



BAKER TECHNOLOGY LIMITED

(UEN 198100637D)

(Incorporated in Singapore)

**Unaudited Condensed Interim Financial Statements
For the six months and full year ended 31 December 2023**

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A. Condensed interim consolidated statement of comprehensive income

	Note	Group					
		6 months ended			12 months ended		
		31 Dec 2023 S\$'000	31 Dec 2022 S\$'000	Change %	31 Dec 2023 S\$'000	31 Dec 2022 S\$'000	Change %
Revenue	4	52,042	51,373	+1	91,415	98,501	-7
Cost of sales		(35,680)	(36,893)	-3	(63,371)	(66,691)	-5
Gross profit		16,362	14,480	+13	28,044	31,810	-12
Other (expenses)/income, net		(4,629)	(660)	NM	(3,135)	1,250	NM
Administrative expenses		(9,975)	(11,622)	-14	(21,133)	(21,521)	-2
Finance cost		(265)	(262)	+1	(554)	(536)	+3
Profit before tax	6	1,493	1,936	-23	3,222	11,003	-71
Income tax credit	7	884	308	+187	652	329	+98
Profit for the period		2,377	2,244	+6	3,874	11,332	-66
Profit for the period attributable to:							
Owners of the Company		4,252	4,379	-3	8,368	13,400	-38
Non-controlling interests		(1,875)	(2,135)	-12	(4,494)	(2,068)	+117
		2,377	2,244	+6	3,874	11,332	-66
Other comprehensive income:							
<i>Items that maybe reclassified subsequently to profit or loss</i>							
Net fair value gain/(loss) on equity instruments at fair value		440	(20)	NM	440	(20)	NM
Net fair value gain/(loss) on debt instruments at fair value		8	(16)	NM	29	(41)	NM
Foreign currency translation		(2,187)	(3,286)	-33	(1,431)	(704)	+103
Other comprehensive income for the period, net of tax		(1,739)	(3,322)	-48	(962)	(765)	+26
Total comprehensive income for the period		638	(1,078)	NM	2,912	10,567	-72
Total comprehensive income for the period attributable to:							
Owners of the Company		3,219	2,141	+50	7,859	12,784	-39
Non-controlling interests		(2,581)	(3,219)	-20	(4,947)	(2,217)	+123
		638	(1,078)	NM	2,912	10,567	-72
Earnings per share attributable to Owners of the Company							
Basic and diluted (in cents)	8	2.1	2.2		4.1	6.6	

NM – Not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	9	134,048	149,063	3	2
Right-of-use assets		8,277	2,043	–	–
Intangible assets		258	517	–	–
Investment in subsidiaries		–	–	88,600	88,600
Investment securities		7,691	2,756	7,691	2,756
		<u>150,274</u>	<u>154,379</u>	<u>96,294</u>	<u>91,358</u>
Current assets					
Contract assets		2,476	6,822	–	–
Investment securities		2,729	1,730	2,729	1,730
Inventories and work-in-progress		6,761	4,077	–	–
Trade and other receivables	10	25,703	28,625	978	290
Amounts due from subsidiaries		–	–	74,913	95,106
Loan to an associated company		3,990	4,644	–	–
Cash and short-term deposits		87,521	71,467	72,984	51,200
		<u>129,180</u>	<u>117,365</u>	<u>151,604</u>	<u>148,326</u>
Less: Current liabilities					
Contract liabilities		884	576	–	–
Trade and other payables		15,423	12,830	637	825
Loans and borrowings	11	8,006	8,317	–	–
Amounts due to subsidiaries		–	–	7,416	3,648
Income tax payable		1,551	679	36	410
		<u>25,864</u>	<u>22,402</u>	<u>8,089</u>	<u>4,883</u>
Net current assets		103,316	94,963	143,515	143,443
Non-current liabilities					
Deferred tax liabilities		731	2,825	–	–
Loans and borrowings	11	8,170	2,961	–	–
Provision		1,800	1,550	–	–
		<u>10,701</u>	<u>7,336</u>	<u>–</u>	<u>–</u>
Net assets		<u>242,889</u>	<u>242,006</u>	<u>239,809</u>	<u>234,801</u>
Equity attributable to owners of the Company					
Share capital	12	108,788	108,788	108,788	108,788
Reserves		109,905	104,075	131,021	126,013
		<u>218,693</u>	<u>212,863</u>	<u>239,809</u>	<u>234,801</u>
Non-controlling interests		24,196	29,143	–	–
Total equity		<u>242,889</u>	<u>242,006</u>	<u>239,809</u>	<u>234,801</u>

C. Condensed interim statements of changes in equity

Group	Attributable to owners of the Company							
	Share capital (Note 12) \$'000	Capital reserve ⁽¹⁾ \$'000	Retained earnings \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Total reserves \$'000	Non-controlling interests \$'000	Total equity \$'000
2023								
At 1 January 2023	108,788	2,344	102,062	869	(1,200)	104,075	29,143	242,006
Profit for the year	–	–	8,368	–	–	8,368	(4,494)	3,874
<u>Other comprehensive income</u>								
Net fair value changes on equity instruments at FVOCI	–	–	–	440	–	440	–	440
Net fair value changes on debt instruments at FVOCI	–	–	–	29	–	29	–	29
Foreign currency translation	–	–	–	–	(978)	(978)	(453)	(1,431)
Total comprehensive income for the year	–	–	8,368	469	(978)	7,859	(4,947)	2,912
<u>Contributions by and distributions to owners</u>								
Dividend on ordinary shares	–	–	(2,029)	–	–	(2,029)	–	(2,029)
At 31 December 2023	108,788	2,344	108,401	1,338	(2,178)	109,905	24,196	242,889
2022								
At 1 January 2022	108,788	2,344	89,676	930	(645)	92,305	31,360	232,453
Profit for the year	–	–	13,400	–	–	13,400	(2,068)	11,332
<u>Other comprehensive income</u>								
Net fair value changes on equity instruments at FVOCI	–	–	–	(20)	–	(20)	–	(20)
Net fair value changes on debt instruments at FVOCI	–	–	–	(41)	–	(41)	–	(41)
Foreign currency translation	–	–	–	–	(555)	(555)	(149)	(704)
Total comprehensive income for the year	–	–	13,400	(61)	(555)	12,784	(2,217)	10,567
<u>Contributions by and distributions to owners</u>								
Dividend on ordinary shares	–	–	(1,014)	–	–	(1,014)	–	(1,014)
At 31 December 2022	108,788	2,344	102,062	869	(1,200)	104,075	29,143	242,006

C. Condensed interim statements of changes in equity (cont'd)

Company	Attributable to owners of the Company					Total equity \$'000
	Share capital (Note 12) \$'000	Capital reserve ⁽¹⁾ \$'000	Retained earnings \$'000	Fair value reserve \$'000	Total reserves \$'000	
2023						
At 1 January 2023	108,788	2,344	122,800	869	126,013	234,801
Profit for the year	–	–	6,568	–	6,568	6,568
<u>Other comprehensive income</u>						
Net fair value changes on equity instruments at FVOCI	–	–	–	440	440	440
Net fair value changes on debt instruments at FVOCI	–	–	–	29	29	29
Total comprehensive income for the year	–	–	6,568	469	7,037	7,037
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	–	–	(2,029)	–	(2,029)	(2,029)
At 31 December 2023	108,788	2,344	127,339	1,338	131,021	239,809
2022						
At 1 January 2022	108,788	2,344	111,495	930	114,769	223,557
Profit for the year	–	–	12,319	–	12,319	12,319
<u>Other comprehensive income</u>						
Net fair value changes on equity instruments at FVOCI	–	–	–	(20)	(20)	(20)
Net fair value changes on debt instruments at FVOCI	–	–	–	(41)	(41)	(41)
Total comprehensive income for the year	–	–	12,319	(61)	12,258	12,258
<u>Contributions by and distributions to owners</u>						
Dividend on ordinary shares	–	–	(1,014)	–	(1,014)	(1,014)
At 31 December 2022	108,788	2,344	122,800	869	126,013	234,801

(1) Capital reserve arose from restructuring exercise in prior years.

D. Condensed interim consolidated statement of cash flows

		Group	
	Note	12 months ended 31 Dec 2023	2022
		\$'000	\$'000
Cash flows from operating activities			
Profit before tax	6	3,222	11,003
Adjustments for:			
Depreciation of property, plant and equipment		12,650	12,709
Depreciation of right-of-use assets		1,141	1,141
Amortisation of intangible assets		259	259
Inventories written down		98	244
Impairment of vessel		4,160	–
Allowance for expected credit losses		1,476	4,784
Interest income		(2,788)	(554)
Interest expense		554	536
Unrealised foreign exchange loss		1,509	934
Operating cash flows before working capital changes		22,281	31,056
Increase in inventories and work-in-progress		(2,782)	(836)
Decrease/(increase) in contract assets		4,346	(1,220)
Increase/(decrease) in contract liabilities		308	(352)
Decrease/(increase) in trade and other receivables		2,225	(9,707)
Increase in trade and other payables		2,217	648
Cash flows from operations		28,595	19,589
Interest received		2,106	340
Interest paid		(554)	(536)
Income tax paid		(554)	(190)
Net cash flows from operating activities		29,593	19,203
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(3,458)	(1,154)
Maturity of investment securities		3,870	–
Purchase of investment securities		(9,375)	(1,801)
Repayment from associates		578	1,189
Net cash flows used in investing activities		(8,385)	(1,766)
Cash flows from financing activities			
Repayment of borrowings		(1,271)	(2,898)
Payment of principal portion of lease liabilities		(956)	(900)
Dividend on ordinary shares		(2,029)	(1,014)
Net cash flows used in financing activities		(4,256)	(4,812)
Net increase in cash and cash equivalents		16,952	12,625
Effect of exchange rate changes on cash and cash equivalents		(898)	(918)
Cash and cash equivalents at beginning of financial year		71,467	59,760
Cash and cash equivalents at end of financial year		87,521	71,467

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Baker Technology Limited (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2023 comprised the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are investment holding and the provision of specialised marine offshore equipment and services for the oil and gas industry.

2. Basis of Preparation

The condensed interim financial statements for the six months and full year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (SGD or \$), which is the Company’s functional currency, and all values in the tables are rounded to the nearest thousand (\$’000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions were reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there were no significant judgements made in applying the accounting policies in the condensed interim financial statements.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

2.2 Use of judgements and estimates (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 9 – impairment test on vessels
- Note 10 – allowance for expected credit losses of trade receivables

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- (i) The marine offshore segment is essentially the Group's principal business activity as manufacturers and providers of specialised marine offshore equipment and services for the oil and gas industry. The Group's core business is in the design, construction, operating and chartering of mobile offshore units and offshore services vessels, along a wide range of critical equipment and components for the offshore marine industry.
- (ii) The investments segment relates to the Group's investments in available-for-sale investments.
- (iii) The corporate segment is involved in Group-level corporate services and treasury functions.

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

4.1 Reportable segments

The following table present revenue and profit information for the Group's operating segments for the 6 months ended 31 December 2023 ("2H2023") and 2022 ("2H2022"), respectively:

	Marine offshore		Investments		Corporate		Adjustments and elimination		Consolidated	
	2H2023	2H2022	2H2023	2H2022	2H2023	2H2022	2H2023	2H2022	2H2023	2H2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	52,042	51,373	–	–	–	–	–	–	52,042	51,373
Results:										
Depreciation and amortisation	(7,099)	(7,119)	–	–	(1)	(1)	–	–	(7,100)	(7,120)
Interest income	92	79	209	6	1,555	394	–	–	1,856	479
Finance cost	(265)	(262)	–	–	–	–	–	–	(265)	(262)
Inventories written down	(98)	(89)	–	–	–	–	–	–	(98)	(89)
Segment profit/(loss)	2,310	3,915	12,173	13,512	12,700	12,519	(25,690)	(28,010)	1,493	1,936
Other segment information:										
Purchase of investment securities	–	–	6,650	1,801	–	–	–	–	6,650	1,801
Additions to non-current assets:-										
- Purchase of property, plant and equipment	1,612	759	–	–	3	–	–	–	1,615	759

The following table present revenue and profit information for the Group's operating segments for the 12 months ended 31 December 2023 and 31 December 2022, respectively:

	Marine offshore		Investments		Corporate		Adjustments and elimination		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	91,415	98,501	–	–	–	–	–	–	91,415	98,501

E. Notes to the condensed interim consolidated financial statements (Cont'd)

4.1 Reportable segments (Cont'd)

	Marine offshore		Investments		Corporate		Adjustments and elimination		Consolidated	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Results:										
Depreciation and amortisation	(14,048)	(14,107)	–	–	(2)	(2)	–	–	(14,050)	(14,109)
Interest income	219	89	251	11	2,318	454	–	–	2,788	554
Finance cost	(554)	(536)	–	–	–	–	–	–	(554)	(536)
Inventories written down	(98)	(244)	–	–	–	–	–	–	(98)	(244)
Segment profit/(loss)	3,785	13,052	12,200	13,483	13,317	12,868	(26,080)	(28,400)	3,222	11,003
Other segment information:										
Purchase of investment securities	–	–	9,375	1,801	–	–	–	–	9,375	1,801
Additions to non-current assets:-										
- Purchase of property, plant and equipment	3,455	1,154	–	–	3	–	–	–	3,458	1,154

The following table presents assets and liabilities information for the Group's operating segments as at 31 December 2023 and 31 December 2022, respectively:

	Marine offshore	Investments	Corporate	Adjustments and elimination	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets					
31 December 2023	194,757	57,845	73,965	(47,113)	279,454
31 December 2022	215,431	51,935	51,491	(47,113)	271,744
Segment liabilities					
31 December 2023	35,874	17	674	–	36,565
31 December 2022	28,485	18	1,235	–	29,738

E. Notes to the condensed interim consolidated financial statements (Cont'd)

4.1 Reportable segments (Cont'd)

Geographical information

	Group Revenue from external customers			
	6 months ended		12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
Asia Pacific (excluding China and Singapore)	39,043	20,787	63,151	40,857
Middle East	5,053	2,570	11,088	4,432
Africa	3,462	13,289	8,216	15,895
Singapore	769	3,084	4,146	3,584
Europe	3,648	10,278	3,900	24,229
Americas	45	1,336	875	9,445
China	22	29	39	59
	52,042	51,373	91,415	98,501

	Group Non-current assets	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Singapore	142,583	151,623

Segment revenue is based on the countries in which customers are invoiced. Non-current assets information consists of property, plant and equipment, right-of-use assets and intangible assets as presented in the consolidated balance sheet and are based on the geographical location of the entities.

4.2 Disaggregation of revenue

	Group			
	6 months ended		12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
Marine offshore revenue	46,203	46,022	83,157	90,788
Spare sales	5,839	5,351	8,258	7,713
	52,042	51,373	91,415	98,501

E. Notes to the condensed interim consolidated financial statements (Cont'd)

4.2 Disaggregation of revenue (Cont'd)

	6 months ended 2023		6 months ended 2022	
	At a point in time	Over time	At a point in time	Over time
	\$'000	\$'000	\$'000	\$'000
Asia Pacific (excluding China and Singapore)	96	37,161	744	20,043
Middle East	4,540	513	2,570	–
Africa	86	3,376	283	13,006
Singapore	981	1,574	1,568	1,516
Europe	113	3,535	145	10,133
Americas	1	44	12	1,324
China	22	–	29	–
	5,839	46,203	5,351	46,022

	12 months ended 2023		12 months ended 2022	
	At a point in time	Over time	At a point in time	Over time
	\$'000	\$'000	\$'000	\$'000
Asia Pacific (excluding China and Singapore)	146	63,005	957	39,900
Middle East	6,507	4,581	4,432	–
Africa	330	7,886	304	15,591
Singapore	1,097	3,049	1,761	1,823
Europe	136	3,764	145	24,084
Americas	3	872	55	9,390
China	39	–	59	–
	8,258	83,157	7,713	90,788

A breakdown of sales:

	Group		
	12 months ended		Change
	31 Dec 2023	31 Dec 2022	
	\$'000	\$'000	%
Sales reported for the first half year	39,373	47,128	-16
Operating profit after tax before deducting non-controlling interests reported for first half year	1,497	9,088	-84
Sales reported for second half year	52,042	51,373	+1
Operating profit after tax before deducting non-controlling interests reported for second half year	2,377	2,244	+6

E. Notes to the condensed interim consolidated financial statements (Cont'd)

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 2022:

	Group		Company	
	31 Dec 2023 \$'000	31 Dec 2022 \$'000	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Financial assets				
<i>Equity securities at fair value through other comprehensive income</i>				
- Corporate bonds (quoted) (Level 1)	7,455	1,961	7,455	1,961
- Unquoted equity securities (Level 2)	2,965	2,525	2,965	2,525
Trade and other receivables (excluding GST recoverable and prepaid expenses)	24,479	27,594	960	257
Amounts due from subsidiaries	–	–	74,913	95,106
Cash and short-term deposits	87,521	71,467	72,984	51,200
Loan to associated company	3,990	4,644	–	–
Total undiscounted financial assets	126,410	108,191	159,277	151,049
Financial liabilities				
Trade and other payables (excluding deferred income and provision for reinstatement)	15,423	12,830	637	825
Amounts due to subsidiaries	–	–	7,416	3,648
Loans and borrowings	8,342	9,854	–	–
Lease liabilities	13,098	1,882	–	–
Total undiscounted financial liabilities	36,863	24,566	8,053	4,473
Total net undiscounted financial assets	89,547	83,625	151,224	146,576

E. Notes to the condensed interim consolidated financial statements (Cont'd)

6. Profit/(loss) before tax

6.1 Significant items

	Group			
	6 months ended		12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
Income:				
Grant income	11	218	179	549
Interest income	1,856	479	2,788	554
Expenses:				
Employee benefits expenses	7,132	7,776	14,062	14,640
Depreciation of property, plant and equipment	6,400	6,421	12,650	12,709
Depreciation of right-of-use assets	571	570	1,141	1,141
Amortisation of intangible assets	129	129	259	259
Foreign exchange loss	2,474	1,834	2,180	526
Interest expenses	265	262	554	536
Inventories written down	98	89	98	244
Allowance for expected credit losses	25	2,906	1,476	4,784
Impairment loss on vessel	4,160	–	4,160	–

6.2 Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	Group			
	6 months ended		12 months ended	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	\$'000	\$'000	\$'000	\$'000
Management and agency fee from associated companies	32	33	64	66

E. Notes to the condensed interim consolidated financial statements (Cont'd)

7. Income tax credit

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group			
	6 months ended 31 Dec 2023 \$'000	31 Dec 2022 \$'000	12 months ended 31 Dec 2023 \$'000	31 Dec 2022 \$'000
Statement of comprehensive income:				
<i>Current income tax:</i>				
- Current income taxation	341	597	893	597
- Under/(over) provision in respect of prior years	13	–	13	(21)
	<hr/>	<hr/>	<hr/>	<hr/>
	354	597	906	576
<i>Deferred income tax:</i>				
- Origination and reversal of temporary differences	(1,238)	(905)	(1,558)	(905)
	<hr/>	<hr/>	<hr/>	<hr/>
Income tax credit recognised in the statement of comprehensive income	(884)	(308)	(652)	(329)

8. Earnings per share and net asset value per share

Basic earnings per ordinary share for the six months and full year ended 31 December 2023 and 31 December 2022 are calculated by dividing profit/(loss) for the financial period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial periods of 202,877,948.

The Group has no dilution in its earnings per share at 31 December 2023 and 31 December 2022.

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Net asset value per ordinary share based on issued share capital at the end of the period (in cents)	107.8	104.9	118.2	115.7

Net asset value per ordinary share as at 31 December 2023 and 31 December 2022 are calculated based on the number of ordinary shares in issue of 202,877,948.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

9. Property, plant and equipment

During the year ended 31 December 2023, the Group acquired assets amounting to \$3,458,000 (31 December 2022: \$1,154,000) and disposed assets amounting to \$1,402,000 (31 December 2022: \$7,000).

Impairment testing on vessels

The Group's 54.98%-owned subsidiary, CH Offshore Ltd. ("CHO") commenced arbitration proceedings in Singapore against its charterer for unpaid charter hire of approximately US\$2.1 million on one of the CHO's vessels. In February 2023, the charterer filed a counterclaim of approximately US\$3.4 million in response to the CHO's claim.

In July 2023, the arbitral tribunal issued the following (collectively the "**Arbitration Awards**"):

- A final partial award in the amount of approximately US\$1.6 million in relation to unpaid charter hire plus interest based on a standby hire rate;
- A final award in relation to an urgent mandatory injunction requiring the charterer to redeliver the vessel to CHO after the termination of the charterparty in April 2023; and
- Dismissed the counterclaim filed by the charterer.

Since then, CHO has been working with its legal counsel on the enforcement of the Arbitration Awards in the foreign jurisdiction in which the charterer is located. Due to the time taken to meet the administrative and procedural requirements of the foreign courts, the application was filed in December 2023.

The foreign courts will have to carry out an analysis of the following:

- Whether the Arbitration Awards are duly authenticated; and
- Whether the arbitration proceedings are in line with the principles of the law of this foreign country.

CHO's legal counsel has advised that it could take approximately one to two years to complete the proceedings in this foreign jurisdiction.

Based on advice from its legal counsel, CHO is confident that the Arbitration Awards will be enforceable. However, due to the unavailability of this vessel for chartering operations until completion of the legal proceedings, the Group has recorded an impairment charge of \$4,160,000 for the year ended 31 December 2023 (2022: \$Nil).

The impairment charge was determined based on the recoverable amount of the vessel was based on its value in use.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

10. Trade receivables

As at 31 December 2023, the carrying amount of the Group's trade receivables, net of allowance for expected credit losses ("ECL") of \$8,085,000 (31 December 2022: \$7,596,000) amounted to \$22,486,000 (31 December 2022: \$26,232,000), which represented 17% (31 December 2022: 17%) of its current assets.

Allowance for expected credit losses of trade receivables

The Group uses provision rates to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customers segments that have similar loss patterns. The provision matrix is initially based on the Group's historical default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. As at 31 December 2023, the Group assessed that the ECL provision recorded is adequate.

11. Loans and borrowings

	Group	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
<u>Amount repayable within one year or on demand</u>		
Secured	5,993	6,013
Unsecured	2,013	2,304
	<hr/>	<hr/>
	8,006	8,317
	<hr/>	<hr/>
<u>Amount repayable after one year</u>		
Secured	–	–
Unsecured	8,170	2,961
	<hr/>	<hr/>
	8,170	2,961
	<hr/>	<hr/>
Total loans and borrowings	16,176	11,278
	<hr/>	<hr/>

The secured bank borrowing is secured by a subsidiary's vessel.

E. Notes to the condensed interim consolidated financial statements (Cont'd)

12. Share capital

	Group and Company			
	31 Dec 2023		31 Dec 2022	
	No. of shares	\$'000	No. of shares	\$'000
Issued and fully paid:				
At 31 December 2023 and 31 December 2022	202,877,948	108,788	202,877,948	108,788

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The Company did not hold any treasury shares as at 31 December 2023 and 31 December 2022. There was no sale, transfer, disposal, cancellation and use of treasury shares during the twelve months ended 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

There was no sale, transfer, cancellation and/or use of subsidiary holdings during the six months ended 31 December 2023.

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Baker Technology Limited and its subsidiaries (the “Group”) as at 31 December 2023 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Revenue

Group revenue for the second half in 2023 (“2H2023”) saw a marginal increase of \$0.7 million to \$52.0 million as compared to the corresponding period in 2022 (“2H2022”).

However, the Group’s revenue saw a decrease of 7% from \$98.5 million in FY2022 to \$91.4 million in FY2023, primarily due to lower fabrication revenue but was partially offset by higher chartering revenue in 2H2023.

Profitability

The Group reported net profit of \$2.4 million for 2H2023 as compared to \$2.2 million for 2H2022, due to the following:

- Higher contribution from chartering activities;
- Lower administrative expenses primarily due to lower allowance for expected credit loss; and
- Higher interest income due to improvement in interest rates and higher deposits

However, the increase in profitability were partially offset by:

- An impairment loss on vessel of \$4.2 million (2H2022: \$Nil);
- Higher foreign exchange loss of \$0.6 million due mainly to the weakening of US dollars against Singapore dollar; and
- Higher income tax expenses

As a result of lower contributions from chartering activities during 1H2023 and fabrication activities during FY2023, impairment loss on vessel and higher foreign exchange loss for FY2023, the Group reported a lower net profit at \$3.9 million for the current year as compared to \$11.3 million in FY2022.

After taking into account non-controlling interests (i.e. minority shareholders of CHO), net profit attributable to shareholders was \$8.4 million for FY2023, as compared to a net profit attributable to shareholders of \$13.4 million for FY2022.

Financial position and cash flow

Group shareholders’ fund increased from \$212.9 million as at 31 December 2022 to \$218.7 million as at 31 December 2023. This was due mainly to net profit attributable to shareholders of \$8.4 million for the current year but partially offset by payment of \$2.0 million dividend to shareholders and foreign currency translation loss of \$1.0 million arising from the consolidation of subsidiaries reported in foreign currencies.

Cash and cash equivalents increased from \$71.5 million as at 31 December 2022 to \$87.5 million as at 31 December 2023, mainly due to better operating cash flows during FY2023.

F. Other information required by Listing Rule Appendix 7.2 (Cont'd)

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

The Group's unaudited results for FY2023 are broadly in line with the Company's profit guidance announcement on 7 February 2024.

4. 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 offshore marine industry continues to face a multitude of challenges contributed by volatile oil prices, high interest rates, inflationary pressure and geopolitical tensions. The Group will continue to be conservative and manage our financials accordingly while focusing on improving our core capabilities and productivity to remain nimble to opportunities and challenges.

5. Dividend information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? Yes

The Directors are pleased to recommend a final cash dividend of 1.5 cents per share tax exempt one-tier (2022: 1.0 cent) in respect of the financial year ended 31 December 2023 for approval by shareholders at the forthcoming Annual General Meeting.

Name of Dividend	Final dividend
Dividend type	Cash
Dividend per share	1.5 cents
Tax rate	Tax exempt (one-tier)

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

5c. Date Payable

To be announced at a later date

5d. Book Closure Date

To be announced at a later date

F. Other information required by Listing Rule Appendix 7.2 (Cont'd)

6. Interested person transactions

The Company did not obtain a general mandate from shareholders for Interested Person Transactions.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

8. Review of performance of the Group – turnover and earnings

Refer to paragraph F2.

9. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Name	Age	Family relationship with director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Jeanette Chang	47	Daughter of Dr Benety Chang and Dr Doris Heng Chin Ngor. Dr Benety Chang is an Executive Director and substantial shareholder of the Company. He is also the CEO of CH Offshore Ltd. ("CHO"), a subsidiary of the Company. Dr Doris Heng Chin Ngor is also a substantial shareholder of the Company.	Chief Executive Officer of the Company since 1 January 2019. Responsible for overall management of the Company and its subsidiaries. Non-Executive Non-Independent Director of CHO since 27 August 2018.	Not applicable

On behalf of the Board of Directors

Wong Meng Yeng
Board Chairman

Jeanette Chang
CEO

BY ORDER OF THE BOARD

Lim Mee Fun
Company Secretary

26 February 2024