s, and a rich collective experience that spans the marine and offshore industry, accounting and finance, business and management, human resources, legal affairs, risk management, strategic planning, auditing, liquidation, merger and acquisitions, among other industry-specific expertise.

In support of gender diversity, the adopted Board Diversity Policy requires the Nominating Committee to include female candidates in the pool for new director appointments, targeting at least one female director on the Board. This goal has been met, with one out of the nine current board members being female. Further, one Board member is from racial minority group.

As for geographical diversity, the Nominating Committee and the Board believe that geographical diversity is not necessarily a contributory factor for the Group's specific corporate structure and business model. The Nominating Committee maintains that board members with international experience contribute valuable global insights and perspectives that are essential, regardless of their geographical origins. Detailed backgrounds and experiences of the Directors are set out on pages 14 to 16 of the AR 2023.

With such a broad spectrum of expertise and knowledge, the contributions from each Board member provides wide ranging perspectives on each discussion and decision, ensuring well-rounded governance and strategic oversight.

SGX RegCo's Query

3. Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company will not comply with Provision 2.2 of the Code that requires independent directors to make up majority of the Board where the Chairman is not independent at the conclusion of the upcoming FY2023 AGM, since the Board would have 4 non-independent directors and 3 independent directors upon the retirement of Mr Tan Kian Huay and Mr Tan Pong Tyea, as well as the redesignation of Mr Thia Peng Heok George (who is currently the Chairman and an Independent Director) to Non-Executive Non-Independent Director. In that regard, please elaborate on how the Company will comply with Provision 2.2 of the Code or explain the deviation accordingly.

Company's Response

The present makeup of the Board adheres to the Code's recommendation that Independent Directors constitute at least one-third of its members, with the Board Chairman serving as an Independent Director, thus fulfilling this requirement.

As disclosed at page 51 of AR 2023, the Nominating Committee and Board will make plans to appoint a new Independent Board Chairman following Mr Thia Peng Heok George's impending change in status to Non-Executive Non-Independent Director after the conclusion of the upcoming Annual General Meeting. The announcement of the new Independent Board Chairman's appointment, effective immediately after the conclusion of upcoming Annual General Meeting, will be published via SGXNet on 22 April 2024 after trading hours.

By Order of the Board

Lim Mee Fun

Company Secretary

8 April 2024