CREATING A BETTER

FUTURE

CH OFFSHORE LTD.

ANNUAL REPORT 2022

VISION

To be the preferred marine support service provider in the oil and gas industry delivering incident-free operations all the time, everywhere.

MISSION

To provide our customers with safe, superior, reliable and cost effective marine services delivered by a team passionate about operational excellence.

CONTENTS

CH Offshore Ltd. ("CHO", the "Company"), together with its subsidiaries (the "Group"), is a leading provider of offshore marine assets and services, focused on the oil and gas sector.

The Group's core business is in the ownership and charter of six 12,240 BHP vessels equipped with state-of-the-art facilities for heavier offshore work in deeper waters and the provision of reliable, responsive and effective ship management services for our vessels as well as third party vessels. Over the last forty plus years, we have managed a wide range of offshore vessels including Anchor Handling Tugs, Platform Supply Vessels, Work Boats and Liftboats amongst others.

Our vessels provide offshore support services such as offshore construction support, towing, anchor-handling, supply of deck, liquid and dry bulk cargoes and field support services. The Group operates and charters vessels across the globe from Mexico, Africa, India to South-East Asia extending our support to oil and gas majors, oil field contractors etc.

Building on CHO's long standing history of strength and expertise, the Group continues to forge excellent relationships with its customers through firm commitment to quality, reliability and high service standards.

KEY MILESTONES

1976

MARCH
Incorporated on 31 March 1976 as Mico Line Pte. Ltd.

APRIL
Mico Line Pte. Ltd. became a wholly-owned subsidiary of Chuan Hup Marine Pte. Ltd.

1977

MARCH
Incorporation of wholly-owned subsidiary - CHO Ship Management Pte. Ltd.

JUNE
Incorporation of a wholly-owned subsidiary - Sea Glory Private Limited

1979

FEBRUARY
Incorporation of a wholly-owned subsidiary - Garo Pte. Ltd.

1982

SEPTEMBER
Incorporation of a wholly-owned subsidiary - Delaware Marine Pte Ltd

1983

JANUARY
Incorporation of a wholly-owned subsidiary - Pembrooke Marine Pte Ltd

AUGUST
Incorporation of a wholly-owned subsidiary - Offshore Gold Shipping Pte Ltd

2003

FEBRUARY
Upgraded to SGX-ST Mainboard and underwent a name change to CH Offshore Ltd.

SEPTEMBER
S$37.2 million Placement of 117,000,000 new shares in CHO

2005

OCTOBER
Scomi Marine Berhad (Formerly Habib Corporation Berhad) acquired a 29.07% stake from Chuan Hup Holdings Limited

2008

APRIL
Scomi Marine Berhad disposed of its 29.07% stake to Energian Pte Ltd ("Energian") - a wholly-owned subsidiary of Falcon Energy Group Limited ("FEG")

2009

JULY

Incorporation of a wholly-owned subsidiary - Venture Offshore Pte. Ltd.

2013

AUGUST

Awarded Meritorious Defence Partner Award, in recognition of commendable contribution towards National Defence

2015

FEBRUARY

FEG, through Energian, increased its stake in CHO to 86.71% via a voluntary unconditional cash offer

CHO became an indirect subsidiary of FEG

2017

MARCH - APRIL

Energian sold a 21.83% stake to SZ Offshore Investment Pte. Ltd.

High Majestic Sdn. Bhd. became an indirect subsidiary of CHO

Pearl Marine Pte. Ltd. became an indirect subsidiary of CHO

2018

JULY

Baker Techology Limited's wholly-owned subsidiary - BT Investment Pte. Ltd. acquired a 52.72% stake in CHO

SEPTEMBER

BT Investment Pte. Ltd. increased its stake in CHO to 54.98%

DECEMBER

Awarded Certification of Participation in the Singapore Environmental Achievement Awards 2018

Awarded Eco-Office Certification by Singapore Environment Council for its premises at 12A Jalan Samulun

2021

JULY

Incorporation of a wholly-owned subsidiary - Interseas Sdn. Bhd.

2022

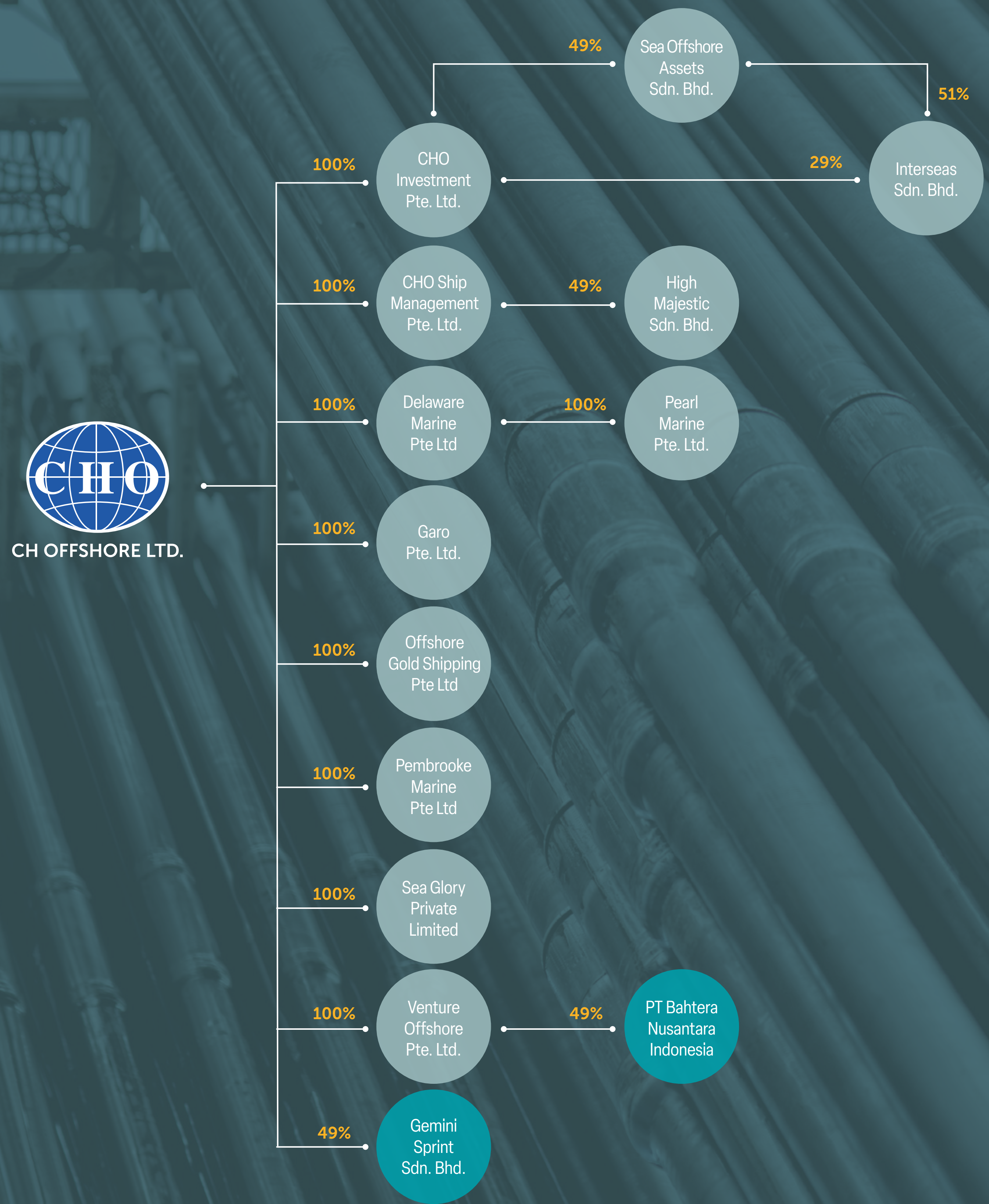
JUNE

Incorporation of a wholly-owned subsidiary – CHO Investment Pte. Ltd.

JULY

Sea Offshore Assets Sdn. Bhd. became an indirect subsidiary of CHO

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Mr Thia Peng Heok George (Independent)

Executive
Dr Benety Chang (Chief Executive Officer)

Non-Executive
Ms Jeanette Chang
Mr Tan Kiang Kherng
Mr Tan Pong Tyea
Mr Tan Kian Huay (Independent)
Mr Ahmad Nizam Bin Abbas (Independent)

AUDIT COMMITTEE

Mr Thia Peng Heok George (Chairman)
Mr Tan Kian Huay
Ms Jeanette Chang
Mr Ahmad Nizam Bin Abbas

NOMINATING COMMITTEE

Mr Tan Kian Huay (Chairman)
Dr Benety Chang
Mr Thia Peng Heok George

REMUNERATION COMMITTEE

Mr Thia Peng Heok George (Chairman)
Mr Tan Kian Huay
Ms Jeanette Chang

COMPANY SECRETARY

Ms Lim Mee Fun

REGISTERED OFFICE

12A Jalan Samulun
Singapore 629131
Tel: (65) 6410 9018
Fax: (65) 6862 2336
Email: investors@choffshore.com.sg
Website: www.choffshore.com.sg

SHARE REGISTAR

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712

AUDITOR

Ernst & Young LLP
Public Accountants & Certified Public Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

AUDIT PARTNER-IN-CHARGE

Mr Yee Woon Yim
(appointed since financial year ended 31 December 2018)

PRINCIPAL BANKER

United Overseas Bank Limited

OUR
FLEET

PERIDOT 2010	AQUAMARINE (EX-PTSC HA LONG) 2009	CORAL* 2008
Dimensions (L x B x D) 61.45 m x 16.4 m x 7.2 m	Dimensions (L x B x D) 61.45 m x 16.4 m x 7.2 m	Dimensions (L x B x D) 61.45 m x 16.4 m x 7.2 m
Main Propulsion 2 x Wartsila Total 12,240 BHP	Main Propulsion 2 x Wartsila Total 12,240 BHP	Main Propulsion 2 x Wartsila Total 12,240 BHP
Bollard Pull 152.2 MT continuous 158.8 MT maximum	Bollard Pull 152.0 MT continuous 157.7 MT maximum	Bollard Pull 157.2 MT continuous 162.0 MT maximum
Dynamic Positioning System Class 2	Dynamic Positioning System Class 2	Dynamic Positioning System Class 2

** co-owned*
Note: The specifications on Pages 6-7 are for general information only and are not to be used for any other purpose

LANGERY (EX-PEARL)
2008

Dimensions (L x B x D)
61.45 m x 16.4 m x 7.2 m

Main Propulsion 2 x Wartsila
Total 12,240 BHP

Bollard Pull
151.8 MT continuous
155.1 MT maximum

Dynamic Positioning
System Class 2

M LUISA (EX-TURQUOISE)
2008

Dimensions (L x B x D)
61.45 m x 16.4 m x 7.2 m

Main Propulsion 2 x Wartsila
Total 12,240 BHP

Bollard Pull
153.9 MT continuous
157.7 MT maximum

Dynamic Positioning
System Class 2

M AMELIA (EX-AMETHYST)
2008

Dimensions (L x B x D)
61.45 m x 16.4 m x 7.2 m

Main Propulsion 2 x Wartsila
Total 12,240 BHP

Bollard Pull
153.6 MT continuous
159.2 MT maximum

Dynamic Positioning
System Class 2

FINANCIAL
REVIEW

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2022 US$'000	2021 US$'000	CHANGES %	EXPLANATORY NOTES
Revenue	18,599	15,520	19.8%	Increase due to higher utilisation rate from owned vessels and higher revenue from third-party vessels
Cost of sales	(11,652)	(10,905)	6.9%	
Gross profit before direct depreciation	**6,947**	**4,615**	**50.5%**	
Direct depreciation	(4,643)	(5,249)	-11.5%	Reduction due to disposal of vessels in 2021
Gross profit/(loss) after direct depreciation	**2,304**	**(634)**	**NM**	
Other income	413	700	-41.0%	Decrease mainly due to lower vessel insurance claim
Loss on disposal of vessels	-	(2,857)	-100.0%	No disposal of vessel in 2022
(Allowance for)/write-back of expected credit losses on trade receivables, net	(3,250)	1,136	NM	Additional provision for expected credit losses of $3.6m but offset by writeback of expected credit losses of $0.4m
Allowance for expected credit losses on loan to associated company	-	(61)	-100.0%	No further allowance made in 2022
Other expenses	(291)	(330)	-11.8%	Decrease due to lower exchange losses
Administrative expenses	(2,877)	(2,973)	-3.2%	Decrease due to lower payroll and lower legal fees
Loss from operations	**(3,701)**	**(5,019)**	**-26.3%**	
Finance costs	(291)	(350)	-16.9%	Decrease mainly due to repayment of bank loans of $2.1m during 2022
Loss before income tax and results of associated companies	**(3,992)**	**(5,369)**	**-25.6%**	
Share of results of associated companies	-	-	-	No further share of losses from associate due to capping of the losses in 2019
Loss before income tax	**(3,992)**	**(5,369)**	**-25.6%**	
Income tax credit	661	415	59.3%	Mainly due to reversal of deferred tax liabilities
Loss after income tax	**(3,331)**	**(4,954)**	**-32.8%**	
Attributable to:				
Shareholders of the company	(3,330)	(4,949)	-32.7%	
Non-controlling interests	(1)	(5)	-80.0%	
Total comprehensive income for the year	**(3,331)**	**(4,954)**	**-32.8%**	

STATEMENT OF FINANCIAL POSITION

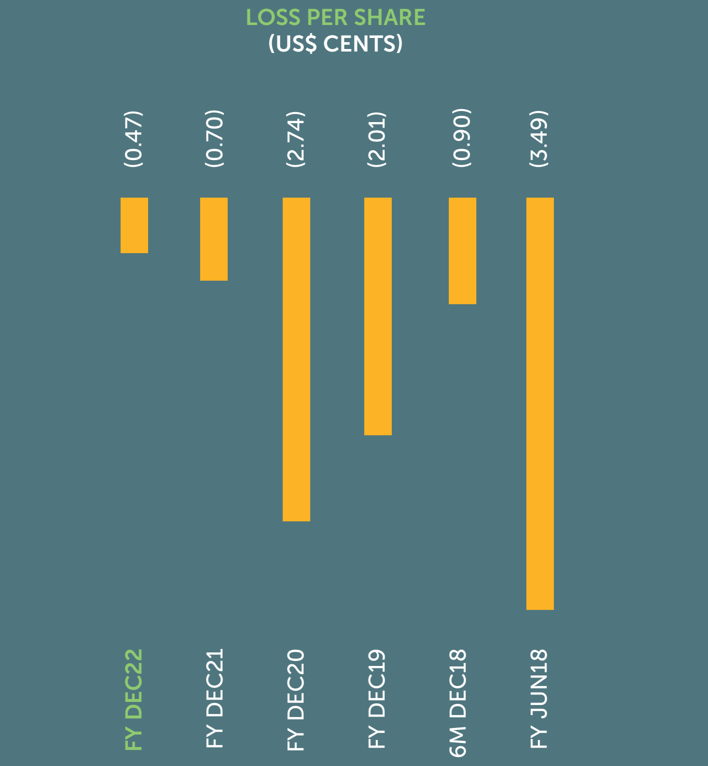
	2022 US$'000	2021 US$'000	CHANGES %	EXPLANATORY NOTES
CURRENT ASSETS				
Cash and cash equivalents	7,322	6,931	5.6%	Increase mainly due to cash generated from operating activities, repayment of loan from associated company but offset by repayment of bank loans
Trade and other receivables	5,224	7,054	-25.9%	Decrease partly due to the provision for expected credit losses
Inventories	739	580	27.4%	
Loan to associated company	3,458	4,311	-19.8%	Decrease due to repayment from associated company
Prepayments	269	163	65.0%	
Total current assets	**17,012**	**19,039**	**-10.6%**	
NON-CURRENT ASSETS				
Associated companies	-	-	-	
Fixed assets	45,194	49,580	-8.8%	Decrease mainly due to depreciation charge for the year
Total non-current assets	45,194	49,580	-8.8%	
Total assets	**62,206**	**68,619**	**-9.3%**	
CURRENT LIABILITIES				
Payables and accruals	4,473	4,774	-6.3%	
Borrowings	5,481	6,330	-13.4%	Decrease due to repayment of bank loans
Income tax payable	19	27	-29.6%	
Total current liabilities	**9,973**	**11,131**	**-10.4%**	
NON-CURRENT LIABILITIES				
Borrowings	1,609	2,863	-43.8%	Decrease due to repayment of bank loans
Deferred taxation	2,104	2,760	-23.8%	Due to reversal of deferred tax liabilities
Total non-current liabilities	**3,713**	**5,623**	**-34.0%**	
CAPITAL AND RESERVES				
Issued capital	55,379	55,379	-	
Treasury shares	(46)	(46)	-	
Accumulated losses	(6,828)	(3,468)	96.9%	Increase due to net loss for the year
	48,505	51,865	-6.5%	
Non-controlling interests	15	-	NM	
Total Equity	48,520	51,865	-6.4%	
Total liabilities and equity	**62,206**	**68,619**	**-9.3%**	

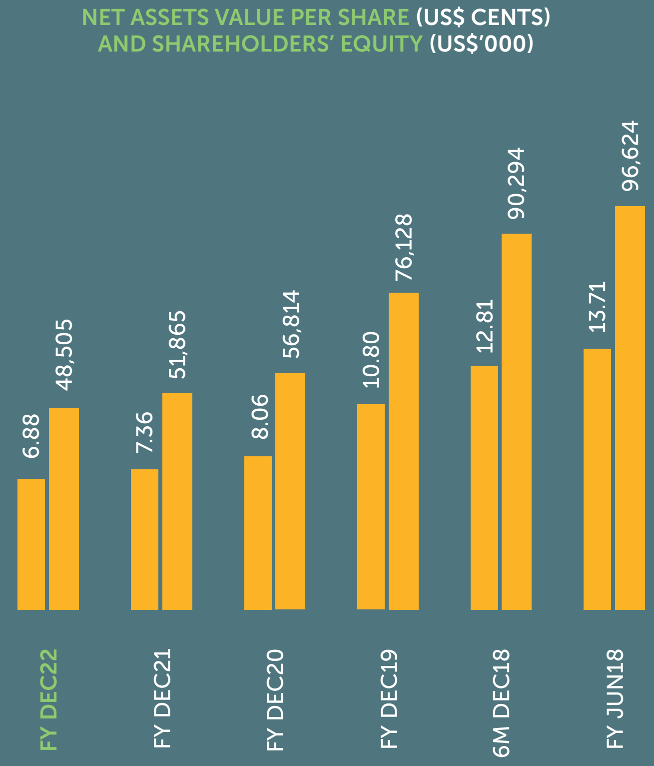
STATEMENT OF CASH FLOWS

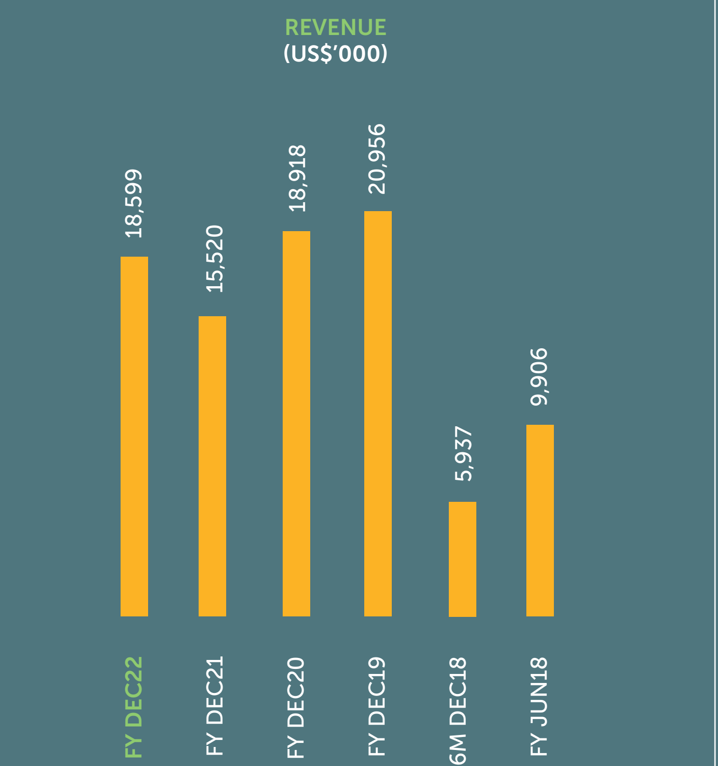
	2022 US$'000	2021 US$'000	CHANGES %	EXPLANATORY NOTES
Cash generated from operating activities	1,961	590	232.4%	Increased due to improved vessel operations during the year
Cash generated from investing activities	573	4,502	-87.3%	No proceeds from sale of vessels in 2022
Cash used in financing activities	(2,102)	(1,229)	71.0%	Due to higher net repayment of bank loans in 2022
Net increase in cash and cash equivalents	**432**	**3,863**	**-88.8%**	
Cash and cash equivalents at beginning of year	6,931	3,190	117.3%	
Effect of exchange rate changes on cash and cash equivalents	(41)	(122)	-66.4%	
Cash and cash equivalents at end of year	**7,322**	**6,931**	**5.6%**	

FIVE-YEAR FINANCIAL HIGHLIGHTS

	FY DEC22 US$'000	FY DEC21 US$'000	FY DEC20 US$'000	FY DEC19 US$'000	6M DEC18 US$'000	FY JUN18 US$'000
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME						
Revenue	18,599	15,520	18,918	20,956	5,937	9,906
Gross profit/(loss) after direct depreciation	2,304	(634)	(1,692)	317	(1,836)	(2,561)
Loss before income tax	(3,992)	(5,369)	(19,778)	(13,896)	(6,229)	(24,473)
Loss after income tax	(3,331)	(4,954)	(19,427)	(14,062)	(6,346)	(24,595)
Gross profit/(loss) margin	12.4%	(4.1%)	(8.9%)	1.5%	(30.9%)	(25.9%)
Loss before income tax margin	(21.5%)	(34.6%)	(104.5%)	(66.3%)	(104.9%)	(247.1%)
Loss after income tax margin	(17.9%)	(31.9%)	(102.7%)	(67.1%)	(106.9%)	(248.3%)
STATEMENTS OF FINANCIAL POSITION						
Current assets	17,012	19,039	16,288	23,147	16,151	17,906
Non-current assets	45,194	49,580	60,848	76,272	91,382	98,802
Total assets	62,206	68,619	77,136	99,419	107,533	116,708
Current liabilities	9,973	11,131	13,276	16,813	10,178	12,619
Non-current liabilities	3,713	5,623	7,041	6,360	7,047	7,465
Total liabilities	13,686	16,754	20,317	23,173	17,225	20,084
Net current assets	7,039	7,908	3,012	6,334	5,973	5,287
Non-controlling interests	15	-	5	118	14	-
Shareholders' equity	48,505	51,865	56,814	76,128	90,294	96,624
PER SHARE DATA						
Loss Per Share (US$ cents):						
Basic and Fully Diluted	(0.47)	(0.70)	(2.74)	(2.01)	(0.90)	(3.49)
Net Asset Value Per Share (US$ cents)	6.88	7.36	8.06	10.80	12.81	13.71


LOSS PER SHARE
(US$ CENTS)
(0.47)
(0.70)
(2.74)
(2.01)
(0.90)
(3.49)
FY DEC22
FY DEC21
FY DEC20
FY DEC19
6M DEC18
FY JUN18


NET ASSETS VALUE PER SHARE (US$ CENTS)
AND SHAREHOLDERS' EQUITY (US$'000)
6.88
48,505
7.36
51,865
8.06
56,814
10.80
76,128
12.81
90,294
13.71
96,624
FY DEC22
FY DEC21
FY DEC20
FY DEC19
6M DEC18
FY JUN18


REVENUE
(US$'000)
18,599
15,520
18,918
20,956
5,937
9,906
FY DEC22
FY DEC21
FY DEC20
FY DEC19
6M DEC18
FY JUN18


LOSS AFTER INCOME TAX
(US$'000)
(3,331)
(4,954)
(19,427)
(14,062)
(6,346)
(24,595)
FY DEC22
FY DEC21
FY DEC20
FY DEC19
6M DEC18
FY JUN18

CHAIRMAN'S MESSAGE

Mr Thia Peng Heok George
Board Chairman, Independent Director

"After two years of being challenged by the ever-changing nature of the Covid-19 pandemic, 2022 was a year in which most of the world emerged to recover and refocus on the future ahead.

DEAR SHAREHOLDERS

On behalf of the Board of Directors ("Board"), I am pleased to present the Annual Report of CH Offshore Ltd. ("CHO" or the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2022 ("FY2022").

After two years of being challenged by the ever-changing nature of the Covid-19 pandemic, 2022 was a year in which most of the world emerged to recover and refocus on the future ahead. Unfortunately, the Ukraine – Russia war reared its ugly head and, together with the restrictive zero-Covid policy in China, took centre-stage, dampening global economic growth. The geopolitical tensions led to a sharp increase in energy prices (with Brent crude oil reaching $127.98 per barrel in March 2022) though prices have seen a steady down trend since the peak to end the year only about 9% higher than the start of the year. Persistent high inflation has resulted in an increase in the cost of goods while the rapid increase in interest rates to address inflation has driven up cost of funding. The war has highlighted the continuing importance of the oil and gas sector despite the progress made in the renewables sector which is still in a nascent stage. The discussion on energy diversification and transition has been accelerated to address environmental concerns.

Although the oil and gas market saw a pick-up in activity as oil prices rose, day rates and contractual terms are still not attractive enough to justify new builds in the offshore space[1] with perhaps new build activity picking up in 2024 as the supply and demand gap closes. There also remains an uncertainty over the choice of alternative fuel for the maritime sector including the offshore marine space with government policies and need for infrastructure development driving a large part of the discussion.

In December 2021, the Singapore Exchange announced its roadmap for issuers to provide climate-related disclosures based on recommendations of the Task Force on Climate related Financial Disclosures amongst other requirements including sustainability training for directors and the formalisation of board diversity policies. Accordingly, we have expanded our Sustainability Report to include under Energy and Emissions, our Scopes 2 and 3 in addition to our Scope 1 which we have been disclosing over the last few years. We have also prepared our Sustainability Report with reference to the Global Reporting Initiative 11 Oil and Gas sector standard and are committed to support Singapore's Green Plan 2030 and will be improving our climate-related disclosure as our Sustainability Report matures.

FINANCIAL PERFORMANCE REVIEW

The Group incurred a net loss of US$3.33 million in FY2022 as compared to a net loss of US$4.95 million in FY2021. The lower losses in FY2022 were attributed to higher gross profits but were offset by provisions for expected credit losses.

Group revenue saw an increase of 19.8% from US$15.52 million in FY2021 to US$18.60 million in FY2022. This increase was due to an increase in utilisation rate of 74% for FY2022 as compared to 59% for FY2021 from CHO-owned vessels and higher revenue generated from third-party vessels.

The Group also recorded a 3.2% decrease in administrative expenses to US$2.88 million for FY2022 compared to US$2.97 million for FY2021 due to lower manpower costs and legal fees.

The Group's shareholders' equity stands at US$48.51 million as at 31 December 2022, a decrease from US$51.87 million as at 31 December 2021 after accounting for the loss of US$3.33 million incurred in FY2022.

Cash and cash equivalents increased from US$6.93 million as at 31 December 2021 to US$7.32 million as at 31 December 2022 arising from operating activities, repayment of loan from associate but offset by repayment of bank loans.

OUTLOOK

The global economy is expected to decelerate in 2023 reflecting synchronous policy tightening to address persistent high inflation and continued disruptions from the Ukraine-Russia war. However, a soft-landing is expected with growth bottoming out and inflation abating towards the end of 2022. Fears of recession are still present though China's sudden re-opening paves the way for rapid pick-up in activity[2].

Although oil majors are likely to have entered 2023 with their healthiest balance sheet yet, capital investments by oil majors remain undecided due to economic uncertainty with recession potentially looming, volatile energy prices and uncertain demand growth.[3] In addition, oil majors have also focused on shoring up their balance sheet by repaying debt and paying dividends to shareholders while downstream players have not had the same opportunities as oil majors to enjoy the higher oil prices.

[1] Fearnley Offshore Supply The Offshore Report 20 January 2023
[2] IMF Blog, Global economy to slow further amid signs of resilience and China re-opening, 30 January 2023
[3] Deloitte, 2023 oil and gas industry outlook

Alternative fuel remains an area of focus for the maritime sector with the Maritime and Port Authority of Singapore putting into place plans and infrastructure for ammonia and methanol. However, there is still some way to go for alternative fuel technologies, availability of alternative fuels, safety policies and procedures and storage capabilities and infrastructure to develop and mature. In a global industry, countries with ports have to work closely to provide long term plans for companies in this sector to confidently adopt green strategies for vessel upgrades and new vessels.

Similar to FY2022, FY2023 is a mixed pot of opportunities and risks: increased capital investments, higher demand and more balanced supply and demand on one hand and war, recession and higher costs on the other hand. To remain agile to seize opportunities, we continue to manage our operations in a cost-effective way and sharpen the use of our capital while focusing on building on our strengths and our core capabilities for long-term growth.

SUSTAINABILITY

We embrace the energy transition and the commitment required to deliver on the promises made to achieve a 1.5 degree Celsius scenario. As global demand for green energy grows and the regulatory environment becomes more challenging in this respect, we have to continually identify opportunities within the low carbon sector to expand our revenue base. We are committed to identifying ways to reduce our carbon footprint while also increasing our productivity and efficiency. We have put in place some sustainability initiatives involving education and training in relation to the environment and governance amongst others, green exercises including recycling and look forward to developing and growing such initiatives through 2023.

Our PRIME core values (Passion, Respect, Integrity and Honesty, Monetary Discipline and Excellence) together with our "Do No Harm" mindset form the backbone of the CHO way and are integrated into our Group policies and procedures. The CHO way ensures that we do no harm to ourselves and to those involved and are affected by our operations, to the environment in which we operate and to our relationships with clients, subcontractors, customers, shareholders and other stakeholders.

As a service provider, we are reliant on our people who are our most critical assets and therefore we place strong emphasis on fair employment, training and development and health and safety. We encourage diversity across the various departments including at the board level and do not condone any form of discrimination. We encourage team building and deepening of employee engagement and are pleased to have been able to organise a few social gatherings including our year-end celebration. As part of our "Do No Harm" mindset, I am pleased to share that we have consistently achieved our zero-fatality target. We also believe in the betterment of the community and the society that we operate in and as such have made a number of donations to various charities with a particular focus on youth.

As a company operating globally with clients including multinational corporations and national oil companies, good corporate governance practices is crucial to gaining the trust and support of our clients to develop long term relationships for a sustainable business. We continue to improve our corporate governance practices and encourage our stakeholders to maintain high corporate governance standards alongside us.

IN APPRECIATION

On behalf of my fellow Board members, I am very grateful to our management and employees for their hard work and commitment in dealing with the uncertainties of 2022 and delivering a high level of service and quality to our clients. To our shareholders, valued customers, suppliers and other stakeholders, I would like to thank them for supporting us unwaveringly and working closely with us to navigate the challenging market. Last but certainly not least, I am deeply grateful to my fellow Directors for their wise counsel and guidance through the year.

I look forward to a better year ahead as we strengthen and grow our business.

Mr Thia Peng Heok George
Board Chairman,
Independent Director

GEOGRAPHICAL PRESENCE

BOARD OF DIRECTORS

Mr Thia Peng Heok George
Board Chairman, Independent Director

Mr Thia Peng Heok George is currently the Board Chairman of CHO. He was appointed as Independent Director on 30 March 2015. He is also the Chairman of the Audit and Remuneration Committees and a member of Nominating Committee.

Mr Thia was last re-elected as Director on 18 June 2020. Mr Thia is due to retire by rotation at the forthcoming AGM and will be seeking re-election as Director at the AGM.

Mr Thia is a Chartered Accountant (Singapore) and practised as an accountant with Cooper Brothers and Co. (now known as PricewaterhouseCoopers). He has more than 35 years of experience in merchant banking and financial services including being Managing Director at Morgan Grenfell, Merrill Lynch International, Sun Hung Kai Securities and Lum Chang Securities. He was also an Executive Director and Partner of Kay Hian (now UOB Kay Hian Securities). Mr Thia was the Executive Chairman of two publicly listed companies and had served as an Independent Director and the Chairman of Audit Committees of several listed companies in Singapore, Malaysia and Indonesia. He was a consultant to the SGX on the training of regulation officers and rendered advice on the development and launch of the alternative board, SGX Catalist.

Mr Thia is currently an Independent Director of Yoma Strategic Holdings Limited, and is involved as a board member and trustee at the National Cancer Centre, Singapore.

Mr Thia is also a Business Consultant for Mergers and Acquisitions at GAAB Private Limited and Asianic Private Limited and an advisor to a private equity fund focusing on healthcare, eldercare and education.

Dr Benety Chang
CEO and Executive Director

Dr Benety Chang is an Executive Director and CEO of CHO. He was appointed as Non-Executive Director on 27 August 2018 and subsequently re-designated to Executive Director and CEO on 1 September 2018. He was also appointed as Nominating Committee member on 8 October 2018. Dr Chang was last re-elected as Director on 23 April 2021.

Dr Chang is an Executive Director of Baker Technology Limited ("Baker Tech"), which is the ultimate holding company of CHO.

Baker Tech is a SGX Mainboard-listed company that provides specialised marine offshore equipment and services, focusing mainly on the offshore oil and gas industry.

Dr Chang has extensive experience in the offshore oil and gas industry and was the major founding shareholder and CEO of PPL Shipyard Pte Ltd until his resignation in July 2012.

Dr Chang holds a MBBS degree from the University of Singapore.

Mr Tan Kian Huay
Independent Director

Mr Tan Kian Huay is an Independent Director of CHO. He was appointed to this position on 30 March 2015. Mr Tan was last re-elected as Director on 22 April 2022. He is the Chairman of Nominating Committee and a member of Audit and Remuneration Committees.

He has extensive experience in project management and business development, particularly in the construction industry. With over 40 years of experience in the building and construction industry, including serving as the Managing Director of Obayashi Singapore Pte Ltd from 1989 to 2004, He was a director of NTUC Fairprice Foundation Ltd, NTUC Fairprice Co-operative Ltd, Choice Homes Investments Pte Ltd and Jurong Health Services Pte Ltd.

Mr Tan now serves on the boards of Mercatus Cooperative, a social enterprise under the NTUC Enterprise. Mr Tan holds a Professional Diploma in Building and a Bachelor of Arts from Beijing Normal University. He is currently a fellow and was a former 2nd Vice President of the Society of Project Managers and also a former President of the Singapore Institute of Building.

Mr Ahmad Nizam Bin Abbas
Independent Director

Mr Ahmad Nizam Bin Abbas is an Independent Director of CHO. He was appointed to this position on 14 May 2021. He is also a member of Audit Committee.

Mr Nizam was last re-elected as Director on 22 April 2022.

Mr Nizam is currently Managing Director of Crescent Law Chambers LLC. Prior to setting up his own law firm in 2022, Mr Nizam practised law for over 27 years at various law firms including K&L Gates Straits Law LLC.

Mr Nizam is a member of the Panel of Advisors, Youth Court and Vulnerable Adult Court, Singapore; Maintenance of Parents' Tribunal, Singapore; Public Guardian Advisory Committee, Singapore; Citizenship Committee of Inquiry, Singapore; Mandatory Aftercare Advisory Committee, Singapore and Pro-Bono Expert Panel, Singapore Management University.

Mr Nizam was a Director of MediaCorp Pte. Ltd. and Era Dance Theatre Limited. He has sat on the Boards of diverse organisations including statutory boards the Civil Aviation Authority of Singapore and MUIS (Islamic Religious Council of Singapore).

Mr Nizam holds a Bachelor of Arts (Hons) Law and English from University of Keele, United Kingdom, a Master of Laws from the Singapore Management University and is an Advocate and Solicitor of the Singapore Supreme Court.

Ms Jeanette Chang
Non-Executive
Non-Independent Director

Ms Jeanette Chang is a Non-Executive Non-Independent Director of CHO. She was appointed to this position on 27 August 2018. Ms Chang was last re-elected as Director on 23 April 2021. Ms Chang is also a member of Audit and Remuneration Committees.

Ms Chang is the CEO and Executive Director of Baker Tech. Ms Chang has an engineering and finance background having previously worked with Mott MacDonald Group in London on UK and Singapore engineering projects and prior to joining Baker Tech, was a Director in the Equity Capital Markets team at Barclays Bank PLC where she worked for nine years. She has significant experience in corporate finance especially in relation to fund raising in the capital markets.

Ms Chang holds a Master in Engineering First Class (Civil Engineering) degree from Imperial College London and a Master of Business Administration with Distinction from London Business School.

Mr Tan Kiang Kherng
Non-Executive
Non-Independent Director

Mr Tan Kiang Kherng is a Non-Executive Non-Independent Director of CHO. He was appointed to this position on 27 August 2018.

Mr Tan was last re-elected as Director on 18 June 2020. Mr Tan is due to retire by rotation at the forthcoming AGM and will be seeking re-election as Director at the AGM.

Mr Tan is the Chief Financial Officer of Baker Tech. Prior to joining Baker Tech, Mr Tan was a Senior Audit Manager with Ernst and Young, Singapore.

Mr Tan holds a Bachelor of Accountancy (Honours) degree from Nanyang Technological University, Singapore and is a member of the Institute of Singapore Chartered Accountants.

Mr Tan Pong Tyea
Non-Executive
Non-Independent Director

Mr Tan Pong Tyea is a Non-Executive Non-Independent Director of CHO. He was initially appointed as Non-Executive Chairman on 1 June 2010 and subsequently re-designated to Executive Chairman on 22 October 2015. He relinquished his position as Executive Chairman on 8 August 2018 and remained as an Executive Director. On 1 September 2018, Mr Tan was re-designated to Non-Executive Non-Independent Director and subsequently ceased to be a Nominating Committee member on 8 October 2018. Mr Tan was last re-elected as Director on 22 April 2022.

Mr Tan is also the Executive Chairman and CEO of Falcon Energy Group Limited ("FEG"), which has collectively 34.01% direct and deemed interest in CHO.

FEG is a SGX Mainboard-listed leading player in the regional Offshore Marine and Oil and Gas sectors. It provides a full spectrum of support services for the Offshore Marine and Oil and Gas cycle, from initial exploration and drilling to production and post-production stage, with a specialist focus on the production phase of oilfield activities.

He has more than 30 years of experience servicing the oil companies and major contractors throughout the region.

Mr Tan obtained his Masters in Management Studies from Durham University, United Kingdom.

KEY EXECUTIVES

Mr Lim Tze Kern Kenny
Managing Director
CHO Ship Management Pte. Ltd.

Mr Lim Tze Kern Kenny is the Managing Director of CHO Ship Management Pte. Ltd. ("CHOSM"), a wholly owned subsidiary of CHO.

He joined CHO as Director of Business Development in February 2017. Mr Lim was promoted to VP of Business Development and Commercial in February 2019 and was appointed as General Manager of CHOSM on 16 September 2020. He was subsequently promoted to Managing Director of CHOSM on 5 February 2021.

Mr Lim has more than 20 years hands-on experience in the Marine Oil and Gas industry specialising in Offshore Support Vessels ("OSVs") and floatels. He has extensive knowledge and contacts in the OSV industry and prior to joining CHO, he was the Regional General Manager at Asetanian Marine Pte Ltd, the offshore marine oil and gas division of Falcon Energy Group Limited. His key responsibilities include leading the team in spear-heading the overall Business Development, marketing efforts and contractual negotiations in key markets across different time zones in various continents.

He holds a Bachelor of Civil Engineering Degree (Hons) from the National University of Singapore.

Mr Lee Mun Keat
Financial Controller

Mr Lee Mun Keat is the Financial Controller of CHO. Mr Lee is responsible for overall financial and accounting matters of the Group including related regulatory compliance matters with regulatory bodies.

Mr Lee has over 20 years of experience in the accounting and finance industry having spent time as an accountant during the early days of his career before moving into corporate advisory and finance. Mr Lee was previously a Senior Manager in the Corporate Finance team of MS Corporate Finance Pte. Ltd. and before that, he was a Manager with PrimePartners Corporate Finance and NRA Capital.

He holds a Bachelor of Accountancy Degree from Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants.

SUSTAINABILITY REPORT

BOARD SUSTAINABILITY STATEMENT

Our Board of Directors ("Board"), together with our Executive Officers and Management team, looks beyond the typical Economic, Environmental, Social and Governance ("EESG") factors to create long-term value for all of our stakeholders through responsible business practices for a sustainable future for the Group.

Sustainability considerations have always been a part of our organisational DNA. The Group recognises that risk management is just as much about opportunities as it is about threats. We are rooted in our core values of Passion, Respect, Integrity and Honesty, Monetary Discipline and Excellence ("PRIME") and driven by our "Do No Harm" corporate philosophy. They guide us in how we do business, treat our people, respect the environment and deliver our solutions. With this philosophy and mind-set, CHO welcomed the SGX requirements on sustainability reporting and commenced its sustainability reporting journey in 2016. With the publication of our seventh sustainability report, we are proud to have increased our efforts and streamlined our strategy through hard work and commitment to the goal of being a responsible business. We continue to strive for greater integration of sustainability in every aspect of work that we do. Our sustainability practices are not just confined to our operations, but also extended to our supply chain. We recognise that the Group's operations are highly dependent on having a reliable supply chain providing us with a range of products from equipment and general supplies to vessels.

With this commitment, the Board takes a comprehensive approach and considers a myriad of sustainability issues covering the range of EESG factors in developing the Group's sustainability strategy. The Board meets on an annual basis to review the Group's strategy and budget during which climate-related issues will be considered alongside other issues of concern to the Group. Sustainability is also discussed by the Board during other board meetings during the year and as and when required.

Our sustainability performance is monitored by our Management team in consultation with our Board. Together, they assess and review key material EESG factors to determine the impact on stakeholders, consider and review material topics and boundaries and other sustainability issues. In addition, they monitor all feedback channels from key stakeholders which comprises our employees, shareholders, investors, suppliers and customers and thus are better informed to contribute to the formulation of the Group's sustainability strategy. Management, together with our Risk Management Committee ("RMC"), is responsible for the implementation and integration of sustainability initiatives into daily operations.

ABOUT THE REPORT

This Sustainability Report covers the sustainability performance of the Group for the financial year ended 31 December 2022 in line with the Group's financial reporting year. This report, presenting the Group's sustainability strategy focused on four key pillars: Economic, Environmental, Social and Governance, provides an overview of our management approach and maps the Group's progress on its ongoing sustainability journey.

This report has been prepared with reference to the Global Reporting Initiative ("GRI") Standards and the relevant GRI 11 Oil and Gas sector standard. The GRI Standards were selected as our main reporting framework as they are globally recognised and relevant for all our stakeholder groups. The GRI Content Index can be found on pages 45 to 49 of this Annual Report. The Sustainability Report also takes into account the inclusion of the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and the Singapore Exchange-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide.

The boundaries for this Sustainability Report covers entities and vessels for which we have operational control and includes vessels that we operate on a global basis. This therefore includes third-party vessels which we manage including Blue Titanium which is owned by Baker Technology Limited.

Although external assurance has not been sought for this year's report, an internal review of our sustainability reporting processes (including key aspects of this Sustainability Report) was conducted by our Internal Auditor, MS Risk Management Pte. Ltd. on a cycle basis, as part of their internal audit plan.

As part of our sustainability efforts, we have elected for electronic transmission of our Annual Report 2022, related Appendix (in relation to the renewal of the share buyback mandate and interested party transactions mandate) and proxy form which are published on the Group's corporate website at *www.choffshore.com.sg*. We sincerely hope that Shareholders will support our sustainability efforts towards environmental conservation and to reduce cost and increase operational conservation by embracing electronic communications. We also welcome constructive feedback and suggestions from our stakeholders on ways to improve our sustainability efforts at *investors@choffshore.com.sg*.

KEY PERFORMANCE INDICATORS FOR FY2022

EMPLOYMENT TYPES
(as at 31 December 2022)

100%

Full Time Employees in our Corporate Office and for our Crew

SCOPE 1 GHG EMISSIONS INTENSITY OF OUR OPERATIONS

0.63

tCO_2e/running hour in FY2022

GENDER DIVERSITY OF OUR EMPLOYEES
(as at 31 December 2022)

Corporate Office:

46% Male 54% Female

Crew:

100% Male 0% Female

LOST TIME INJURY ("LTI")

LTI Free Days

189

(period covering 25 June 2022[1] until 31 December 2022)

EMPLOYEES NEW HIRE
(Corporate Office)

29%
of new hires below 30 years old

42%
of new hires between 30 & 50 years

29%
of new hires more than 50 years old

EMPLOYEES NEW HIRE*
(Crew)

2%
of new hires below 30 years old

82%
of new hires between 30 and 50 years

16%
of new hires more than 50 years old

* New employee hire for crew refers to the unique individuals who first joined the Company in FY2022 as one employee may have several rotations (temporary contracts) with the Company.

1 LTI incident occurred on 25 June 2022.

STAKEHOLDERS

GRI 2-29

The Group's long-term sustainability journey begins with the identification of our stakeholders. To strengthen our relationships with our stakeholders, we facilitate regular engagements throughout the year as they provide valuable inputs towards determining our material focus areas. We prioritise stakeholder engagement by focusing on and addressing key concerns of our stakeholders and delivering on our commitments so as to create sustainable value for the Group as well as stakeholders. The following outlines the key topics of interest and engagement methods for each stakeholder group. All stakeholders can reach out to the Group via the Contact Us pages on the Group website (https://www.choffshore.com.sg/contact-us/) or our dedicated investor relations email address (investors@choffshore.com.sg).

STAKEHOLDERS	METHOD AND FREQUENCY OF ENGAGEMENT	TOPICS OF CONCERN	OUR RESPONSE
EMPLOYEES	• Regular "Safety Alerts and Marine Circulars" email to vessel crew • Regular health and wellness talks and promotions to corporate employees (e.g., complimentary health checks) • Town halls/regular staff meetings • Trainings • Internship programme	• Vision, strategy and direction • Productivity • Collaboration • Staff welfare/benefit • Staff health/wellness • Training and development • Career and personal development • Health, safety and environment	We remain committed to attracting top talent and investing in the development of our people. We adopt merit-based recruitment practices and emphasise diversity and inclusiveness. To demonstrate our commitment to our employees, we have given our Employers' Pledge of Fair Employment Practices to TAFEP. We also encourage our employees to maintain and upkeep their physical and mental health. We are committed to the next generation and provide internship opportunities to students to develop their interest in our sector
SHAREHOLDERS AND INVESTING COMMUNITY	• Annual reports • General meetings • SGX announcements • Company website	• Business strategy and direction • Financial performance • Corporate governance • Dividend pay-out	Shareholders play an important role in the financing, governance and control aspects of our Company. To develop confidence and trust in our Group, we aim to provide timely and accurate disclosure of the Group's business developments and financials via SGX announcements, our company website and annual report. We seek to address Shareholders' queries in accordance with the prevailing regulations

STAKEHOLDERS	METHOD AND FREQUENCY OF ENGAGEMENT	TOPICS OF CONCERN	OUR RESPONSE
CUSTOMER AND BUSINESS PARTNERS	• Customer satisfaction surveys • Feedback channels such as email, phone calls and teleconferences • Face-to-face meetings • Company website	• Customer satisfaction • Contract management • Operational performance, quality and responsiveness • Health, Safety, Security, Environment ("HSSE") Excellence	Customer satisfaction is crucial to the success of our business. We strive to provide our customers with safe, superior, reliable and cost effective marine services. We also strive for continuous improvements to better our service delivery
SUPPLIERS AND CONTRACTORS	• Perform assessment and continuous monitoring of key suppliers and contractors • Regular meetings, teleconference and emails • Health, Safety and Environment ("HSE") Questionnaire for key contractors	• Product and service quality, price reliability and suitability to minimise downtime • Timely supply of products and services • Suppliers' credit terms • Compliance with CHO's Procurement Policy and ethical business practices • HSE Excellence	We strive to establish strong, long-term and reliable relationships with our suppliers and contractors and have established robust policies governing supplier selection with a focus on capability, quality, financial stability and business ethics. We do not favour any suppliers. All regular suppliers are reviewed for their fit and ability on a yearly basis by way of an Annual Contractor Audit. The audit ensures that our appointed contractors are in full compliance with our HSE requirements
GOVERNMENT AND REGULATORS	• Industry networking functions • Inspections and audits • Meetings, teleconference and emails • Grants	• Compliance with rules and regulations • Sharing of industry best practice • Environmental compliance • Funding and support	Governments shape operating environments. Political factors, policies and regulations can affect how businesses are run and also create opportunities for companies. We track topics of concern for governments and regulators to ensure that we are equipped to meet government requirements wherever we operate
LOCAL COMMUNITIES	• Meetings • Community outreach initiatives • Donations	• Volunteer programmes • Community investment • Clean environment	We engage with community leaders and non-profit organisations to reach out and render support to those in need

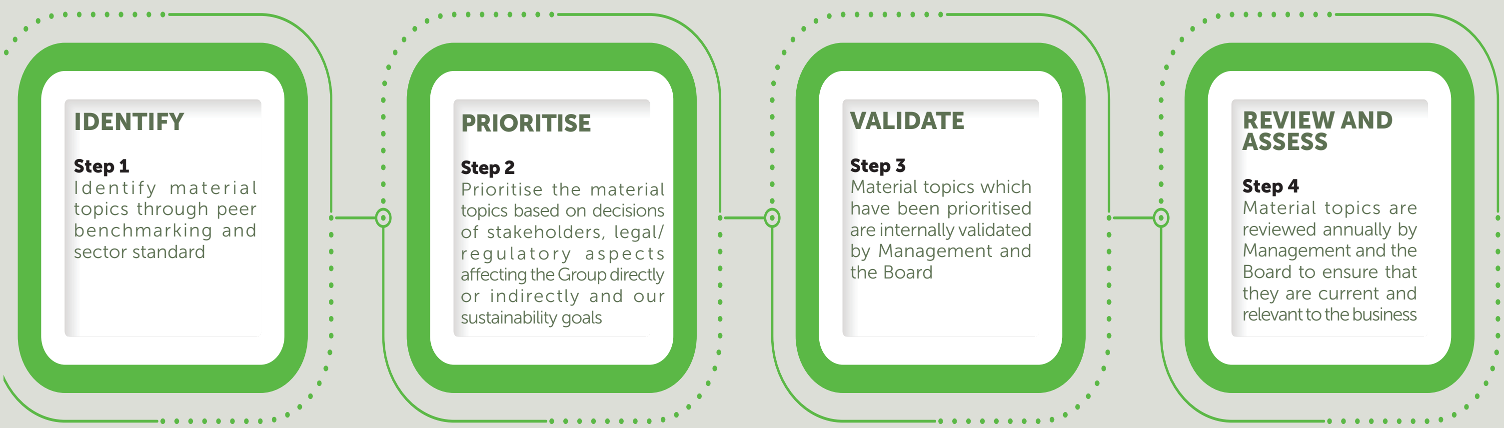
MATERIALITY ASSESSMENT

GRI 3-1, 3-2

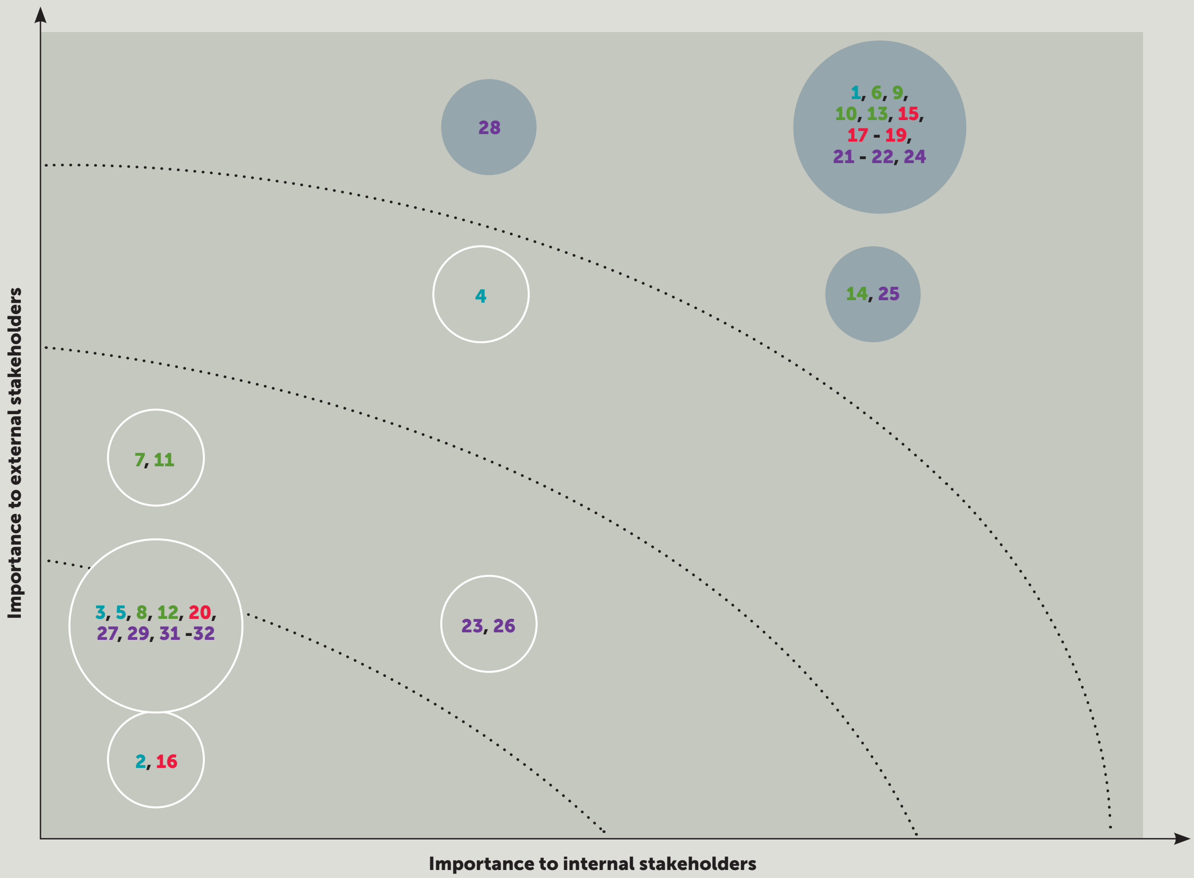
In 2016, we conducted our first materiality assessment and identified key issues that were important to CHO and our stakeholders. On an annual basis, the Group reviews its material topics to account for changes in the impacts (both positive and negative) on stakeholders. In line with this, in FY2022, the Group adopted the steps identified below and conducted a materiality assessment, considering and incorporating inputs from stakeholder engagement, emerging market trends, changes in regulations, climate-related risks and opportunities and economic drivers. After careful evaluation of the impact each topic has on the organisation and stakeholders, the Group's list of material sustainability topics was revised with reference to the GRI Universal Standards 2021.

Materiality methodology:

- **IDENTIFY** Identify material topics through peer benchmarking and sector standard. Material topics should influence assessments and decisions of stakeholders and reflect the Group's significant economic, environmental, social and governance impacts
- **PRIORITISE** Prioritise the material topics based on decisions of stakeholders, legal/regulatory aspects affecting the Group directly or indirectly and our sustainability goals
- **VALIDATE** Material topics which have been prioritised are internally validated by Management and the Board
- **REVIEW AND ASSESS** Material topics are reviewed annually by Management and the Board to ensure that they are current and relevant to the business



Our sustainability strategy focuses on four key EESG pillars: Economic, Environmental, Social and Governance and our material topics have been grouped accordingly. We have focused on the material topics which are of the highest importance to both internal and external stakeholders, i.e. topics in the grey circles in the chart. We have also reviewed the sector standard for oil and gas, GRI 11, and have included additional material topics in our materiality chart below.



Legend

ECONOMIC		GOVERNANCE	
1	Economic performance	15	Anti-Corruption
2	Market presence	16	Anti-Competitive behaviour
3	Indirect economic impacts	17	Cyber security and data protection
4	Procurement practices	18	Whistleblowing
5	Tax	19	Risk Management
		20	Public Policy

ENVIRONMENTAL		SOCIAL	
6	Energy	21	Human rights
7	Water and Effluents	22	Employment
8	Biodiversity	23	Labour management relations
9	GHG Emissions	24	Occupational health and safety
10	Waste	25	Training and education
11	Supplier Environmental Assessment	26	Freedom of association
12	Materials	27	Security practices
13	Climate adaptation, resilience and transition	28	Local communities
14	Air emissions	29	Supplier social assessment
		30	Customer health and safety
		31	Marketing and labelling
		32	Customer Privacy

Key material topics of highest importance to both internal and external stakeholders are:

PILLARS	FOCUS AREAS	MATERIAL TOPICS	RELEVANT GRI TOPICS STANDARD DISCLOSURES
ECONOMIC	**Economic Excellence**	Economic performance	201-1 to 201-4
ENVIRONMENT	**Environmental Sustainability**	Task Force on Climate-Related Financial Disclosures Energy Emissions Waste	 302-1 to 302-4 305-1 to 305-7 306-1 to 306-5
SOCIAL	**People Focus**	Employment Training and Education Diversity, Equal Opportunity and Non-discrimination	401-1 to 401-3 404-1 to 404-3 405-1 406-1
	Total Workplace Safety and Health	Occupational Health and Safety	403-1 to 403-7, 403-9 to 403-10
	Community Engagement	Local Communities	
GOVERNANCE	**Responsible Business**	Anti-corruption Code of Conduct Whistleblowing Human Rights Risk Management	205-1 to 205-3, 415-1 2-15 2-16, 2-25, 2-26 2-23 201-2, 205-1
	Data Security	Personal Data	

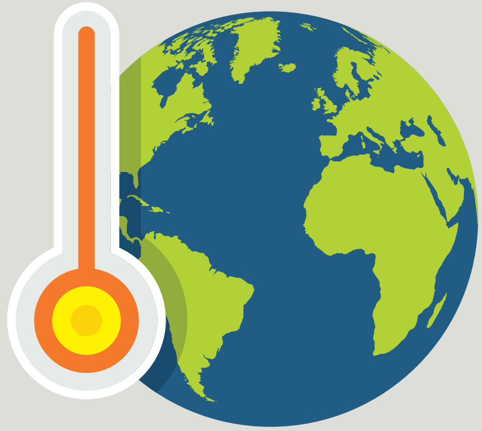
Economic Excellence

GRI 201-1, 201-2 , 201-3, 201-4

The Group's economic performance is discussed in other sections of our Annual Report 2022 as indicated below:

Chairman's Message	Page 12
Financial Review	Page 8
Five-Year Financial Highlights	Page 10
Risk Management	Page 43
Compensation, Benefits and Engagement	Page 38
Financial Content	Page 68

In FY2022, the Group received a total of S$115,765 in financial assistance from the Singapore government comprising, amongst others, Job Support Scheme credits and government regulated leave benefits (including childcare leave and maternity leave). The Jobs Support Scheme was introduced in February 2020 by the Singapore government to help employers retain their local employees during the period of economic uncertainty caused by the Covid-19 pandemic. The Group also received grants from Enterprise Singapore in support of projects and technology adopted by the Group.



Environmental Sustainability

GRI 302-1 to 302-4, 305-1 to 305-7, 306-1 to 306-5

This material topic has been considered using both the GRI Standards as well as the framework developed by the Task Force on Climate-related Financial Disclosures ("TCFD"). The four key pillars as recommended by TCFD are discussed below.

Governance

CHO's Board of Directors is responsible for the governance of the Group's risk management and internal controls including climate-related risks and opportunities. The Board meets on an annual basis to review the strategy and budget while considering climate-related issues amongst other issues. Sustainability issues are also discussed by the Board during other board meetings during the year and as required. Material EESG topics are regularly reviewed to determine relevancy and updates on such EESG factors are provided by Management to the Board.

The Risk Management Committee ("RMC") comprising of the Chief Executive Officer ("CEO"), Financial Controller ("FC"), Managing Director of CHO Ship Management Pte. Ltd. and all departmental heads, perform biannual reviews of the risk register, including sustainability related risks, to identify new risks and review the severity and the applicability of existing risks. The role of the RMC is also to ensure that our sustainability policy and objectives are established and compatible with the Group's strategic direction, implement and integrate our sustainability procedures into our Group's business processes and provides updates to management on a regular basis.

Strategy

Climate-related risks and opportunities are identified and integrated into our Group's environmental management system and business strategy through annual strategy board meetings and regular meetings of the RMC and Management. Our key climate risks include changes in regulations, the pace of global energy transition, stakeholder expectations and extreme weather events. By identifying climate-related risks and opportunities as well as material EESG topics as well as providing sustainability training to our employees, we are better placed to develop our long-term business strategy to tackle such risks and maximise such opportunities to stay sustainable and competitive. We recognise that there may be higher capital expenditure and operating costs to upgrade our existing high emissions technology to lower emissions technology, to address changes in weather conditions and transitional climate-related policy and legal risks amongst others. However, there are also opportunities to avail of including transferring skill sets to the renewables sector, offering clients better emission tracking systems and energy management plans and broadening our product offering and sector focus. Over the next few years, we plan to evaluate the resilience of our Group's business strategy against climate-related transaction scenarios consistent with increased climate-related risks.

Risk Management

GRI 201-2

The Board has implemented an Enterprise Risk Management Framework ("ERM Framework") for the identification, assessment, monitoring and reporting of significant risks (including any sanctions-related risks as well as climate-related risks). As part of the assessment of each risk, risks are measured on the basis of the probability of a hazard leading to a consequence and the severity of the consequence. Management and Executive Officers proactively and regularly review the business operations and the environment that the Group operates in in order to identify areas of risks and ensure mitigating measures are promptly developed to address these risks. As part of the ERM Framework, risk registers were established to document the key risks, risk appetite, risk tolerance, risk evaluation and mitigating controls. Management will regularly review the key risks, both existing and emerging new risks, determine the key owners for the risks identified; ensure risk mitigation actions are promptly and properly implemented and ensure policies and controls are complied with. Management reports to the Board on the risk registers on a half yearly basis. Preventive controls and mitigation controls are used to manage the respective components of risk as per the appropriate hierarchy of controls to safeguard shareholders' interests and the Group's assets.

In addition to managing climate-related risks and opportunities under the ERM Framework, for the vessels that we manage, we comply with a number of ABS class certificates and environmental plans including International Air, Oil and Sewage Pollution Prevention Certificates, International Energy Efficiency Certificates, Garbage and Ballast Water Management Plans, Ship Energy Efficiency Management Plan amongst others. These plans are very similar to those found under ISO 14001. In addition, the Group's main operating subsidiary, CHO Ship Management Pte. Ltd., is currently working towards certification for ISO 50001 Energy Management Systems which will be achieved in FY2023, which aims to improve energy use within our operations. The first Management Review meeting was held in December 2022 after ISO awareness training was provided to Management and heads of departments. Additional training focused on sustainability (e.g. climate related issues and productivity solutions including Industry 4.0) will help integrate sustainability into our culture and mindset and thus address climate related risks and opportunities more holistically.

Metrics and Targets

We use a set of metrics to assess climate-related risks and opportunities in line with our strategy and risk management process. We have been disclosing Scope 1 emissions in relation to our vessel operations since FY2017. For Scope 2 emissions, the properties which we rent include utilities in the rental rate and as such, it is not possible to determine the amount of electricity used in our offices. However, our offices are small and we ensure that the lights and air-conditioning are only used when necessary. As for Scope 3 emissions, FY2022 will be the first year that we track and disclose Scope 3 emissions. As we gain more experience in tracking such metrics, we plan on improving and expanding on our reporting metrics. Our climate-related metrics include:

- Scope 1 GHG emissions
- Scope 3 GHG emissions (i.e. business travel, employee commuting)

Compliance with Laws and Regulations

Our fleet complies with all mandatory standards and abides by all relevant treaties for the prevention of marine pollution, including International Maritime Organization ("IMO") resolutions, the International Convention for the Prevention of Pollution from Ships ("MARPOL"), the International Convention for the Safety of Life at Sea ("SOLAS"), the International Maritime Dangerous Goods ("IMDG") code, flag administration, ballast water management, the Shipboard Oil Pollution Emergency Plan ("SOPEP") regarding oil spills, and other standards regarding sewage, garbage and air pollution, as well as all national, regional and local regulations.

Given the nature of our business of owning and chartering of vessels and the provision of marine support services for the offshore oil and gas industry, CHO takes extra care to ensure that we are in compliance with all applicable regulations (including environmental regulations). Marine transportation is one of the most highly regulated industries in the world. Ships and their crew undergo comprehensive inspections by classification societies, port state control ("PSC") and customer vetting. A PSC inspection is the inspection of a vessel while in port or anchorage to verify that the condition of the vessel, as well as its machinery and equipment, follow international regulations, and that the vessel is manned and operated in compliance with these regulations. In FY2022, CHO reported a PSC deficiency ratio of 1^.

CHO undergoes yearly Document of Compliance ("DOC") audits covering aspects of the International Safety Management ("ISM") Code vis-à-vis the Company's Health, Safety and Environment Management System ("HSEMS") applicable to several jurisdictions including Singapore, Malaysia and Brunei among others. In addition, CHO has its own manual on Bunkering Operations Environmental Compliance based on MARPOL Annex I compliance, which is applicable to all vessels while bunkering, transferring, loading or discharging fuel oil or other oil-based materials. Our crew are trained in these procedures to ensure operations are carried out without any incidents that may pollute the environment and impact the safety of the vessel and its personnel.

In the year of review, we have had no major breaches of voluntary codes or non-compliance with laws or regulations (including those related to the environment). Our ongoing objective continues to be in full compliance of all applicable laws and regulations and to achieve zero cases of non-compliance.

REGULATION	AIM AND ENTRY INTO FORCE	WHAT WE HAVE DONE
IMO ENERGY EFFICIENCY DESIGN INDEX (EEDI) (MARPOL ANNEX VI, REGULATION 4)	Specifies a minimum efficiency level per capacity mile according to ship type and size, for ships 400 GT or over Entry into force: 1 January 2013	Took measures such as regular propeller cleaning, hull cleaning and crew training for efficient machinery use. We plan to implement new technologies on our vessels during the next dry-docking period and whilst designing or purchasing new vessels to raise energy efficiency performance
IMO BALLAST WATER MANAGEMENT CONVENTION	Sets standards for proper management of ballast water and sediments to prevent the spread of harmful marine species Entry into force: 8 September 2017	Our vessels are already compliant with the basic level (D1) of the IMO Ballast Water Management Convention Most of our vessels are in compliant with level D2 of the IMO Ballast Water Management Convention. We are working to bring the remaining vessels to D2 compliant before 9 September 2024
IMO 2020 ENHANCED GLOBAL SULPHUR LIMIT (MARPOL ANNEX VI, REGULATION 14)	Enhances existing limits for sulphur content in marine fuel to reduce emissions of sulphur oxides and other pollutants Entry into force: 1 January 2020	Our vessels use marine gas oil ("MGO") with sulphur content of equal or less than 0.5%m/m, which is within the ISO 8217 2017 standard and complies with the Interim spec ISO PAS 23263 from September 2019 and IMO 2020

^ This is calculated as the ratio between the number of reported deficiencies relative to the number of PSC inspections.

REGULATION	AIM AND ENTRY INTO FORCE	WHAT WE HAVE DONE
MARITIME CYBER RISK MANAGEMENT IN SAFETY MANAGEMENT SYSTEM (ANNEX 10, RESOLUTION MSC. 428 (98)) (ADOPTED ON 16 JUNE 2017)	Encourages administrators to ensure that cyber risks are appropriately addressed in safety management systems no later than the first annual verification of the Company's Document of Compliance after 1 January 2021 Entry into force: 1 January 2021	An accredited 3rd party conducted Cyber Security Awareness training for our onshore and offshore personnel
AMENDMENTS TO SULPHUR CONTENT DEFINITION AND SAMPLING (MARPOL ANNEX VI, REGULATION 2)	Amendments to Regulation 2 'Definitions' to include new definitions for "Sulphur content of fuel oil", "Low-flashpoint fuel", "MARPOL delivered sample", "In-use sample", and "On board sample" Fuel oil sampling and testing - amendments to Regulation 14 'Sulphur oxides (SO_x) and particulate matter' Appendix I amendments to the International Air Pollution Prevention certificate Appendix VI on the Fuel verification procedure for MARPOL Annex VI fuel oil samples Entry into force: 1 April 2022	We have updated our documentation to comply with the amendments
CONTROL OF HARMFUL ANTI-FOULING SYSTEMS ON SHIPS (AFS CONVENTION)	To include controls on biocide cybutryne. Ships shall not apply or re-apply anti-fouling systems containing this substance Entry into force: 1 January 2023	Our vessels will comply with the control of Harmful Anti-fouling Systems on Ships

Energy and Emissions

GRI 302-1 to 302-5, 305-1 to 305-7

We are mindful of our impact on the environment and believe that proactive management of our environmental footprint can enable us to weather climate-related risks and build on climate-related opportunities. We are focused on improving our carbon emission intensity factors, reducing waste generation, improving productivity and increasing sustainability mindshare. To that end, environmental sustainability features prominently in our strategic decision-making processes whether in relation to capital expenditure, operational decisions or investment decisions. Our environmental sustainability efforts are driven by the RMC and operational team and overseen by our Board.

In 2020, Singapore enhanced its 2030 Nationally Determined Contribution ("NDC") to peak emissions at 65 $MtCo_2e$ around 2030 and under its 2050 Long-term Low-

Emissions Development Strategy ("LEDS"), aims to halve emissions from its peak to 33 $MtCo_2e$ by 2050 and achieve net zero emissions by or around mid-century. Singapore's enhanced NDC and LEDS were submitted to the United Nations Framework Convention on Client Change in the same year. On 25 October 2022, Singapore announced that it was committed to achieving net zero emissions by 2050 and to reduce 2030 emissions to 60 $MtCo_2e$ after peaking emissions earlier.

To advance Singapore's national agenda on sustainability development, the Singapore Green Plan 2030 was launched in March 2021. The aim of the Singapore Green Plan 2030 is to rally bold and collective action to tackle climate change and chart ambitious and concrete targets over the next ten years to position Singapore to achieve its green objectives.

As early as 2019, Singapore introduced a carbon tax (applicable only on facilities that emit 25,000 or more tonnes of CO_2-equivalent (tCO_2e) annually and applies to all sectors without exemption) at S$5 per tonne of greenhouse gas emissions. In the 2022 Singapore budget, it was announced that the carbon tax would be raised to $25 per tonne in 2024 and 2025, and $45 per tonne in 2026 and 2027, with a view to reaching $50 to $80 per tonne by 2030. CHO does not operate any taxable facilities and is therefore not subject to the carbox tax regime. As an SGX listed company, CHO has to comply with SGX's mandatory climate-related reporting requirements which was put in place at the start of 2022. The Group is supportive of the stance that the Singapore Government has taken in relation to sustainability issues and is committed to doing its part to contribute to achieving the goals and objectives as set by the country.

In the year of review, we have had no major breaches of voluntary codes or non-compliance with environmental laws or regulations. We aim to work closely with all stakeholders and regulators to drive environmentally friendly initiatives to improve our environmental performance.

As a vessel owner and operator, we can influence our environmental performance in the following ways: choice of technology adopted by the vessels and how we operate the vessels. Fleet composition (including choice of alternative fuels in the future) and vessel speed, which are dictated by market requirements, continue to be important factors affecting the environmental footprint of our business.

To maximise the efficiency of our fleet and further reduce our vessels' energy consumption, we use innovative technologies and implement a number of operational measures. These include our continuous efforts towards cargo and fleet optimisation, where there is continuous monitoring of both the emission and fuel performance of the whole fleet, while identifying potential operational improvements during navigation. Our Operations Department regularly liaises with our vessel Masters to plan the ocean routing of vessels to ensure the most fuel-efficient route considering the weather, vessels' load and stability conditions.

Vessel speed is also monitored during adverse weather to minimise consumption, while keeping to the vessels' schedule. In order to promote reduction of energy and fuel consumption, our operational procedures include:

- Regular maintenance of vessels, including propeller polishing, sludge removal and cleaning of the hull to improve vessel performance
- Use of environmentally friendly anti-fouling hull paint (compliant to IMO AFS / CONF 26) to prevent barnacle growth
- On a daily basis, monitor and ensure that all operating vessels are sailing with optimised trim and draft
- Use of fuel flow meters, where possible, to find the most efficient speed for our vessels
- Choice of vessels with flexible use of engine configurations to minimise fuel consumption when idling

The Group's energy usage comes predominantly from direct sources of energy in the form of Marine Gas Oil ("MGO") consumed during vessel operations. In FY2022, the total energy consumed was 525,688 GJ which is approximately 24% less than what was consumed in FY2021. The lower total energy consumed reflects the smaller number of vessels operated in FY2022 (4 vessels) as compared to FY2021 (6 vessels). This reduction in the number of vessels is a result of our robust fleet management policy where we disposed of older vessels to avoid higher maintenance and fuel costs and also smaller vessels which were of lesser market demand. On a total energy per running hour basis, our vessel operations were slightly less efficient in 2022 as we used 8.45GJ/running hour vs 7.10GJ/running hour for 2021. However this is as a result of a different mix of operational activity ranging from sea steaming, anchor handling and towing operations to standby in each financial year.

Consequently, our Scope 1 Greenhouse Gas ("GHG") emissions has also decreased by 24%, in line with the decrease in energy consumption. The GHG emissions intensity of our operations was 0.63 tCO_2e/running hour in 2022 which is an approximate 19% increase from 0.53 tCO_2e/running hour in 2021.

Energy consumption by vessels (non-renewable sources)

	1 JAN – 31 DEC 2020 (FY 2020)	1 JAN – 31 DEC 2021 (FY 2021)	1 JAN – 31 DEC 2022 (FY 2022)
Marine Gas Oil (MGO) (tonnes)	21,820	16,095	12,311
Total running hours	118,159	96,729	62,200
MGO per running hour (MT/hr)	0.18	0.17	0.20
Energy consumed (GJ)**	931,739	687,236	525,688
Energy consumed per running hour (GJ/hr)	7.89	7.10	8.45

** Energy consumed is calculated based on lower calorific value of Marine Gas Oil which is assumed to be 42.7 GJ/tonne of fuel.
Source: Amendments to the 2014 Guidelines on the Method of Calculation of the Attained Energy Efficiency Design Index (EEDI) for New Ships (Resolution MEPC. 245(66), as amended by Resolution MEPC. 263(68)).

Scope 1 GHG Emissions

	1 JAN – 31 DEC 2020 (FY 2020)	1 JAN – 31 DEC 2021 (FY 2021)	1 JAN – 31 DEC 2022 (FY 2022)
Total running hours	118,159	96,729	62,200
Total CO_2e (tonnes)[1]	69,774	51,646	39,366
GHG emissions intensity (tCO_2e per running hour)	0.59	0.53	0.63
NO_X (tonnes)[1]	437	322	246
SO_X (tonnes)[1]	23	17	13

[1] Emission factors of 3,198tCO_2e/t for CO_2, 20.01 kgNO_X/t for NO_X and 1.054 kgSO_X/t for SO_X for marine gas oil were obtained from the Norwegian Emission Inventory 2016 (Documentation of methodologies for estimating emissions of greenhouse gases and long-range transboundary air pollutants. The GHG emissions, NO_x and SO_x for prior years have been restated to align with the change in emission factors.

Operational control approach is used to identify the GHG emissions. The boundaries of our reported emissions currently comprise of the vessels which we operate. Only CO_2, CH_4 and N_2O emissions are included in the calculation of direct GHG emissions. Global Warming Potential factors used are from the 2014 IPCC Fifth Assessment Report. Emission data is derived from combustion of non-renewable fuels consumed in our operations and follows the requirement of GHG Protocol.

The IMO adopted the first set of international mandatory measures to improve ships' energy efficiency in 2011 and since then have adopted further regulatory measures including the initial IMO GHG strategy with the objective of reducing the carbon intensity of international shipping by at least 40% by 2030 and potentially 70% by 2050. Such regulatory measures include the implementation of the Global Sulphur Cap requiring all marine carriers to use low-sulphur fuel (up to 0.5% sulphur content), the adoption of the Data Collection System and more recently the adoption of the Energy Efficiency Design Index, Efficiency Existing Ship Index and Carbon Intensity Indicator. CHO welcomes each new regulation and acts to comply in a timely manner where applicable.

CHO strives to play our part in being environmentally responsible and reduce our GHG emissions. We are investing heavily in a number of technical solutions to meet or exceed the new regulations, finding innovative solutions and continuously improving our environmental performance. We have implemented a number of operational measures to further reduce our GHG emissions to meet expected new regulations, including those to be adopted by the IMO. We track and analyse energy consumption on vessels via best practice methods in order to improve energy efficiency and reduce both fuel consumption and GHG emissions.

Our environmental policy is reflected in the Ship Energy Efficiency Management Plan which ensures that all marine operations for CHO's owned and managed fleet are conducted as efficiently, safely and reliably as possible. In addition to CO_2, the vessel fuel combustion process also produces Nitrogen Oxides (NO_X) and Sulphur Oxides (SO_X)

emissions which are a function of the fuel type, engine age and class. In line with the 2020 Global Sulphur Cap, CHO vessels only use MGO which is considered a clean fuel because it has sulphur content below 0.5% m/m.

With ISO 50001 certification, we will be able to increase energy efficiency when operating our vessels as well as promote energy performance. We are implementing environmentally friendly practices to help reduce our energy costs and gain a competitive advantage and green reputation in the market.

Apart from Scope 1 emissions, the Group also tracks emissions outside the Group, covering two categories initiated in 2022, ie business air travel and employee commuting by company-hired third party transportation. The Group's emission outside the Group totalled 39.06tCO_2.

We are committed to do our part to combat climate change and look to reduce our energy intensity by optimising our operations and processes, exploring alternative fuel sources and adopting increased energy efficient vessel designs for new vessels during vessel renewal. The biggest contributor to any reduction in emissions would be the adoption of alternative fuels however while the technology is still nascent and there is little concurrence amongst offshore vessel charterers, reduction in emission factors year on year would not be significant.

Waste Management and Disposal

GRI 306-1 to 306-5

We are conscious that waste is generated from our operations and any mishandling in disposal may harm the environment. As such, we adopt the responsible waste management hierarchy starting with Reduce, Reuse and Recycle. We see waste reduction as a potential source of cost savings to our business. Onboard our vessels, we actively monitor our waste disposal metrics. Every vessel has a vessel specific Garbage Management Plan ("GMP") which enforces responsible waste disposal for all our vessels.

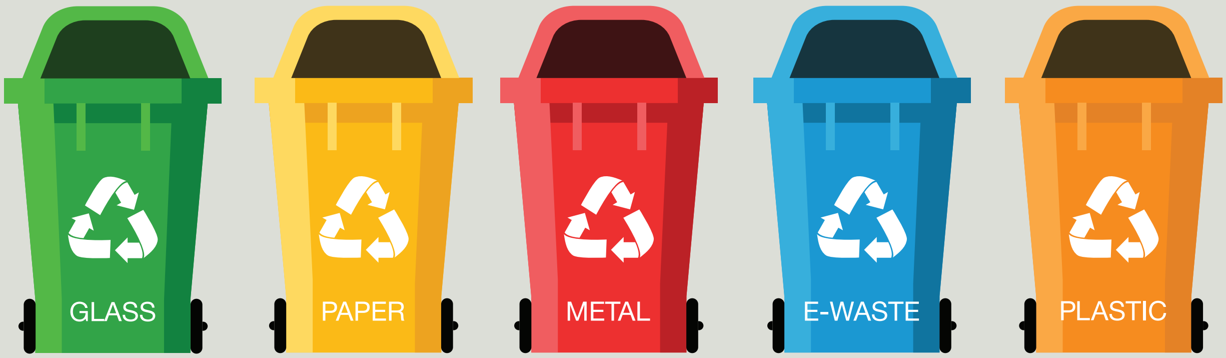
In line with MARPOL Annex V on prevention of pollution by garbage from vessels, we segregate our waste using different coloured receptables and dispose of it according to the waste type and location of the vessel.

Onshore, we have supported various reuse and/or recycling programmes in Singapore by collecting paper, textile, rubber shoes and e-waste from employees and work processes for donation and contribution to reuse and recycle causes. We are also promoting recycling within the office by providing recycling bins in each office and on each floor, sending regular reminders regarding reusing and recycling and educating employees on how to recycle and the benefits of recycling.

Hazardous and Non-Hazardous Waste Generated

TYPES OF WASTE	1 JAN – 31 DEC 2022* (FY 2022)
Hazardous (E.g. Used oil, plastics, operational waste)	385.5m^3
Non-hazardous (E.g. Food waste and domestic waste)	890.8m^3
Electronic waste	2.5m^3
Total waste disposed	1,278.7m^3

* Due to changes in methods of tracking data, we have not included previous years' of data. From FY2022, we will be adopting our revised method of data tracking.



E-Waste

In March 2018, the amendments to MARPOL Annex V regarding the addition of E-waste as a new garbage category as well as a new Garbage Record Book format came into force. E-waste encapsulates electrical and electronic equipment including all components, sub-assemblies and consumables. These can be hazardous to the environment if discarded improperly. Following the integration of these amendments, all of our vessels updated their GMP to include the proper disposal of E-waste. New Garbage Record Books have been introduced to replace the older versions on board to appropriately record E-waste disposals. Onshore, we recycled 129kg of e-waste by donating old computers, monitors etc to an e-waste recycling company.

Sewage Treatment

The disposal of sewage waste onboard is always a primary concern for our crew. For best hygiene practices and overall wellbeing of our crew, all our vessels are equipped with an onboard sewage treatment plant. These treatment plants operate on the principle of having an aeration chamber, where waste is mixed with aerobic bacteria. The bacteria is fed a constant supply of oxygen to stay alive so that a smooth and uninterrupted process of solid sewage treatment can be achieved. When the sewage tank becomes full, the treated sewage will be discharged ashore to an approved sewage tanker. Our crew receives regular training in the operation and maintenance of these plants to ensure they have the necessary knowledge and skills to operate and manage the equipment

Spills

Spills can occur when transferring materials between vessels, while loading and unloading and as a result of overfilling containers. Leaks from storage tanks, hoses, piping or equipment failure can also cause spills. We work to proactively reduce the risk of spills through:

i) **Effective risk management:** By identifying safety critical equipment where the potential for risk of impact from spills is highest, based on the type of equipment and chemicals used.

ii) **Tracking:** We track spills across our operations and report key trends to Management and operations teams to help identify the cause of spills and how they can be prevented. We continually work to better understand spill trends by improving spill reporting and analysis where possible.

iii) **Awareness:** Before a job begins, we identify and avoid potential spill hazards. We also work to raise spill prevention awareness among staff, crew and contractors to prevent or reduce the number, size and extent of spills that could occur in our operations.

When spills do occur, they are reported and cleaned up with the goal of achieving no lasting impact on the environment. Managing our facilities and work practices to avoid spills, and having an effective response if they occur, is important to our local communities, employees and our business. In FY2022, there were no significant spills and we aim to continue achieving this target in the following year.

People Focus

Employment

GRI 401-1 to 401-3

As a service provider, employees are one of our most vital assets and key resources for the long-term viability of our business. Since the onset of the Covid-19 pandemic, we have adapted to the multitude of challenges and will continue to remain responsive and adept at dealing with situations as they arise. The Group's unwavering commitment to building an organisation where employees are happy, healthy and motivated to perform is demonstrated through the various initiatives and policies implemented throughout the Group from diversity, fair employment, training and development and mental and physical health.

During the course of 2022, CHO had a temporary part time employee but as at 31 December 2022, CHO only had permanent full-time employees. All such full-time employees receive the same benefits.

In 2022, a total of 4 interns from the Higher Nitec ITE were attached to the Company for a period of 5 months. During the internship period, the students were rotated through various departments and performed different job functions to experience a real-life working environment and have the opportunities to put to use the learnings and skillsets that they had accumulated during the course of their academic learning.

During the course of FY2022, the Group had 10 female corporate employees who were entitled to maternity leave. The Group also had 12 male corporate employees who were entitled to paternity leave. Of the entitled employees, only 2 employees (1 male and 1 female) took parental leave. The male employee initiated his paternity leave in FY2021, exhausted his paternity leave in August 2022 and has since returned to work. The female employee initiated her maternity leave in FY2022 and has not completed her leave yet though she has since returned to work. Our return to work rate is therefore 1 and at present, we are unable to calculate the retention rate as this is the first year that we are collecting such data.

Diversity, Equal Opportunity and Non-Discrimination

GRI 405-1 to 405-2, 406-1

We embrace diversity and inclusion, aim to attract and retain the best people to work with us, develop their talents and abilities, and most importantly, ensure their safety and well-being. CHO embraces diversity and equal opportunities in various aspects of our business including our hiring policy and remuneration. We believe that diversity brings a combination of experiences, ideas and out-of-box thinking that helps us solve business problems with a broader perspective. In FY2022, we put in place a formal board diversity policy reflecting our commitment to diversity, our targets and our processes and procedures to support board diversity. Since 2018, we have maintained at least a 14% female representation on our Board.

Fair Employment

We reward employees fairly based on their ability, performance, contribution and experience. All our employees are given employment contracts with clear terms and conditions and equal employment opportunities are clearly cited in the employee handbook. We abide by labour laws in the country of operation and adopt the Tripartite Guidelines on Fair Employment Practices.

As a member of the Singapore National Employers Federation, we have also signed the Employers' Pledge of Fair Employment Practices to show our commitment to providing a safe and inclusive workplace for our staff. In our hiring policy, CHO looks primarily at a candidate's certifications, experience and ability to perform on the job. We do not discriminate against any particular group of people and we ensure that we have optimal manpower to match the needs of the business. In fact, as both policy and culture, we embrace and encourage diversity. All our staff in the corporate office are typically hired on a full-time permanent contract (excluding interns), though we occasionally have temporary or part time employees if there is a specific need, while crew members are offered full-time temporary contracts to meet oil majors' and charterers' requirements. We have had zero incidents of discrimination during the reporting period.

Gender Diversity

As at 31 December 2022, among the 24 employees within the corporate office, 11 were male and 13 were female. However, given the nature of the work and the lifestyle onboard the vessels, the sector in general tends to have a predominantly male crew and our Company is no different, with an all-male crew of 64 as at 31 December 2022. We are supportive of having female crew members and do not discriminate against them.

Cultural Diversity

In CHO, we celebrate cultural diversity. We believe that part of our strength in being able to create solutions that address the needs of our customers, regardless of geography, lies in our pool of talent that comes from all over the world – our employees represent 14 different nationalities. In previous years, we organised celebrations such as the Annual New Year, Chinese Lunar New Year, Hari Raya Puasa and Christmas get-togethers. Unfortunately, for the last few years due to the ongoing health and safety concerns surrounding Covid-19, our face-to-face celebrations and gatherings were cancelled. However we have started them up again including in the office when we had a long-awaited Christmas meal and a fun gift exchange.

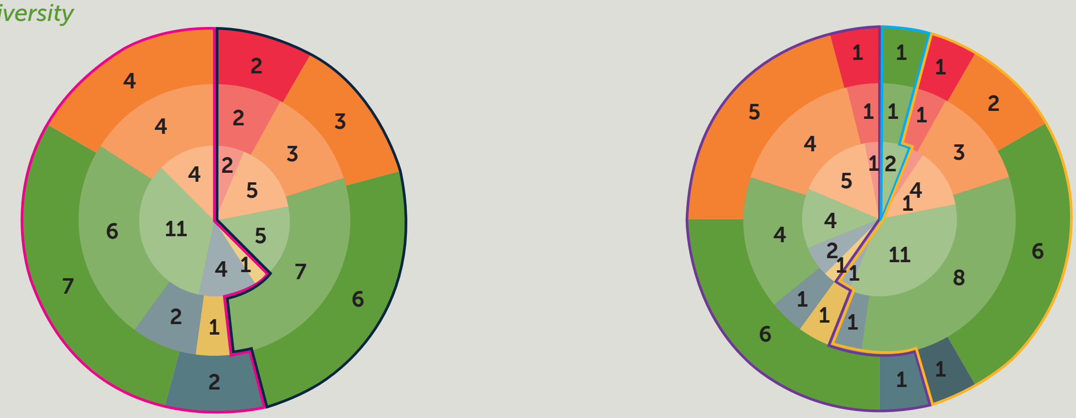
Age Diversity

In line with the Ministry of Manpower's initiative to promote age friendly workplaces, CHO implemented an Age Management Programme in FY2018. This programme allows us to keep our valued employees who turn 62 on the same employment contract, or to redesign their role and provide the necessary training for reemployment on a modified contract. In FY2021, CHO updated our retirement policy to reflect a later retirement age. This updated policy focuses on implementing key recommendations by the Tripartite Workgroup on Older Workers where the minimum Retirement Age ("RA") and Re-employment Age ("REA") of workers will be raised to 65 and 70 respectively by 2030. The first increases to 63 and 68 respectively took effect from 1 July 2022. These initiatives not only allow us to better address the needs and abilities of our senior staff, we were also able to keep their valuable experience and expertise within the company. We are supportive of increasing the RA and REA as the experience of our matured workers is invaluable and can be passed on to the younger and less experienced employees of the Company.

In line with the "promote age-friendly workplaces" programme, we provide free health screening for all our employees together with other health talks. Due to the on-going health and safety concerns surrounding Covid-19, the Company postponed all face-to-face health screening and health talks in FY2021, but resumed free health screening in FY2022.

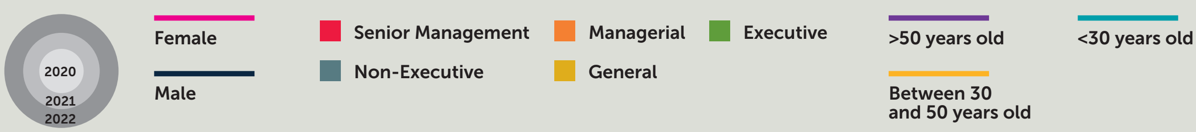
Group Diversity

GRI 405-1



Gender Diversity

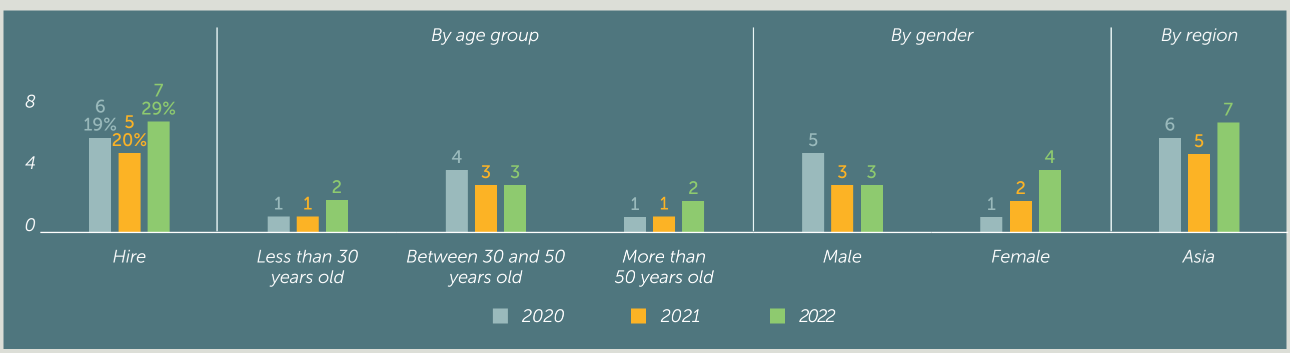
Age Diversity



Numbers within the pie chart represent the number of employees within each category

Total number and rate (%)^ of new employee hire (Corporate Office)

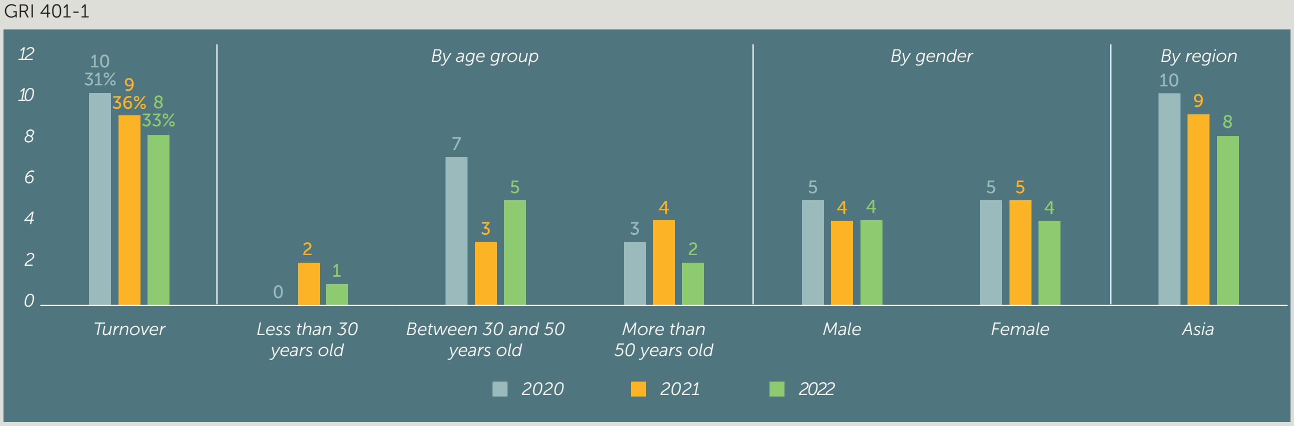
GRI 401-1



^ Percentages are calculated based on total employee number (Corporate Office), as at 31 December 2022.

Total number and rate (%)^ of employee turnover (Corporate Office)

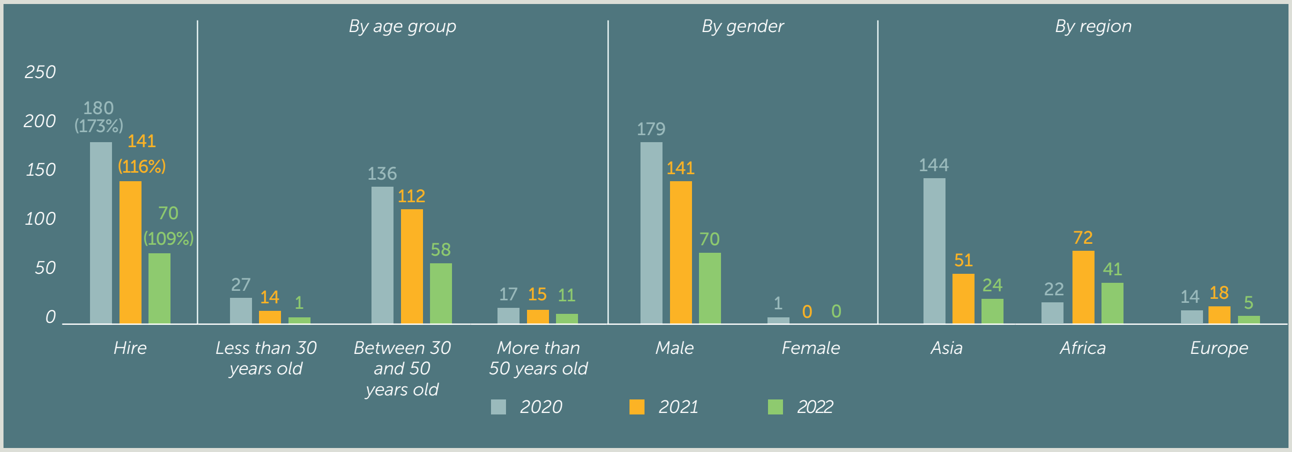
GRI 401-1



^ Percentages are calculated based on total employee number (Corporate Office), as at 31 December 2022.

Total number and rate (%)^ of new employees hire in 2022 (Crew)*

GRI 401-1



^ Percentages are calculated based on total employee number (crew), as at 31 December 2022.
* The number of new employee hires for crew refers to the number of unique individuals who first joined the Company in FY2022 as one employee may have several rotations (temporary contracts).

Compensation, Benefits and Engagement

GRI 201-3, 401-3

Our Group complies with the Employment Act in Singapore as well as other acts and regulations which may apply in relation to employment in Singapore e.g. Child Development Co-Savings Act, Immigration Act. In addition to providing the benefits as per the requirements of the Employment Act, all of our employees also enjoy a comprehensive range of benefits including paid annual leave, medical benefits and group insurance policies.

For our crew, we abide by the Marine Labour Convention ("MLC") and the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("STCW"). The MLC aims to ensure comprehensive protection of the rights of seafarers by having countries and vessel owners commit to providing decent working and living conditions for seafarers. The STCW on the other hand sets minimum qualification standards for various crew members.

To engage our employees and to support their mental well-being, the Group facilitates and encourages employee engagement including having various open lines of communication. Our organisational structure is flat and we operate on an open door policy which provides full access for all employees to Directors and Management. All employees (including crew) have easy access to supervisors, Management and Directors who provide a listening ear and help address concerns where possible.

The Group also invests heavily in an extensive healthcare support system where our employees and appointed dependents are entitled to healthcare insurance including hospitalisation, outpatient and dental cover. To promote healthy work-life balance for our employees, the Group adopts a five-day working week and we promote webinars relating to mental and physical health. Physical posters and e-posters in relation to health promotions or lifestyle recommendations are also displayed to encourage employees to adopt healthy lifestyle choices. With the relaxation of Safe Management Measures, employees are also able to gather together for meals or social events.

A health screening is the first step to safeguarding the health of our employee. Early detection and timely intervention pave the way for early treatment and can reduce future complications and treatment cost. With the support of healthcare professionals from Minmed, CHO organised a complimentary health screening at the office on 20 September 2022 which was attended by 20 employees. Each employee was later provided with an individual health report and a private follow-up teleconsult review with a doctor. Medical recommendations (if any) were provided to employees.

Over the course of 2022, as Singapore moved towards a more endemic phase of living with Covid-19, the Safe Management Measures applicable to workplaces also moved in line with the rest of society. As such, many of the additional requirements pertaining to workplaces were removed including the compulsory wearing of facemasks in the work environment. However, we continue to monitor the Covid-19 situation and reinstate protective measures when required. For example, for a month or so in 2022, we reimplemented the need for face masks when the Covid-19 caseload grew rapidly so as to minimise the spread within office. In addition, we continued with frequent cleaning of shared facilities and high-contact surfaces, testing of close contacts, provision of hand sanitisers within the yards and offices, and virtual meetings amongst other Covid-19 measures.

In line with the Singapore Child Development Co-Savings Act, in place to encourage family building by providing support including financial support, and the Employment Act, eligible employees are entitled to parental leave in the form of paid maternity, paternity and childcare leave. We support our employees in taking parental leave so as to promote family values and mental health.

Our Group adheres to Singapore's social security system of which the Central Provident Fund ("CPF") is a key pillar. CPF helps Singapore Citizens and Permanent Residents set aside funds to build a strong foundation for retirement. Under the CPF scheme, the Group and its employees make monthly contributions, depending on age of employee, salary earned etc and in accordance with prevailing regulations, to the employees' CPF accounts.

Training and Development

GRI 404-1 to 404-3

To remain competitive, CHO recognises the need to develop our most important asset – our people – to maximise their potential and bring wider business benefits. With ongoing training development, employees will have up-to-date and relevant skills, broader and more in-depth industry knowledge and will be kept abreast of the latest technological developments.

Our crew is required to attend various monthly, quarterly and bimonthly training on International Ship and Port Facility Security ("ISPS") as well as on emergency response to ensure that they have the necessary skills to respond in the event of an actual emergency. We hold regular in-house and external training programs for our corporate office employees covering both soft skills and more specific training for various job roles.

Training courses (both in-person and virtual) attended by the employees in the corporate office in FY2022 included:

External Training

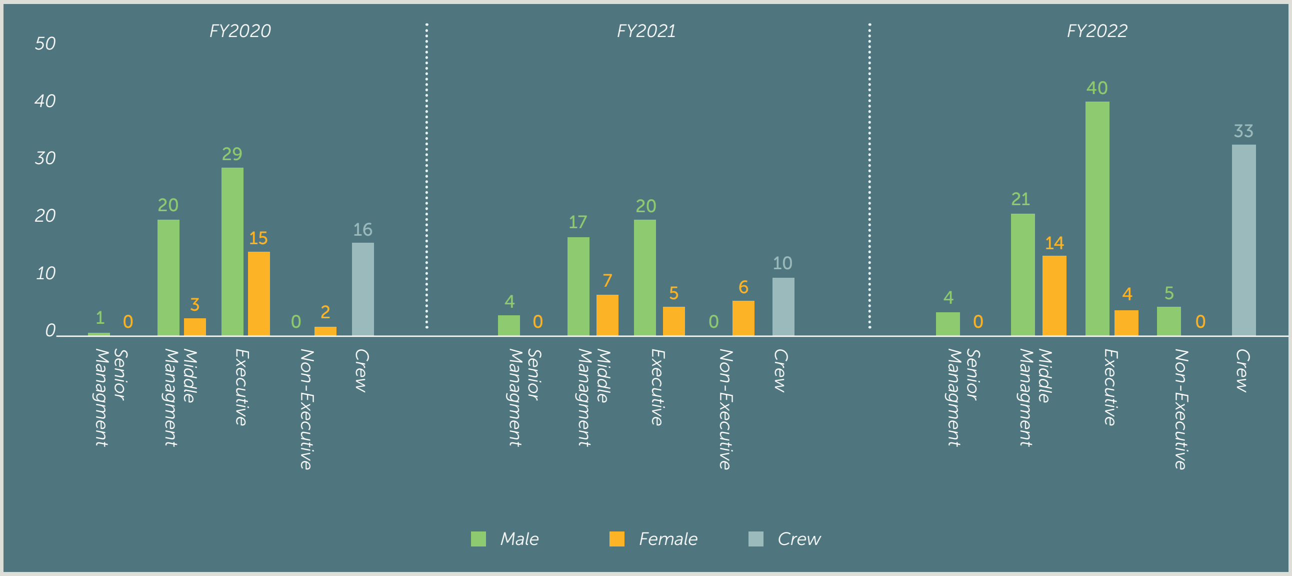
1. Cyber Security Awareness Training
2. Media Handling Awareness Course for Shipping companies
3. Awareness/IT Training on Energy Management System Manual
4. Maritime Risk Management and Incident Investigation
5. Compressed Air Emergency Breathing System Initial Deployment training,
6. Emergency Preparedness and Crisis Management,
7. GST webinar
8. SGX-GCNs workshop on taskforce on Climate-related Financial Disclosure
9. Occupational First Aid
10. Faster Track to Governance
11. Basic Offshore Safety Induction and emergency Training and Travel Safely by Boat (BOSIET)
12. Internal Auditor ISM-ISPS-MC for shipping
13. The future of Finance; Key updates in the IFRS accounting Standards Webinar

Internal Training

Corporate Governance Training:

a) General understanding of PDPA
b) Anti-Bribery and Corruption Policy
c) Code of Conduct Policy
d) Whistleblowing Policy
e) Gift and Hospitality Policy

Hours of training per employee category



In FY2022, our corporate office employees attended an average of 17 hours of training per person. Our employees participated in both virtual and physical training sessions and seminars. In addition to the formal academic training, we have also encouraged employees to participate in webinars. These webinar sessions have not been included in the training hours above. In the same year, our crew attended an average of 33 hours per person as compared to 10 hours in FY2021. The significant increase in training hours was made possible through the lifting of Covid-19 related Safe Management Measures imposed by the governments and regulators in the countries where our vessels operate.

Total Workplace Safety and Health

GRI 403-1 to 403-7, 403-9 to 403-10

Given the nature of our operations especially onboard vessels, health and safety is of utmost importance to us. CHO is committed to providing a safe operational environment for our offshore and onshore employees, customers and partners and aims to ensure that appropriate control measures are in place to mitigate any safety risks posed to stakeholders and assets. In the second half of 2022, the WSH Council issued an Approved Code of Conduct ("ACOP") in relation to Chief Executives' and Board of Directors' Workplace Safety and Health duties with a specific focus on four guiding principles. The systems and processes we had in place prior to the issuance of the ACOP already address the bulk of the measures indicated in the ACOP and since then, we have included further initiatives to address some of the measures more explicitly.

We are committed to ensuring full compliance with the 1974 International Convention for the Safety of Life at Sea, which is an international maritime treaty which requires Signatory Flag States to ensure that their vessels comply with minimum safety standards in construction, equipment and operation.

Our crew have been briefed on health and safety requirements during their initial orientation and provided with the Company's HSEMS Manual for their guidance on all health and safety concerns onboard. Mandatory safety training specific to the job scope of the crew are provided during orientation. Examples of safety training provided includes: BOSIET, Crane Operator, H2S, HLO, HOIT, IMDG, RIGGER, Banksman, Security Awareness training.

The Group's main operating subsidiary, CHO Ship Management, is working towards obtaining ISO 50001 which should be achieved by H1 2023 and subsequently, ISO 14001 and ISO 45001.

STOP Work Authority ("SWA")

We provide regular training on health and safety which covers both our onshore and offshore personnel. We introduced the STOP Work Authority intervention campaign, which encourages our crew members to stop an activity if they observe a fellow crew member not abiding by safety protocols.

Safety Alerts and Marine Circulars

We implemented 'Safety Alerts and Marine Circulars' communication to disseminate information regarding our safety policies and share best safety practices. Such communication is shared via emails to our vessel masters who are then required to share the communication with the rest of the crew and declare compliance. Onshore employees are also encouraged to share real examples of unsafe situations or practices they observe on our premises to our Health and Safety team and this is shared company-wide which allows for learning across different vessels and regions.

C.A.R.E. Card Initiative (Behaviour Based Safety)

One of the most successful initiatives we implemented to improve the health and safety of our staff is the C.A.R.E. Card. The ultimate goal of CHO's C.A.R.E. Card system is to create and maintain a safety culture where employees care for each other and actively intervene when they observe unsafe acts and conditions. It also provides an avenue for reinforcement of safe behaviours.

Apart from being designed as a tool for observation and feedback and enhancing the culture of actively caring for each other, the acronym C.A.R.E. stands for:

C – Comprehend the activity (Observe the behaviours and conditions closely)
A – Act (Intervene for positive feedback or corrective discussion)
R – Reinforce (Affirm safe behaviours)
E – Eliminate unsafe behaviours and conditions by appropriate corrective feedback

As an observation tool, the C.A.R.E. card covers key areas of observation that are major contributors to accidents. They are:

- HSSE awareness
- Adherence to policies and procedures
- People (body positions/reactions)
- Tools and equipment
- Personal protective equipment
- Material handling
- IT and Security
- Environmental/working conditions and housekeeping

The C.A.R.E. card also provides a section to document the use of SWA. Each crew member is required to submit at least one observation via a C.A.R.E. card each month. The C.A.R.E. cards received are analysed and common unsafe behaviours are addressed through corrective actions. To reinforce the importance of working safely, best practices are translated into informative posters for sharing with the rest of the employees. In FY2022, a total of 2,339 C.A.R.E. cards were contributed by our fleet of vessels.

As at 31 December 2022, CHO achieved 184 Loss Time Injury Free Days (period covering 25 June 2022 until 31 December 2022) with zero cases of recordable injury. There was one (1) high-consequence work-related injury (excluding fatality) sustained by one of our crew on 25 June 2022. The injury rates increased due to a reduction in man hours though the absolute number of recordable incidents has remained unchanged for the last three years.

Health and Safety Statistics

	2020	2021	2022
No. of Days (in year)	366	365	365
Man-Hours	636,862	495,855	450,520
Fatalities	0	0	0
High Consequence Injuries	0	0	1
Lost Time Injury[1]	1	1	1
Recordable Injury[2]	1	1	1
Fatality Frequency Rate	0.00	0.00	0.00
High Consequence Injury Frequency Rate	0.00	0.00	2.22
Lost Time Injury Frequency Rate ("LTIFR")	1.57	2.02	2.22
Total Recordable Injury Frequency Rate ("TRIFR")	1.57	2.02	2.22

[1] Lost time injury incidents include high consequence injuries.
[2] Recordable injuries include fatalities, lost time injuries, restricted work injuries and medical treatment injuries.

We have not had any incidents or cases in relation to work-related ill health.

We continually emphasise the personal responsibility that all our workers have for their own safety and that of their co-workers. After any accidents, a thorough investigation is carried out to help us understand the root cause and to take relevant corrective actions to prevent recurrence. The investigation process is clearly defined in the HSEMS Manual to guide the appointed investigator in conducting the investigation. In the case of near miss incidents, open and transparent reporting is highly encouraged as they provide valuable learning lessons, which can eventually be applied within the HSEMS to implement preventive measures in preventing future incidents.

We continue to strive for zero harm and will engage our staff, crew and other stakeholders we work with to create a safe and productive working environment. For office-based employees, ergonomics chairs have been provided to ensure physical wellbeing. To further promote employees' health, staff was encouraged to attend regular online talks on health and wellness. Annual wellness check-ups are also be conducted for all employees.

Community Engagement

Good corporate citizenship matters more than before in today's environment of globalisation. We are committed to improving the well-being and development of the community and environment in which we operate.

Donations to Charities

Continuing the worthy cause from last year, CHO supported four charities in 2022 focused on the younger generation, notably:

1. The Straits Times School Pocket Money Fund
2. Singapore Children's Society
3. Limitless.sg
4. Children's Wishing Well

CHO strongly believes in giving back to the community and corporate donation is one of the many wholesome channels that allows the Company to do its part for the larger society. One of the charities which we supported has a focus on mental health issues faced by youth dealing with stresses from home and school life and provides a safety net for such youths.

In addition to the corporate donations, employees of CHO came together to make personal contributions to support the Christmas Wishlist programme at JYC @ Children's Society. The JYC @ Children's Society Community Centre offers a safe and friendly environment, free from discrimination and judgement for all its beneficiaries and focuses on socio-emotional education to help raise the self-esteem of children and youth and encourages a positive development in their daily lives to prevent them from falling into risky behaviours such as juvenile delinquency. The program opened up an opportunity for employees to bless each beneficiary with a gift of their choice during the Christmas season. Employees also donated their time to wrap the presents and provide a personal touch to each present. A total of 45 beneficiaries at the JYC @ Children's Society benefitted from the program.

Responsible Business

Policies and Procedures

GRI 2-15, 2-16, 2-23, 2-25, 2-26, 201-1, 205-1 to 205-3, 415-1

Governance

CHO has adopted a zero-tolerance policy towards any form of bribery and corruption and we are committed to acting transparently, fairly and with integrity in all our business activities and relationships. Our Anti-Bribery and Corruption Policy ("Policy") sets out the Group's policies and guiding principles on how to conduct our businesses with honesty, fairness and to a high ethical standard. The Policy applies to Directors and Officers, employees (full and part-time), contract workers (including crew), and consultants, representatives, agents and intermediaries engaged by the Group. The Policy works hand in hand with our Code of Conduct Policy and Whistleblowing Policy. Compliance with all three policies is of paramount importance and any non-compliance is treated as a serious violation and may lead to termination of employment or even legal sanctions. We have communicated our Policies to all our employees (including crew), Directors and Officers and conduct annual training on such policies. These policies are also made publicly available to our other stakeholders on our corporate website.

Our Code of Conduct Policy addresses many of the ethical and legal issues that we might face and serves as a guide to ensure that our actions and behaviours are in line with the Company's expectations and are fair and ethical. Some of the considerations covered by the Code of Conduct Policy include conflicts of interest, fair competition, equal employment opportunities, accurate books and records, insider trading and safeguarding confidential information among others.

Our Whistleblowing Policy serves to encourage and provide a channel for stakeholders, including employees to report in good faith and in confidence, without fear of reprisals, concerns about possible wrongdoing or breach of applicable laws, regulations, policies or other matters. The Whistleblowing Policy and Procedure allows for independent investigation of such matters and for appropriate follow-up action to be taken. In FY2022, there were no confirmed or suspected cases of corruption nor any reports of concerns raised or brought to the attention of the Audit Committee.

The Group has in place a Human Rights Statement committing to upholding the International Human Rights Principles as set out in the Universal Declaration of Human Rights and International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The Group does not tolerate unethical labour practices such as slavery, forced labour, child labour and human trafficking in any of our operations and business practices and all of our employees, subcontractors, suppliers and vendors are expected to adhere to our policies.

Data Security

The Group has in place a Personal Data Protection Policy to protect the privacy and confidentiality of all personal data of our employees and stakeholders. We are guided by the Personal Data Protection Act ("PDPA") that outlines how we should manage all personal data. The Group has also appointed a Data Protection Officer ("DPO") to oversee and ensure that all personal data is managed in accordance to the PDPA. During the year, the DPO has noted that there were no reports or concerns or any breach in personal data.

The Group has also taken precautionary steps to secure and protect the collection of personal data. With the PDPA being updated at the start of 2021, external training (by Singapore Association for Continuing Education) was provided to our employees who handle personal data regularly as part of their daily work. Other employees who had significantly less exposure to personal data underwent an in-house training session instead. This ensured that all our employees were updated on the changes to the PDPA and are made aware of any corporate obligations and liabilities. Annual refresher training is provided to all employees .

Risk Management

GRI 201-2, 205-1

At CHO, we are committed to maintaining our corporate governance standards with the aid of strong internal controls and a robust risk management system. On a six-monthly basis and as and when required, the Board, supported by the Risk Management Committee, reviews existing risks and considers changes and trends in the market environment as well as business operations to further enhance and built on our enterprise risk management ("ERM") framework to minimise significant exposures to financial, industry-related and operational risks (including any sanctions-related and climate-related risks) to better safeguard stakeholders' interest and the Group's assets whilst delivering sustainable value to shareholders. The ERM framework and all its implementation actions are regularly assessed and evaluated by the Board to ensure that the Group's strategic objectives and risk appetite are aligned.

Financial Risk

- Review Group's strategy and financial performance regularly to ensure continued liquidity
- Continue to explore new market opportunities for sustainable growth and development
- Where possible, seek upfront charter hire payment and ensure robust charterparty terms to address defaults in payment. Purchase relevant insurance policies to mitigate the risks
- Where possible, hedge foreign currency fluctuations naturally by a sale or purchase of a matching asset or liability of the same currency and amount
- Undertake spot conversion to Singapore Dollar when rates are favourable for loan repayment and local expenses
- Carry out credit checks and financial reviews of new clients/customers

Industry-Related Risks

- Cautiously reducing our cost base and curtailing discretionary expenditure to ensure that the Group remains resilient amidst adversity
- Exploration of new market opportunities (including in the renewables sector) for sustainable growth and development
- Increase focus on management of third-party vessels and evaluate suitable vessels for acquisition for fleet renewal

Health and Safety Risks

- Cultivate safe-at-work habits and practices
- Raise awareness of International Safety Management Code and manuals and conduct regular trainings
- Attend regular training programmes and conduct safety promotions
- Provide mandatory internal safety briefings and induction programmes and external competency training (where required) in addition to employee's orientation programmes.
- Conduct periodic fire evacuation and security drills to ensure preparedness and cooperation during emergencies

Operational Risks

- Maintain close adherence to Planned Maintenance System
- Diversify vendor, supplier and subcontractor base to reduce reliance on any given suppliers
- Identify vendors/suppliers local to vessels to ensure continuity of supplies
- Plan for business continuity and response measures to address disruption of business operations
- Improve IT security and accessibility to allow working from home as part of business continuity plan
- Ensure that new contracts/charters have sufficient protections in relation to force majeure clauses including the potential adverse development of the Covid-19 pandemic

Governance Risks

- Update and review governance policies on a regular basis and provide annual training to employees
- Provide and maintain ease of communication to management to enable stakeholders, especially employees, to raise matters in addition to whistleblowing reporting options
- Regularly assess exposure and nexus to sanctions-related risks and keep abreast of changes to applicable Sanctions List

Climate-related Physical and Transition Risks

- Raise awareness of climate risks and sustainability considerations amongst employees and crew so that sustainability issues form part of strategic decision making in relation to procedures, asset purchases, facilities etc
- Consider vessels with greener emissions during acquisition evaluation
- Widen customer base and knowledge within renewables sector
- Maintain a strong balance sheet to weather any climate related impacts
- Ensure proper maintenance and repair of vessels to reduce impact on environment
- Ensure that contracts have appropriate force majeure clauses to address possible extreme weather conditions

GRI CONTENT INDEX

Statement of use	CH Offshore Ltd. has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	PAGE REFERENCE AND RESPONSE	ALIGNMENT TO SGX CORE ESG METRICS
GRI 2: General Disclosures (2021)			
GRI 2-1	Organisational details	4, 5	
GRI 2-2	Entities included in the organization's sustainability reporting	22	
GRI 2-3	Reporting period, frequency and contact point	22 Reporting Period: 1 Jan 2022 - 31 Dec 2022 Reporting Frequency: Annually	
GRI 2-4	Restatements of information	31, 32, 33, 34	
GRI 2-5	External assurance	22	Assurance
GRI 2-6	Activities, value chain and other business relationships	21	
GRI 2-7	Employees	35	
GRI 2-8	Workers who are not employees	35	
GRI 2-9	Governance structure and composition	21	
GRI 2-10	Nomination and selection of the highest governance body	21	
GRI 2-11	Chair of the highest governance body	21	
GRI 2-12	Role of highest governance body in overseeing the management of impacts	21	
GRI 2-13	Delegation of responsibility for managing impacts	21	
GRI 2-14	Role of the highest governance body in sustainability reporting	21	
GRI 2-15	Conflicts of interest	42, 43	
GRI 2-16	Communication of critical concerns	42, 43	
GRI 2-17	Collective knowledge of the highest governance body	29	
GRI 2-18	Evaluation of the performance of the highest governance body	57	
GRI 2-19	Remuneration policies	58	
GRI 2-20	Process to determine remuneration	58	

GRI CONTENT
INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE AND RESPONSE	ALIGNMENT TO SGX CORE ESG METRICS
GRI 2: General Disclosures (2021)			
GRI 2-21	Annual total compensation ratio	58	
GRI 2-22	Statement on sustainable development strategy	21	Alignment with Frameworks
GRI 2-23	Policy commitments	42, 43	
GRI 2-24	Embedding policy commitments	42, 43	
GRI 2-25	Processes to remediate negative impacts	29, 42, 43, 44	
GRI 2-26	Mechanisms for seeking advice and raising concerns	42, 43, 44	
GRI 2-27	Compliance with laws and regulations	29, 30	
GRI 2-28	Membership associations	29, 30	
GRI 2-29	Approach to stakeholder engagement	24, 25	
GRI 2-30	Collective bargaining agreements	None of our employees are covered by collective bargaining agreement	
GRI 3-1	Process to determine material topics	26, 27, 28	
GRI 3-2	List of material topics	26, 27, 28	
Economics: Economic Excellence			
GRI 201 Economic Performance (2016)	201-1: Direct economic value generated and distributed	28	
	201-2: Financial implications and other risks and opportunities due to climate change	28, 42, 43, 44	
	201-3: Defined benefit plan obligations and other retirement plans	28	
	201-4: Financial assistance received from government	28, 38, 39	
Environment: Environmental Sustainability			
GRI 302 Energy (2016)	302-1: Energy consumption within the organization	31, 32, 33, 34	
	302-2: Energy consumption outside of the organization	31, 32, 33, 34	Energy Consumption
	302-3: Energy intensity	31, 32, 33, 34	
	302-4: Reduction of energy consumption	31, 32, 33, 34	

GRI STANDARD	DISCLOSURE	PAGE REFERENCE AND RESPONSE	ALIGNMENT TO SGX CORE ESG METRICS
GRI 2: General Disclosures (2021)			
GRI 305 Emissions (2016)	305-1: Direct (Scope 1) GHG emissions	31, 32, 33, 34	Greenhouse Gas Emissions ("GHG")
	305-3: Other indirect (Scope 3) GHG emissions	31, 32, 33, 34	
	305-4: GHG emissions intensity	31, 32, 33, 34	
	305-5: Reduction of GHG emissions	31, 32, 33, 34	
	305-6: Emissions of ozone-depleting substances (ODS)	31, 32, 33, 34	
GRI 306 Waste (2020)	306-1: Waste generation and significant waste-related impacts	34, 35	Waste Generation
	306-2: Management of significant waste-related impacts	34, 35	
	306-3: Waste generated	34, 35	
	306-4: Waste diverted from disposal	34, 35	
	306-5: Waste directed to disposal	34, 35	
Social: People Focus			
GRI 401 Employment (2016)	401-1: New employee hires and employee turnover	35, 36, 37, 38	Employment
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	35, 36, 37, 38	
	401-3: Parental leave	35, 36, 37, 38	
GRI 404 Training and Education (2016)	404-1: Average hours of training per year per employee	39, 40	Development and Training
	404-2: Programs for upgrading employee skills and transition assistance programs	39, 40	
	404-3: Percentage of employees receiving regular performance and career development reviews	39, 40	
GRI 405 Diversity and Equal Opportunity (2016)	405-1: Diversity of governance bodies and employees	35, 36, 37	Board Composition, Management Diversity, Gender Diversity, Age-Based Diversity
GRI 406 Non-discrimination (2016)	406-1: Incidents of discrimination and corrective actions taken	35, 36	

GRI STANDARD	DISCLOSURE	PPAGE REFERENCE AND RESPONSE	ALIGNMENT TO SGX CORE ESG METRICS
GRI 2: General Disclosures (2021)			
Social: Total Workplace Safety and Health			
GRI 403 Occupational Health and Safety (2018)	403-1: Occupational health and safety management system	40, 41, 42	Occupational Health and Safety Certifications
	403-2: Hazard identification, risk assessment and incident investigation	40, 41, 42	
	403-3: Occupational health services	40, 41, 42	
	403-4: Worker participation, consultation, and communication on occupational health and safety	40, 41, 42	
	403-5: Worker training on occupational health and safety	40, 41, 42	
	403-6: Promotion of worker health	40, 41, 42	
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	40, 41, 42	
	403-9: Work-related injuries	40, 41, 42	
	403-10: Work-related ill health	40, 41, 42	
Governance: Responsible Business			
GRI 205 Anti-Corruption (2016)	205-1: Operations assessed for risks related to corruption	42, 43	Ethical Behaviour
	205-3: Confirmed incidents of corruption and actions taken	42, 43	
GRI 201 Economic Performance (2016)	201-2: Financial implications and other risks and opportunities due to climate change	42, 43, 44	
GRI 415 Public Policy (2016)	415-1: Political contributions	42, 43, 44	

TOPIC	EXPLANATION
GRI 11: Oil and Gas Sector 2021	
Topic 11.4 Biodiversity	Although our vessels operate in oil fields, these are leased by our clients. Our own operations do not involve any development of oil and gas assets. This topic is not deemed to be material.
Topic 11.6 Water and effluent	Our operations do not involve extraction and processing of oil or gas. The amount of water which we use during our operations is not significant. We dispose of waste water in accordance with local regulations. This topic is not deemed to be material.
Topic 11.7 Closure and rehabilitation	We do not own or operate any oil and gas facilities/fields. This topic is not deemed to be material to us.
Topic 11.12 Forced labour and modern slavery	Our annual audit of manning agencies ensures that the agencies do not practice unethical labour practices. As part of our HR policies and Human Rights Statement, our Group does not tolerate unethical labour practices such as forced labour and slavery. This topic is not deemed to be material.
Topic 11.13 Freedom of association and collective bargaining	The vessels we operate are mainly Singapore flag vessels where unions are legal and as a Group, we do not prevent our employees from joining trade unions nor engaging in collective bargaining. This topic is not deemed to be material.
Topic 11.14 Economic impact	Although economic performance and our contribution to local employment, procurement and communities are important, as a small medium enterprise, our economic impact and contribution to local activities is not material. The importance of employment, procurement and communities to our Group are covered in other material topics.
Topic 11.16 Land and resource rights	Our operations do not involve owning or operating oil and gas fields. Land and resource rights are not pertinent.
Topic 11.17 Rights of indigenous peoples	Our areas of operations are not home to any communities or people who would be classified as indigenous.
Topic 11.18 Conflict and security	Security personnel are only provided by our charterers for deployment on our vessels where required in higher war risk areas. These security personnel are not appointed by us and do not interact with local communities when on our vessels.
Topic 11.19 Anti-competitive behaviour	The Group is in the process of putting in place procedures to formalise our policy on anti-competitive behaviour and as such has not disclosed this factor as a material factor in this financial year.
Topic 11.21 Payments to governments	Our operations do not involve complex financial transactions and only involve typical payments to governments in the form of tax and lease payments. As such, this factor is deemed not material.
Topic 11.22 Public policy	As a Singapore based public limited company, CHO is governed by strict rules relating to public disclosure and policy. Our Anti-Bribery and Corruption Policy prevents contributions to political parties or persons. Consequently, this is not deemed a material topic.

CORPORATE GOVERNANCE REPORT

CH Offshore Ltd. ("**CHO**" or the "**Company**") and its subsidiaries (collectively, the "**Group**") recognise the importance of, and is committed to, maintaining high standards of corporate governance to ensure greater transparency and maximise long-term shareholder value.

As the Company's shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Company seeks to comply with the listing rules of the SGX-ST as prescribed in the Listing Manual of the SGX-ST ("**Listing Rules**") and is guided in its corporate governance practices by the revised Code of Corporate Governance issued in 2018 ("**Code**").

The Board of Directors ("**Board**") is pleased to outline the main corporate governance framework and practices of the Company in this report, with specific reference made to each of the principles and provisions as set out in the Code. This report describes the Company's corporate governance practices that were in place throughout the financial year ended 31 December 2022 ("**FY2022**"). Where there were variations in the Company's corporate governance practices from the provisions as set out in the Code ("**Provisions**"), explanations as to how the Company's practices were consistent with the intent of the Principle in question is provided in the relevant paragraph of this report. The Company reviews its practices on ongoing basis, as and when required.

(A) BOARD MATTERS

The Board's Conduct of Affairs

PRINCIPLE 1:
The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The Board oversees the business affairs of the Group. It provides leadership and guidance to Management, sets strategic objectives, ensures that the necessary financial and human resources are in place, and reviews management performance, with a view to achieving long-term success for the Company. The Board also ensures the adequacy of the Group's control and risk framework and standards and ensures that obligations to its shareholders and other key stakeholders are understood and met. The long-term vision and strategy for the Company is formulated and discussed at Board level, and its implementation, including articulation to shareholders and employees, is tasked to the Management led by the Executive Director. Management works with, and is accountable to, the Board.

Provision 1.1 of the Code
All Directors objectively discharge their duties and responsibilities as fiduciaries and take decisions in the best interests of the Group at all times. A Director who is interested in a transaction or proposed transaction will declare his/her interest and abstain from deliberations unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussions. Directors are required to abstain from voting in relation to conflict-related matters.

The Board has put in place a Code of Conduct Policy and Procedures to assist and guide the Directors and employees in acting honestly, ethically and respectfully and in identifying, disclosing and managing financial and non-financial conflict of interest situations. The Code of Conduct Policy and Procedures further serve to emphasise the Group's commitment to ethics and compliance with the law, including but not limited to fair competition and modern slavery, for the protection of the Company's interest and the promotion of transparency for the benefit of shareholders.

The Board has also adopted an Anti-Bribery and Corruption Policy detailing the Group's policy and procedures with respect to the conduct of the Group's business and operations in an ethical, honest, fair and professional manner. The Anti-Bribery and Corruption Policy applies to all Directors, officers, employees and contract workers (including crew) and, where necessary and appropriate, outside parties acting on behalf of the Group, including but not limited to consultants, representatives, agents and intermediaries engaged by the Group. A Gift and Hospitality Policy has been put in place to set out the Group's specific thresholds in relation to appropriate and acceptable gifts and hospitality to offer to or receive from clients, vendors and other relevant third parties.

Provision 1.2 of the Code
The Company recognises the importance of appropriate training for its Directors. Newly-appointed Directors will be given briefings and an orientation on the business activities of the Group and its strategic directions, their duties and responsibilities as Directors, as well as a board meeting calendar for the year. They are furnished with information outlining their duties and obligations. From time to time, the Directors are provided with updates on any changes in relevant laws and regulations, code of corporate governance, financial reporting standards and industry related matters.

In addition, the Directors are also encouraged to attend relevant training programmes, seminars and workshops to enhance their skills and knowledge. Where appropriate, the Directors' training expenses will be borne by the Company. At the Audit Committee ("**AC**") meetings, the external auditor would update the AC and the Board on new or revised accounting standards which are applicable to the Company or the Group.

If a newly appointed Director does not have any prior experience as a director of a listed company, the Company will arrange for such first-time Director to attend the Mandatory Training in accordance to Rule 210(5)(a) of the Listing Manual, at the expense of the Company, conducted by the Singapore Institute of Directors in order for the first-time Director to familiarise himself/herself with the roles and responsibilities of a director of public listed company in Singapore. No new Director was appointed in FY2022.

All Directors have completed a training course on sustainability as prescribed by the SGX-ST.

The Nominating Committee ("**NC**") reviews and makes recommendations on the training and professional development program to the Board. The Board was apprised of the training programmes attended by each Director in FY2022.

Provision 1.3 of the Code

The Group has in place an internal guide regarding matters that require the Board's oversight including but not limited to the following:

(1) providing entrepreneurial leadership, setting strategic directions and long-term goals of the Group, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;

(2) determining the Group's risk appetite and risk tolerance and establishing a framework of prudent and effective controls that enables risk to be assessed and managed, including safeguarding of shareholders' interests and the Group's interests;

(3) reviewing and evaluating Management performance towards achieving organisational goals;

(4) identifying key stakeholder groups and recognising that their perceptions affect the Group's reputation;

(5) setting the Group's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met;

(6) considering sustainability issues, e.g. economic, environmental, social and governance aspects, as part of its strategic formulation;

(7) reviewing and approving corporate governance practice and ensuring the Group's compliance with laws, regulations, policies, directives, guidelines and internal code of conduct; and

(8) reviewing and approving major investments, divestments and funding proposals, annual budgets and financial plans, half-year and full-year results announcements, annual audited financial statements and declaration of dividends.

Each Director exercises his/her objective judgement to act in good faith and in the best interest of the Company to enhance the long-term value of the Group for its shareholders.

The Company has established financial authorisation and approval limits for borrowings, investments, acquisitions, disposals, capital and operating expenditures. There is a formal delegation of authority matrix that sets out financial approval limits for the Board and Management regarding operational expenditure, capital expenditure, investments, financial costs and cheque and banking signatory arrangements.

Provision 1.4 of the Code

The Board is supported by the Board Committees which were established to assist the Board in discharging its responsibilities of overseeing the Group's affairs and enhancing corporate governance. These Board Committees are the AC, the Remuneration Committee ("**RC**") and the NC. The Board delegates specific responsibilities to these Board Committees which operate within specified terms of reference setting out the scope of their duties and responsibilities and procedures governing the manner in which each Board Committee is to operate and how decisions are to be taken. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations for the Board's endorsements, the ultimate responsibility on all matters lies with the Board.

Provision 1.5 of the Code

Board meetings are typically scheduled to coincide with half-yearly financial results reporting in order to facilitate review of unaudited half year and full year financial results of the Group. Quarterly board meetings are also held after the close of each of the first and third quarters to provide updates to the Directors on the interim financial positions and performance of the Group. To facilitate Directors' attendance at meetings, the dates of Board and Board Committee meetings as well as Annual General Meeting ("**AGM**") are scheduled in advance, typically before the start of the financial year. Ad-hoc Board and Board Committee meetings are arranged as and when circumstances require.

Matters before the Board are diligently deliberated by the Board to ensure that the interests of the Company are protected.

Meetings via telephone or videoconference are permitted under the Company's Constitution. In between Board meetings, important matters are discussed in person or via telephone or other electronic means and are tabled for Board decision via circulating resolutions in writing. Supporting memorandum or papers are circulated to the Directors where relevant. Directors with multiple Board representations would ensure that sufficient time and attention are given to the affairs of the Company.

Attendance at Board and Board Committee Meetings during FY2022 are set out as follows[1]:

	BOARD		AC		RC		NC	
DIRECTORS	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Mr Thia Peng Heok George	5	5	5	5	1	1	1	1
Dr Benety Chang	5	5	5	5*	1	1*	1	1
Ms Jeanette Chang	5	5	5	5	1	1	1	1*
Mr Tan Kiang Kherng	5	5	5	5*	1	1*	1	1*
Mr Tan Pong Tyea	5	3	5	3*	1	0	1	1
Mr Tan Kian Huay	5	5	5	5	1	1	1	1
Mr Ahmad Nizam Bin Abbas[2]	5	5	5	5	1	1*	1	1*

Notes:
1 Refers to meetings held/attended while each Director was in office.
2 Mr Ahmad Nizam Bin Abbas was appointed as AC Member on 29 Apr 2022. He attended AC meetings held prior to his appointment as invitee.
* Attended as invitees.

Provision 1.6 of the Code

Directors are, from time to time, furnished with detailed information concerning the Group to enable them to be fully cognizant of the decisions and actions of the Group's executive management. All Directors have unrestricted access to the Company's records and information to enable them to keep abreast of the Group's financial position. Detailed Board and Board Committee papers are prepared for each Board and Board Committee meeting and are circulated before each meeting. The Board and Board Committee papers include sufficient information from Management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board and Board Committee meetings. Directors are at liberty to request from Management additional information as needed to make informed decisions.

If a Director was unable to attend a Board or Board Committee meeting, he/she would still receive all the papers and materials for discussions at that meeting. The relevant Director would review them and advise the Chairman or Board Committee Chairman of his/her views and comments (if any) on the matters to be discussed so that they may be conveyed to other members at the meeting.

Provision 1.7 of the Code

All Directors have separate and independent access to all levels of senior executives in the Group and the Company Secretary (whose duties and responsibilities are clearly defined) and are encouraged to speak to other employees to seek additional information if they so require.

The Company Secretary attends all Board meetings. The Secretary of Board Committees assists in ensuring coordination and liaison between the Board, Board Committees and Management. The Company Secretary, together with Management, also ensures that the Company complies with all applicable statutory and regulatory rules. The appointment and the removal of the Company Secretary rest with the Board as a whole.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

Board Composition and Guidance

PRINCIPLE 2:

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the date of this report, the Board comprises of: three (3) Independent Directors, three (3) Non-Executive Non-Independent Directors and one (1) Executive Director. The Directors of the Company as at the date of this report are as follows:

MR THIA PENG HEOK GEORGE	Chairman, Independent Director
DR BENETY CHANG	Chief Executive Officer ("**CEO**") and Executive Director
MS JEANETTE CHANG	Non-Executive Non-Independent Director
MR TAN KIANG KHERNG	Non-Executive Non-Independent Director
MR TAN PONG TYEA	Non-Executive Non-Independent Director
MR TAN KIAN HUAY	Independent Director
MR AHMAD NIZAM BIN ABBAS	Independent Director

Provisions 2.1, 2.2 and 2.3 of the Code

A Director who is independent in conduct, character and judgement and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent judgement in the best interests of the Group, is considered to be independent.

The NC reviews the independence of each Director on an annual basis, and as and when circumstances require, by taking into account, inter alia, the criteria provided in the Listing Rules and the Code, the existence of any relationships between such Director and the Group, its related corporations, its substantial shareholders and officers and if applicable, whether such relationships can interfere, or be reasonably perceived to interfere, with the exercise of such Director's independent judgment. The NC has determined that all the Independent Directors are independent and have no relationship (whether familial, business, financial, employment or otherwise) with the Company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Director's independent judgment.

The current composition of the Board complies with the recommendation of the Code that Independent Directors make up at least one third of the Board as the Board Chairman is an Independent Director.

None of the Directors are related to one another except for Dr Benety Chang and Ms Jeanette Chang. Ms Jeanette Chang is the daughter of Dr Benety Chang. The background of each director is set out in the "Board of Directors" section of this Annual Report.

Mr Thia Peng Heok George and Mr Tan Kian Huay would have served as Independent Directors of the Company for an aggregate term of more than nine years on 30 March 2024 (being nine years since their respective dates of appointment). Given that two-tier vote mechanism for issuers to approve the continued appointment of Independent Directors whose tenure exceeds the nine-year limit ceased with effect from 11 January 2023, Mr Thia Peng Heok George and Mr Tan Kian Huay will continue to be deemed independent from 30 March 2024 until the AGM held in April 2024, pursuant to the transition measures announced by SGX RegCo. The NC and Board will make plans to refresh and rejuvenate the composition of Independent Directors in due course.

Provision 2.4 of the Code

The NC reviews the size and composition of the Board and its Board Committees annually. The NC and Board are of the view that the size and level of independence of the Board is appropriate and that the Board comprises of Directors who as a group have an appropriate balance and mix (as well as breadth and depth) of skills, knowledge, experience and diversity of thought, so as to foster constructive and robust debate and avoid groupthink.

The Board put in place a Board Diversity Policy in August 2022. In addition to gender diversity, the NC and the Board believe that there are multiple dimensions to diversity which should also be considered and therefore the standard selection criteria based on an effective blend of competencies, skills, extensive, experience and knowledge to strengthen the Board should remain a priority.

The Board Diversity Policy provides that the NC shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed as new directors, with the aim of having at least one female Director on the Board. Currently one out of seven directors on the Board (14% of the Board) is female, in recognition of the importance and value of gender diversity. Further one out of seven directors on the Board (14% of the Board) is from a racial minority group. The Board Diversity Policy does not set any specific target for gender or ethnic diversity in the boardroom but will work towards maintaining gender and ethnic diversity, if possible.

Although no specific targets have been set for boardroom age diversity, the Board currently comprises of directors spanning a wide age gap with ages ranging from mid 40s to more than 70 years old.

Each Director has been appointed based on the strength of his/her calibre, experience, grasp of corporate strategy and potential to contribute to the Company and its businesses. The Board provides diversity of expertise and knowledge in areas such as marine and offshore industry, accounting or finance, business or management experience, human resource, legal, risk management, mergers and acquisitions, strategic planning experience and various other industry knowledge, required for the Board and the Board Committees to be effective.

The Board is committed to building an open, inclusive and collaborative culture and recognises the importance of all aspects of diversity in supporting the achievement of its strategic objectives, growth and sustainable development.

The profile and key information regarding the Directors is set out in the "Board of Directors" section on pages 16 to 18 and "Directors' Statement" section on pages 69 to 71 of this Annual Report.

Provision 2.5 of the Code

The Independent Directors meet without the presence of Management from time to time and on a need basis, and any relevant feedback would be provided to the Board and/or Chairman, as appropriate. The Company also benefits from Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board Committee meetings.

Chairman and Chief Executive Officer

PRINCIPLE 3:

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 of the Code

Different individuals assume the Chairman and the CEO functions in CHO. There is a clear separation of the roles and responsibilities between the Chairman and the CEO. Mr Thia Peng Heok George is the Chairman of the Board and is an Independent Director. Dr Benety Chang is the CEO of the Group. The Board Chairman and the CEO are not related to each other.

Provision 3.2 of the Code

The Chairman is responsible for leading and ensuring the effectiveness of the Board. This includes promoting a culture of openness and debate at the Board, ensuring that the members of the Board work together with integrity and competency, facilitating the effective contribution of all Directors and promoting high standards of corporate governance. The Chairman also ensures appropriate relations within the Board and between the Board and Management, engaging Management in constructive debate on strategy, business operations, enterprise risk and other plans. The Chairman also ensures effective communication with shareholders and other stakeholders.

The CEO is responsible for the leadership and overall management of the affairs of the Group. The CEO also sets strategic objectives and implements strategies to achieve long-term sustainable growth of the Group and value creation.

Provision 3.3 of the Code

Given that Mr Thia Peng Heok George is an Independent Director, the position of Lead Independent Director is not required in line with the Code. As Independent Board Chairman, Mr Thia Peng Heok George continues to hold a private session with the other Independent Directors and remains as the principal liaison to address shareholders' concerns, if any.

Board Membership

PRINCIPLE 4:
The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 of the Code

The NC has put in place a formal and transparent process for all appointments to the Board. It has adopted written terms of reference defining its membership, administration and duties.

The NC's primary functions are to evaluate and review nominations for appointment and re-appointment to the Board and the various committees, to assess the effectiveness of the Board, to nominate any Directors for re-election at the AGM, having regards to the Director's contribution and performance (such as attendance, preparedness, participation and candor), to determine whether or not the Director is independent, to review Board succession plan for Directors and to review the training and professional development programs for the Board.

During the year, the NC held one scheduled meeting with full attendance.

Provision 4.2 of the Code

As at the date of this report, the NC is chaired by Mr Tan Kian Huay with Dr Benety Chang and Mr Thia Peng Heok George as members. The majority of the NC members, including the Chairman, are Independent Directors.

The NC maintains its view that the appointment of a Lead Independent Director would not be necessary given that the Board Chairman is independent.

Provisions 4.3, 4.4 and 4.5 of the Code

In the event that the appointment of a new Director is required, the NC taps on the resources of the Directors' contacts and/or engage external consultants to source for potential candidates. The NC will seek to identify the competencies and attributes that may be required for the Board to fulfil its responsibilities and may engage recruitment consultants or other independent experts to undertake research on or assess potential candidates for new positions on the Board. The NC then meets with the shortlisted potential candidates with the appropriate profile to assess suitability and to ensure that the candidates are aware of the expectation and the level of commitment required, before nominating the most suitable candidate to the Board for appointment as Director.

The NC also conducts an annual review of the independence of a Director having regard to the circumstances set forth in Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Rule of SGX-ST. The NC has reviewed the independence of the Directors and affirmed that Mr Thia Peng Heok George, Mr Tan Kian Huay and Mr Ahmad Nizam Bin Abbas are independent and free from any relationship outlined in the Code. Each of the Independent Directors has also confirmed his independence.

The NC also determines annually whether a Director with multiple board representations and other principal commitments is able to and has adequately discharged his/her duties as a Director of the Company. The NC is of the view that, setting a maximum number of listed company board representations a Director should have is not meaningful, as the contribution of each Director would depend on their individual circumstances, including whether they have a full-time vocation or other responsibilities. The Board shares this view.

Notwithstanding the number of listed company board representations and other principal commitments which the Directors held, the NC was of the view that the Directors have been able to devote sufficient time and attention to the affairs of the Company and they are able to fulfill their duties as Directors of the Company. There is no Alternate Director on the Board.

At each AGM of the Company, not less than one third of the Directors for the time being (being those who have been longest in office since their last re-election) are required to retire from office by rotation. A retiring Director is eligible for re-election by the shareholders of the Company at the AGM. Also, all newly appointed Directors during the year will hold office only until the next AGM and will be eligible for re-election.

The NC, with each NC member abstaining in respect of his own re-election, has recommended to the Board the nomination of Directors retiring under Article 89 of the Company's Constitution, namely Mr Thia Peng Heok George and Mr Tan Kiang Kherng, for re-election at the forthcoming AGM of the Company.

The details of Mr Thia Peng Heok George and Mr Tan Kiang Kherng who will be retiring by rotation at the forthcoming AGM are set out on pages 134 to 139 of this Annual Report.

Key information regarding all the Directors required under Provision 4.5 of the Code is set out below:

NAME OF DIRECTOR	DATE OF FIRST APPOINTMENT	DATE OF LAST RE-ELECTION	PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES AND OTHER PRINCIPAL COMMITMENTS	PAST DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS
MR THIA PENG HEOK GEORGE	30 Mar 2015	18 Jun 2020	**Present Directorship in Other Listed Companies:** Independent Director of Yoma Strategic Holdings Limited **Other Present Principal Commitments:** Member of Board Of Trustees, National Cancer Centre of Singapore	DiSa Limited
DR BENETY CHANG	27 Aug 2018	23 Apr 2021	**Present Directorship in Other Listed Companies:** Executive Director of Baker Technology Limited **Other Present Principal Commitments:** Nil	Nil
MS JEANETTE CHANG	27 Aug 2018	23 Apr 2021	**Present Directorship in Other Listed Companies:** Executive Director of Baker Technology Limited **Other Present Principal Commitments:** Chief Executive Officer of Baker Technology Limited	Nil
MR TAN KIANG KHERNG	27 Aug 2018	18 Jun 2020	**Present Directorship in Other Listed Companies:** Nil **Other Present Principal Commitments:** Chief Financial Officer of Baker Technology Limited	Nil
MR TAN PONG TYEA	01 Jun 2010	22 Apr 2022	**Present Directorship in Other Listed Companies:** Executive Director of Falcon Energy Group Limited **Other Present Principal Commitments:** Chief Executive Officer and Chairman of Falcon Energy Group Limited Director and Shareholder of Ciniplay e-Gaming Co. Ltd	Nil
MR TAN KIAN HUAY	30 Mar 2015	22 Apr 2022	**Present Directorship in Other Listed Companies:** Nil **Other Present Principal Commitments:** Director of Mercatus Co-operative Limited Owner of KH Associates Councillor of Holland Bukit Timah Town Council Honorary Chairman of Bukit Panjang CCC Project Advisor of Fairprice (Fresh Food Distribution Centre)	Nil

NAME OF DIRECTOR	DATE OF FIRST APPOINTMENT	DATE OF LAST RE-ELECTION	PRESENT DIRECTORSHIPS IN OTHER LISTED COMPANIES AND OTHER PRINCIPAL COMMITMENTS	PAST DIRECTORSHIPS IN OTHER LISTED COMPANIES HELD OVER THE PRECEDING 3 YEARS
Mr Ahmad Nizam Bin Abbas	14 May 2021	22 Apr 2022	**Present Directorship in Other Listed Companies:** Nil **Other Present Principal Commitments:** Managing Director, Crescent Law Chambers Member of Panel of Advisers, Youth Court, Singapore Member of Panel of Advisers, Vulnerable Adult Court, Singapore Member of Maintenance of Parents' Tribunal, Singapore Member of Public Guardian Advisory Committee, Singapore Member of Institutional Discipline Advisory Committee, Singapore Member of Citizenship Committee of Inquiry,Singapore Member of Mandatory Aftercare Advisory Committee, Singapore Member of Pro-Bono Expert Panel, Singapore Management University Associate Faculty at School of Law, Singapore University of Social Sciences	Nil

Board Performance

PRINCIPLE 5:
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.

Provisions 5.1 and 5.2 of the Code
The Board noted the Code's recommendation that the NC be responsible for assessing the Board as a whole, and that of each of the Board Committees and individual Directors.

The NC assesses the Board's effectiveness as a whole by completing a Board Assessment Checklist. The Board Assessment Checklist takes into consideration factors such as the Board's structure, conduct of meetings, risk management and internal controls and the Board's relationship with Management. The NC also assesses the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance which allow for comparison with industry peers.

The NC assesses each Board Committee's effectiveness as a whole by completing Board Committee Assessments for each Board Committee.

The NC also evaluates the performance of each Director. The criteria includes each Director's commitment of time for Board and Board Committee meetings, level of participation, contribution and deliberation of issues at meetings, knowledge and understanding of the Group's major risk factors as well as performance of tasks delegated to the Director.

The NC is of the view that the primary objective of the assessment exercise is to create a platform to identify the Board's strengths and make recommendations for improvements to be tabled to the Board for discussion and comment with a view to strengthening the effectiveness of the Board. The Company does not engage an external facilitator in respect of the assessment of performance of the Board and Board Committees. The NC has full authority to engage external facilitators to assist in carrying out the evaluation process, if the need arises.

The NC has reviewed and is satisfied with the performance and effectiveness of the Board and the Board Committees and the contribution by individual Directors to the effectiveness of the Board for FY2022.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

PRINCIPLE 6:

The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and Key Management Personnel. No Director is involved in deciding his or her own remuneration.

Provision 6.1 of the Code

The RC has adopted written terms of reference defining its membership, administration and duties.

The primary functions of the RC are to review and recommend to the Board a framework of remuneration for the Directors, CEO and Key Management Personnel, including but not limited to Director's fees, salaries, allowances, bonuses, options and benefits in kind, to perform annual review of the remuneration of employees related to the Directors and substantial shareholders (if any) and to implement and administer the CH Offshore Employee Option Scheme.

No member of the RC is involved in deliberating in respect of any remuneration, compensation or any form of benefits to be granted to him/her.

The recommendations of the RC have been submitted for endorsement by the entire Board of Directors.

Provision 6.2 of the Code

As at the date of this report, the RC is chaired by Mr Thia Peng Heok George with Mr Tan Kian Huay and Ms Jeanette Chang as members. Both Mr Thia Peng Heok George and Mr Tan Kian Huay are Independent Directors.

During the year, the RC held one scheduled meeting with full attendance.

Provision 6.3 of the Code

The RC reviews the Company's obligations under the service agreements of the Executive Director and Key Management Personnel that would arise in the event of termination of these service agreements to ensure that such service agreements contain fair and reasonable termination clauses.

Provision 6.4 of the Code

In discharging its functions, the RC may, at the Company's expense, obtain such independent legal and other professional advice as it deems necessary. The Company has not engaged any remuneration consultants during the year under review.

Level and Mix of Remuneration

PRINCIPLE 7:

The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provisions 7.1 and 7.3 of the Code

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Executive Director and Key Management Personnel. Consideration is also given to whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent, without being excessively generous, and be able to motivate the Executive Director and Key Management Personnel to provide good stewardship of the Company and to successfully manage the Company for the long term.

The Executive Director does not receive Directors' fees. The remuneration for the Executive Director and Key Management Personnel comprises a base/fixed salary, allowance and a variable performance related bonus, which is designed to align the interests of the Executive Director and Key Management Personnel with those of shareholders and promote the long-term success of the Group.

The RC reviews the remuneration of Directors and Key Management Personnel on an annual basis to ensure that it is commensurate with their performance, giving due regard to the financial and commercial health and business needs of the Company.

The CHO Employee Share Option Scheme (the "**Scheme**") was implemented on 27 May 2016 as an incentive plan for employees of the Group based on individual performance. The primary objectives of the Scheme include retention of key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group, instilling loyalty and a stronger identification by participants with the long-term goals of the Company and attraction of potential employees with relevant skills to contribute to our Group creating value for the shareholders so as to align the interests of participants to the interests of the shareholders. Details of the Scheme are disclosed under the Directors' Statement set out in pages 69 to 71 of this Annual Report.

To promote the long-term success of the Company, none of the Executive Director's and Key Management Personnel's remuneration is tied solely and specifically to the profitability of the Company or the Group.

Provision 7.2 of the Code

The RC adopted a Directors' fee framework in which the Independent Directors will receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent, roles and responsibilities and the need to pay competitive fees to attract, retain and motivate the Independent Directors. The Directors' fees are reviewed every three years. The Independent Directors' fees comprise a basic fee and additional fees for appointment as Chairman of the respective Board Committees as per the table below.

DIRECTORS' FEE FRAMEWORK	
Basic Fee for Independent Director	S$42,000 per annum (FY2023)
Audit Committee Chairman	50% of Basic Fee
Remuneration/Nominating Committee Chairman	25% of Basic Fee

The Independent Directors are not compensated to the extent that their independence may be compromised.

In addition to the above Independent Director's fee, the RC and the Board proposed a fixed monthly Director's Fee for each Shareholders' Nominated Directors to be paid quarterly in arrears for shareholders' approval at the forthcoming AGM.

The Company noted that the Code has recommended the incorporation of appropriate "claw-back mechanisms" to allow the Company to reclaim the variable incentive-based component of remuneration from Directors and Key Management Personnel. There are, at present, no provisions allowing the Company to reclaim incentive components of remuneration from the Executive Director and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company should be able to avail itself to remedies against the Executive Director and Key Management Personnel in the event of such breach of fiduciary duties.

Disclosure on Remuneration

PRINCIPLE 8:

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1(a) and 8.3 of the Code

Directors' remuneration, as disclosed below, is shown in bands of S$250,000.

Remuneration paid or accrued to Directors for FY2022

NAME OF DIRECTORS	FIXED COMPONENT (%)[1]	BONUS COMPONENT (%)[2]	DIRECTORS' FEES (%)	TOTAL COMPENSATION (%)
S$250,000 and up to S$500,000				
DR BENETY CHANG[3]	93	7	-	100
Below S$250,000				
MR THIA PENG HEOK GEORGE	-	-	100	100
MR TAN KIAN HUAY	-	-	100	100
MS JEANETTE CHANG[3]	-	-	100	100
MR TAN KIANG KHERNG	-	-	100	100
MR TAN PONG TYEA	-	-	100	100
MR AHMAD NIZAM BIN ABBAS	-	-	100	100

Notes:

1 Fixed component refers to fixed/base salary earned, employer CPF and transport allowance.

2 Bonus component refers to Annual Wage Supplement and variable performance related bonus.

3 Ms Jeanette Chang, a Non-Executive Non-Independent Director, is the daughter of Dr Benety Chang, who is the CEO and Executive Director of the Company.

Provisions 8.1(b) and 8.3 of the Code

Remuneration paid or accrued to Key Management Personnel for FY2022

Key Management Personnel remuneration, as disclosed below, is shown in bands of S$250,000.

NAME OF KEY MANAGEMENT PERSONNEL	FIXED COMPONENT (%)[1]	BONUS COMPONENT (%)[2]	TOTAL COMPENSATION (%)
S$250,000 and up to S$500,000			
MR LIM TZE KERN KENNY	93	7	100
Below S$250,000			
MR LEE MUN KEAT	93	7	100

Notes:

1 Fixed component refers to fixed/base salary earned, employer CPF and transport allowance

2 Bonus component refers to Annual Wage Supplement and variable performance related bonus

As at the date of this Corporate Governance Report, there were two Key Management Personnel in the Company. The aggregate remuneration paid to the two Key Management Personnel for FY2022 was S$425,000.

There were no termination, retirement and post-employment benefits granted to any Director, the CEO, Executive Director and Key Management Personnel for FY2022.

The remuneration of each individual Director and Key Management Personnel (who are not Directors of the Company) is not disclosed in dollar terms as remuneration is a commercially sensitive matter, given that the Company operates in a highly competitive environment where potential poaching of employees by competitors is fairly common. The Board is of the view that the deviation from Provision 8.1 of the Code will not be prejudicial to the interest of shareholders.

Provision 8.2 of the Code

Save as disclosed in the above remuneration table for Directors, there is no employee in the Group who is an immediate family member of any of the Directors or the CEO and whose remuneration exceeded S$100,000 during FY2022. “Immediate family member” means spouse, child, adopted child, step-child, brother, sister and parent.

Ms Jeanette Chang, a Non-Executive Non-Independent Director, who is also the daughter of Dr Benety Chang (the CEO and Executive Director of the Company) received remuneration in the form of Director Fees. The amount of fees received by Ms Jeanette Chang is less than the prescribed amount of S$100,000 and is subject to shareholders’ approval at the forthcoming AGM.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

PRINCIPLE 9:

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provision 9.1 of the Code

Risk management is an integral part of the Group’s business strategy. In order to safeguard and create value for stakeholders, the Group proactively manages risks and embeds the risk management process into the Group’s planning and decision-making process. The Board has overall responsibility for the governance of the Group’s risk management and internal controls. The Risk Management Committee (“**RMC**”) has been set up to assist the Board in performing reviews and updates of the risk register to identify new risks and re-rank the severity and the applicability of the existent risks. The RMC comprises of CEO/Executive Director, Financial Controller (“**FC**”), Executive Officer(s) and all departmental heads.

The Board determines the Company’s levels of risk tolerance and risk policies and oversees Management in the design, implementation and monitoring of the risk management and internal controls systems The Board considers the nature and extent of the significant risks which the Company may take in achieving its strategic objectives and value creation and reviews and guides Management in the formulation of risk policies and processes to effectively and proactively identify, evaluate and manage significant risks to safeguard shareholders’ interests and the Group’s assets.

The Board has implemented an Enterprise Risk Management Framework for the identification, assessment, monitoring and reporting of significant risks (including but not limited to sustainability risks and sanctions-related risks). The Company maintains a risk register which identifies the material risks facing the Group and implements internal controls to manage or mitigate those risks. The RMC presents the risk register (with revisions, if any) to the Board for review and discussion at least twice a year.

The work of the internal auditor and the report of the external auditor have enabled the identification of key risks which are reported to the AC to facilitate the Board's oversight of the effectiveness of risk management and the adequacy of mitigating measures taken by Management to address the underlying risks. The internal audits are conducted to assess the adequacy and effectiveness of the Group's system of internal controls in addressing financial, operational, information technology and compliance risks. In addition, material control weaknesses over financial reporting, if any, are highlighted by the external auditor in the course of the statutory audit.

All audit findings and recommendations made by the internal and external auditor are reported to the AC and significant findings are discussed at the AC meetings. Management follows up on all recommendations to ensure timely remediation of audit issues and reports the status to the AC.

Provision 9.2(a) and 9.2(b) of the Code
The Board has received written assurance from the CEO and the FC as well as the relevant Key Management Personnel that:

(a) The financial records of the Group have been properly maintained and the financial statements for FY2022 give a true and fair view of the Group's operations and finances; and

(b) The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology controls, and risk management systems (including sustainability risks and any sanctions-related risks).

The Board also confirmed that there has been no material change in its risk of being subject to any sanctions-related law or regulation.

Based on the risk management and internal controls established and maintained by the Group, work performed by the internal and external auditor and reviews performed by Management and the Board Committees and the written assurance received from the CEO and the FC as well as the relevant Key Management Personnel, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls are adequate and effective to address financial, operational, compliance and information technology controls and risk management systems (including sustainability risks and sanctions-related risks), which the Group considers relevant and material to its operations.

The Board noted that the system of risk management and internal controls established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

The Board is updated quarterly on the Group's financial positions and performance with explanations for significant variances in financial performance. The Board is also provided with quarterly updates on key business and operational activities, including sustainability and workplace safety and health related matters.

As part of the risk management process, general IT controls and cyber security measures are also reviewed to ensure that IT risks and cybersecurity threats are identified and mitigated. In addition, as part of the Group's business continuity plan, IT disaster recovery planning and tests are conducted to ensure that critical IT systems remain functional during a crisis.

Audit Committee

PRINCIPLE 10:
The Board has an Audit Committee which discharges its duties objectively.

Provision 10.1 of the Code
The primary functions of the AC are:

- Review with the external auditor the audit plan including the nature and scope of the audit before its commencement, the annual reports, Management letters and Management's response;

- Review significant financial reporting issues and judgements (including legal and regulatory matters that may have material impact on the financial statements) so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance. This includes review of (i) half-year and full year financial statements before submission to the Board for its approval of publication via SGXNet; and (ii) interim financial positions and performance of the Group;

- Review the independence and objectivity of the external auditor taking into consideration the requirements under the Accountants Act 2004 of Singapore;

- Review the nature and extent of non-audit services performed by the external auditor;

- Examine the scope of internal audit procedures and the results of the internal audit;

- Review the effectiveness of the Company's internal audit function and ensure that it is adequately resourced and has appropriate standing within the Company;

- Review the adequacy of the Company's internal controls, including financial, operational, compliance and information technology controls and risk management systems (including but not limited to sustainability risks and sanctions-related risks) and report on any pertinent aspects of risks thereto and ensure that a review of the effectiveness of the Company's internal controls is conducted at annually; such a review can be carried out by the internal and/or external auditor;

- Review the assistance given by Management to the external and internal auditor;

- Meet with the external and internal auditor without the presence of Management at least annually;

- Review interested person transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;

- Make recommendations to the Board on the appointment/re-appointment/removal of the external auditor and approve the audit fees and terms of engagement of the external auditor;

- Review arrangement by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, so as to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;

- Review the assurance from the CEO and the FC on the financial records and financial statements;

- Investigate any matter which falls within the AC's terms of reference, having full access to and co-operation by Management and the full discretion to invite any Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

- Undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

- Undertake such other functions and duties as may be prescribed by statute and the Listing Rules or recommended by the Code and by such amendments made thereto from time to time. Apart from the duties listed above, the AC may commission and review the findings of internal investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore or other applicable law, rule or regulation, which has or is likely to have material impact on the Company's or Group's operating results and/or financial position.

The AC has been given full access to and has obtained the co-operation of Management. The AC has reasonable resources to enable it to discharge its functions properly.

The AC met five times during the year under review. Details of AC members and their attendance at meetings are provided on page 52. The external auditor, internal auditor (if required), the CEO, the FC and Company Secretary were also in attendance.

During the year, the AC reviewed the half year and full year results of FY2022, including the adequacy of disclosures as well as the key changes in accounting policies applied. In the review of the financial statements, the AC has discussed the Key Audit Matters with Management and the external auditor. The AC concurs with the basis and conclusions in the external auditor's report with respect to the Key Audit Matters.

Provision 10.2 of the Code
As at the date of this report, the AC is chaired by Mr Thia Peng Heok George with Mr Tan Kian Huay, Mr Ahmad Nizam Bin Abbas and Ms Jeanette Chang as members. Mr Thia Peng Heok George, Mr Tan Kian Huay and Mr Ahmad Nizam Bin Abbas are Independent Directors.

Mr Thia Peng Heok George is a Certified Public Accountant and practised as an accountant with more than 35 years' experience in merchant banking and financial services. All members of the AC are appropriately qualified, with at least two members having the requisite financial management expertise and experience.

Provision 10.3 of the Code
None of the members nor the Chairman of the AC are former partners or Directors of the Group's auditing firm.

Provision 10.4 of the Code
The internal audit function is outsourced to MS Risk Management Pte Ltd, an associate of international public accounting firm, Messrs Moore Stephens LLP. The internal auditor report to the Chairman of the AC on any material weaknesses and risks identified in the course of the internal audit, will also be communicated to Management. Management will accordingly update the AC on the status of the remedial action plans.

The internal auditor meet the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditor. The AC has reviewed the adequacy of the internal audit function and is satisfied that the Company's internal audit function is staffed by qualified and experienced personnel.

During FY2022, the internal auditor completed an internal audit review of the Group including Workplace Health and Safety, Suitability of Crew, Sustainability and Climate Reporting. The findings and recommendations of the internal auditor, Management's responses and implementations have been reviewed and approved by the AC.

The AC ensures that Management provides good support to the internal auditor and adequate access to documents, records, properties and personnel when requested in order for the internal auditor to carry out its function accordingly. The internal auditor also has unrestricted access to the AC on internal audit matters.

The AC is satisfied that the Group's internal audit function was independent, effective and adequately resourced.

Provision 10.5 of the Code
The AC meets annually with the external auditor and with the internal auditor without the presence of Management. These meetings enable the external auditor and internal auditor to raise issues encountered in the course of their work directly to the AC.

The AC reviewed and approved the external auditor's audit plan for the year and assessed the quality of the work carried out by the external auditor in accordance with the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate Regulatory Authority ("**ACRA**"), and is satisfied with the performance. Taking into account the requirements under the Accountants Act 2004 of Singapore, the AC has undertaken a review of all the non-audit services provided by the external auditor during the year under review and is satisfied that such services would not, in the AC's opinion, affect the independence and objectivity of the external auditor. For details of fees paid/payable to the external auditor in respect of audit and non-audit services, please refer to Note 18 of the Notes to the Financial Statements on page 117. No non-audit services were paid to EY during the year under review.

In reviewing the nomination of EY for re-appointment as the Company's auditor for FY2023, the AC had considered the adequacy and appropriate resources and experience of the firm and the assigned audit engagement partner, other audit engagements and the number and experience of the supervisory and professional staff assigned to the Group's audit.

Both the AC and Board have reviewed the appointment of a different auditor for its significant associated company and are satisfied that the appointment of a different auditor would not compromise the standard and effectiveness of the audit of the Company. Accordingly, the Company has complied with Listing Rule 712 and 716.

Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the AC and highlighted by the external auditor in their meetings with the AC.

Each member of the AC abstains from voting on resolutions and making any recommendation and/or participating in discussion on matters in which he/she is interested. Ms Jeanette Chang will not participate in AC discussions in relation to any interested person transactions with Baker Tech Group or any matter that might give rise to a conflict of interest with Baker Tech Group and shall abstain from voting on such proposals at AC meetings.

Whistleblowing Policy
The Company has implemented a Whistleblowing Policy, which serves to encourage and provide a channel for stakeholders to report in good faith and in confidence, without fear of reprisals, concerns about possible wrongdoing or breach of applicable laws, regulations, policies or other matters. The objective for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action.

The Whistleblowing Policy establishes the processes by which whistleblowing complaints are handled and the confidentiality and identity of the whistleblower is maintained and protected.

The AC ensures that independent investigations and any appropriate follow up actions are carried out. Details of this Whistleblowing Policy have been disseminated and made available to all employees of the Group. The Company's Whistleblowing Policy is also published on its website. To date, there were no reports received through the whistleblowing mechanism.

(D) SHAREHOLDERS RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

PRINCIPLE 11:
The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1 of the Code
The Company is committed to treat all shareholders fairly and equitably to facilitate the exercise of their ownership rights by providing them with adequate, timely and sufficient information pertaining to the changes of Group's business which could have a material impact on the Company's share price.

Provision 11.2 of the Code
Each distinct issue is proposed as a separate resolution at general meetings. All resolutions proposed at general meetings shall be put to vote by way of a poll pursuant to Rule 730A(2) of the Listing Manual. All votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNet after the general meetings.

Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the Notice of AGM on pages 128 to 133 of this Annual Report to enable shareholders to exercise their vote on an informed basis. For resolutions on the election or re-election of Directors, the Company provides sufficient information on the background of Directors, their contributions to the Company, and the Board and Board Committee positions they are expected to hold upon election.

However, where the issues are interdependent and linked so as to form one significant proposal, the Company may propose "bundled resolutions" and will set out the reasons and material implication in the notices to the meeting or its accompanying appendices. An independent scrutineer will be appointed to count and validate the votes cast at the meetings. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the general meeting via SGXNet. Each share is entitled to one vote.

Provision 11.3 of the Code
The Chairman of each of the AC, RC and NC, or members of the respective Committees standing in for them, are present at each AGM, and other general meetings held by the Company, if any, to address shareholders' queries. Senior Management is also present at general meetings to respond, if necessary, to operational questions from shareholders that may be raised. The external auditor will also be present to address queries regarding the conduct of the audit and the preparation and content of the auditor's report.

In view of the COVID-19 pandemic, the AGM in 2020, 2021 and 2022 (collectively "e-AGMs") were held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("COVID-19 Order 2020"). These e-AGMs were attended by all the Directors appointed at that point in time. The Company's external auditor also in attendance at these e-AGMs. Shareholders participated in these e-AGMs by attending the live audio-visual webcast or the live audio only stream, submitting questions in advance of these e-AGMs and/or appointed the Board Chairman of these e-AGMs as proxy to attend, speak and vote on their behalf.

Provision 11.4 of the Code

The Group believes in encouraging shareholders' participation at general meetings. A shareholder who is entitled to attend and vote may either vote in person or in absentia through the appointment of one or more proxies (who can either be named individuals nominated by the shareholder to attend the meeting or the Chairman of the meeting as the shareholder may select). The Company's Constitution allows a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. Specified intermediaries, such as banks and capital markets services licence holders which provide custodial services, may appoint more than two proxies. This will enable indirect investors, including CPF investors, to be appointed as proxies to participate in shareholders' meetings. Such indirect investors, where so appointed, will have the same rights as direct investors to vote at the shareholders' meetings. Voting in absentia by mail, facsimile or email is currently not permitted to ensure proper authentication of the identity of shareholders and their voting intent.

Provision 11.5 of the Code

Minutes of general meetings recording the substantial and relevant comments and queries relating to the agendas of the general meetings raised by shareholders, together with responses from the Board and Management, are prepared by the Company Secretary. These minutes will be made available to shareholders upon their request. In line with the COVID-19 Order 2020, minutes of the e-AGMs were published on both the Company's website and SGXNet within a month of the general meetings.

Provision 11.6 of the Code

The Group does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.

Engagement with Shareholders

PRINCIPLE 12:

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provision 12.1, 12.2 and 12.3 of the Code

The Company communicates information to shareholders and the investing community through announcements that are released to the SGX-ST via SGXNet. Such announcements include financial results, material transactions, and other developments relating to the Group requiring disclosure under the corporate disclosure policy of the SGX-ST.

In addition to the above, the shareholders can access the Company's corporate website (https://www.choffshore.com.sg/) at their convenience to receive updates. The Company's corporate website also provides information about the Company, its services and its Board of Directors and Management. In the investor relation section of the corporate website, the Company maintains announcements and financial results released on SGXNet as well as annual reports of the Company.

The Annual Report and notice of AGM are published on the SGX website and the Company's website. The notice of AGM, which sets out all items of business to be transacted at the AGM, is also advertised in the newspapers.

The Company does not practise selective disclosure. In line with continuing disclosure obligations of the Company pursuant to the Listing Rules and the Companies Act 1967, the Board's policy is that all shareholders should be informed (through SGXNet) of all major developments that impact the Group on an equal and timely manner.

The Group has specifically entrusted its CEO/Executive Director and FC with the responsibility of facilitating communications with shareholders and analysts and attending to their queries or concerns.

Although the Company does not have an investor relations policy, in addition to communicating with shareholders at the AGM, shareholders may raise questions to the Company through the Company's website to which the Company may respond.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13:
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provisions 13.1, 13.2 and 13.3 of the Code
The Company regularly engages its stakeholders through various mediums and channels to ensure that its business interests are aligned with those of its stakeholders. The Company's stakeholders have been identified as those who are impacted by its business and operations and those who are similarly able to impact the Company's business and operations. The Company's efforts on sustainability are focused on creating sustainable value for its key stakeholders, which include employees, shareholders and financiers, clients and business partners, suppliers and contractors, government and regulators and local communities.

The Company has identified key areas of focus in relation to the management of stakeholder relationships. For details on the key areas of focus, please refer to the Sustainability Report on pages 20 to 49 of this Annual Report.

(F) DEALING IN SECURITIES

The Company has clear guidelines for dealings in securities by Directors and employees. CHO's Directors and employees are prohibited from dealing in CHO's shares for a period of one month prior to the announcement of the Company's half year and full year financial results. In addition, Directors and employees are also expected to observe insider trading laws at all times even when dealing in securities within permitted trading periods.

Reminders are sent to Directors and employees of the Group on the prohibition of trading in CHO's securities at least one month before the announcement of the Company's half year and full year financial results. The same reminders also address the required compliance of Listing Rule 1207(19)(b) which prohibits them from dealing in CHO's securities on short-term considerations.

The Board confirms that it has complied with Listing Rule 1207(19)(b).

(G) MATERIAL CONTRACTS

Save as disclosed in this Report, there were no material contracts of the Company or its subsidiaries involving the interests of the CEO, Directors or controlling shareholders during FY2022.

(H) INTERESTED PERSON TRANSACTIONS

All interested person transactions ("**IPTs**") are subject to review by the AC which determines whether such transactions are in the best interest of the Company and shareholders.

The Company has put in place an internal procedure to track IPTs of the Company. The Finance Department is in charge of maintaining an IPTs Register in accordance with the reporting requirements stipulated in Chapter 9 of the SGX-ST Listing Manual. The IPTs Register is reviewed by AC and Board on quarterly basis. The Company also maintains the list of interested persons and their associates (which is to be updated immediately if there are any changes) to enable identification of interested persons. The list of interested persons is subject to review, verification and/or affirmation on a quarterly basis by each board member.

The aggregate value of IPTs entered into under review is as follows:

INTERESTED PERSON TRANSACTIONS	NATURE OF RELATIONSHIP	AGGREGATE VALUE OF ALL IPTS DURING THE FINANCIAL YEAR UNDER REVIEW (EXCLUDING TRANSACTIONS LESS THAN S$100,000 AND TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920)) (US$'000)	AGGREGATE VALUE OF ALL IPTS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920 OF THE LISTING MANUAL (EXCLUDING TRANSACTIONS LESS THAN S$100,000) (US$'000)
Baker Technology Group of Companies	See Note(1)	99	217
Falcon Energy Group of Companies	See Note(2)	178	-

Note:

(1) Baker Technology Limited ("**BTL**") holds 54.98% shareholding interest in the Company via its wholly owned subsidiary, BT Investment Pte Ltd. Dr Benety Chang, Ms Jeanette Chang, Mr Tan Kiang Kherng are Directors of the Company. Each of them is associate of BTL Group.

(2) Falcon Energy Group Limited ("**FEG**") holds 34.01% shareholding interest in the Company via its subsidiary, Energian Pte Ltd. Mr Tan Pong Tyea is a Non-Executive Non-Independent Director of the Company. He is an associate of FEG Group.

None of the IPTs in FY2022 can be classified as provision of financial assistance.

At the forthcoming AGM, the Company will seek to renew shareholders' approval for the Company, its subsidiaries and associated companies to enter into transactions falling within the categories of interested person transactions described in the Appendix dated 5 April 2023 with any party who is of the class or classes of interested persons described in the said Appendix, provided that such transactions are entered into in accordance with the review procedures set out in the said Appendix.

Conclusion

The Company recognises the importance of good corporate governance practices for maintaining and promoting investor confidence. The Company will continue to review and improve its corporate governance practices on an ongoing basis.

FINANCIAL CONTENT

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of CH Offshore Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2022.

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date and;

(ii) as at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The directors of the Company in office at the date of this statement are:

Mr Thia Peng Heok George
Dr Benety Chang
Ms Jeanette Chang
Mr Tan Kiang Kherng
Mr Tan Pong Tyea
Mr Tan Kian Huay
Mr Ahmad Nizam Bin Abbas

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act 1967, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated on the following page:

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

	Direct interest		Deemed interest	
	At	At	At	At
Name of director	**1.1.2022**	**31.12.2022**	**1.1.2022**	**31.12.2022**
The Company				
Ordinary shares				
Dr Benety Chang	–	–	387,535,300	387,535,300
Mr Tan Pong Tyea	–	–	239,760,131	239,760,131
Ultimate holding company				
Baker Technology Limited				
Ordinary shares				
Dr Benety Chang	87,861,137	90,642,437	19,151,771	19,151,771

There is no change in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2023.

By virtue of Section 7 of the Companies Act 1967, Mr Tan Pong Tyea and Dr Benety Chang are deemed to have an interest in all the related corporations of the Company.

Except as disclosed in this statement, no director who held office at the end of the financial year had interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

4. SHARE OPTIONS

(a) Options to take up unissued shares

The Employee Share Option Scheme (the "Scheme") in respect of unissued ordinary shares in the Company was approved by the shareholders of the Company at an Extraordinary General Meeting held on 27 May 2016.

The scheme is administered by the Remuneration Committee ("RC") whose members are:

Mr Thia Peng Heok George	(Chairman, Independent Director)
Mr Tan Kian Huay	(Independent Director)
Ms Jeanette Chang	(Non-Executive Non-Independent Director)

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

5. AUDIT COMMITTEE

The Audit Committee ("AC") comprises four Non-Executive Directors. The members of the committee are:

Mr Thia Peng Heok George	(Chairman, Independent Director)
Mr Tan Kian Huay	(Independent Director)
Mr Ahmad Nizam Bin Abbas	(Independent Director)
Ms Jeanette Chang	(Non-Executive Non-Independent Director)

The AC has met five times during the financial year and has reviewed the following, where relevant, with the executive director and external and internal auditors of the Group:

(a) The audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting control;

(b) The Group's financial and operating results and accounting policies;

(c) The financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor's report on those financial statements;

(d) The half-yearly and annual announcements on the results and financial position of the Company and the Group;

(e) The co-operation and assistance given by the management to the Group's external auditor; and

(f) The appointment of the external auditor of the Group.

The AC has full access to and the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the AC.

The AC has recommended to the directors the nomination of Messrs Ernst & Young LLP as external auditor of the Group at the forthcoming Annual General Meeting ("AGM") of the Company.

6. AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of Directors

Mr Thia Peng Heok George
Chairman

Dr Benety Chang
Chief Executive Officer

Singapore
15 March 2023

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CH Offshore Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2022, the statements of changes in equity of the Group and the Company and the statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) ("SFRS (I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters (cont'd)

Impairment assessment of vessels

As at 31 December 2022, the Group owned 5 vessels with an aggregate carrying value of US$44,942,000. Due to the presence of impairment indicators, impairment testing was conducted by comparing the carrying amount of the vessels to their recoverable amounts, determined based on the value in use calculation. No impairment loss has been recorded in the current financial years ended 31 December 2022 and 2021. This area was significant to our audit as the carrying value of the vessels represented 72% of the Group's total assets as at 31 December 2022 and 31 December 2021 and significant judgement and estimates were involved in determining the recoverable amount of the vessels.

Our audit procedures included, amongst others, obtaining an understanding of management's impairment assessment process, including the identification of cash-generating units and indicators of impairment. We involved our internal valuation specialist in reviewing the valuation methodology and key valuation assumptions used by management such as discount rates, charter rates, dry-docking expenditure and residual values against comparable market data, considering the specifications and age of the vessels. We also tested the reasonableness of management's key assumptions to available industry and historical data applicable to the Group. In addition, we also reviewed the adequacy of disclosures on the key sources of estimation used in determining the recoverable amounts and carrying value of vessels set out in Note 3 and Note 9 to the consolidated financial statements respectively.

Recoverability of trade receivables

As at 31 December 2022, the carrying amount of the Group's trade receivables, net of allowance for expected credit loss ("ECL") of US$9,260,000 amounted to US$4,508,000, which represented 26% of its current assets.

The collectability of trade receivables is a key element of the Group's working capital management, and is managed on an ongoing basis by management. The Group determines the ECL of trade receivables by making debtor-specific assessment of expected impairment loss for overdue trade receivables and using a provision matrix for remaining trade receivables that is based on its historical credit loss experience, debtors' ability to pay and forward-looking information specific to the debtors and economic environment. This assessment requires management to exercise significant judgement. Accordingly, we determined this as a key audit matter.

Our audit procedures included, amongst others, obtaining an understanding of the Group's processes and key controls relating to the monitoring of trade receivables and considering their ageing to identify collection risks, as well as the Group's process in determining whether a debtor is credit impaired. We performed audit procedures including, amongst others, reviewing the ECL model used by the management in assessing the recoverability of trade receivables and reviewing management's assessment of the recoverability of long outstanding and overdue trade receivables. We tested the reasonableness of management's assumptions and inputs used in the ECL model by comparing to historical credit loss rates, and reviewed data and information that management has used, including consideration of forward-looking information based on specific economic data. We checked the arithmetic accuracy of management's computation of ECL. We reviewed the debtor ageing analysis and checked to subsequent receipts from major debtors. We obtained documentary evidence, representation and explanations from management to assess the recoverability of long outstanding debts, where applicable. In addition, we reviewed the adequacy of the disclosures relating to impairment of trade receivables and credit risk in Note 5 and Note 21 to the consolidated financial statements respectively.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yee Woon Yim.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
15 March 2023

STATEMENTS OF FINANCIAL POSITION

31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000	Company 2022 US$'000	Company 2021 US$'000
ASSETS					
Current assets					
Cash and cash equivalents	4	**7,322**	6,931	**2,410**	1,042
Trade and other receivables	5	**5,224**	7,054	**20,145**	23,586
Inventories		**739**	580	**376**	261
Loan to associated company	6	**3,458**	4,311	**–**	–
Prepayments		**269**	163	**154**	45
Total current assets		**17,012**	19,039	**23,085**	24,934
Non-current assets					
Subsidiary companies	7	**–**	–	**8,704**	8,704
Associated companies	8	**–**	–	**–**	–
Fixed assets	9	**45,194**	49,580	**25,353**	27,642
Total non-current assets		**45,194**	49,580	**34,057**	36,346
Total assets		**62,206**	68,619	**57,142**	61,280
LIABILITIES AND EQUITY					
Current liabilities					
Payables and accruals	10	**4,473**	4,774	**44,375**	42,957
Borrowings	11	**5,481**	6,330	**5,481**	6,330
Income tax payable		**19**	27	**–**	5
Total current liabilities		**9,973**	11,131	**49,856**	49,292
Non-current liabilities					
Borrowings	11	**1,609**	2,863	**1,609**	2,863
Deferred tax liabilities	12	**2,104**	2,760	**1,218**	1,804
Total non-current liabilities		**3,713**	5,623	**2,827**	4,667
Capital and reserves					
Issued capital	13	**55,379**	55,379	**55,379**	55,379
Treasury shares	14	**(46)**	(46)	**(46)**	(46)
Accumulated losses		**(6,828)**	(3,468)	**(50,874)**	(48,012)
		48,505	51,865	**4,459**	7,321
Non-controlling interests		**15**	–	**–**	–
Total equity		**48,520**	51,865	**4,459**	7,321
Total liabilities and equity		**62,206**	68,619	**57,142**	61,280

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2022

	Note	Group 2022 US$'000	Group 2021 US$'000
Revenue	15	**18,599**	15,520
Cost of sales		**(11,652)**	(10,905)
Gross profit before direct depreciation		**6,947**	4,615
Others – direct depreciation		**(4,643)**	(5,249)
Gross profit/(loss)		**2,304**	(634)
Other income	16	**804**	1,973
Other expenses	18	**(3,932)**	(3,385)
Administrative expenses		**(2,877)**	(2,973)
Finance cost		**(291)**	(350)
Loss before income tax and results of associated companies		**(3,992)**	(5,369)
Share of results of associated companies		**–**	–
Loss before income tax		**(3,992)**	(5,369)
Income tax credit	17	**661**	415
Loss for the year representing total comprehensive income for the year	18	**(3,331)**	(4,954)
Attributable to:			
Equity holders of the Company		**(3,330)**	(4,949)
Non-controlling interests		**(1)**	(5)
Total comprehensive income for the year		**(3,331)**	(4,954)
Loss per share:			
Basic and fully diluted (US cents)	19	**(0.47)**	(0.70)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	Issued capital US$'000	Treasury shares US$'000	Accumulated profits/ (losses) US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
Group						
Balance at 1 January 2021	55,379	(46)	1,481	56,814	5	56,819
Loss for the year, representing total comprehensive income for the year	–	–	(4,949)	(4,949)	(5)	(4,954)
Balance at 31 December 2021	55,379	(46)	(3,468)	51,865	–	51,865
Loss for the year, representing total comprehensive income for the year	–	–	(3,330)	(3,330)	(1)	(3,331)
Total comprehensive income	55,379	(46)	(6,798)	48,535	(1)	48,534
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests	–	–	(30)	(30)	–	(30)
Issuance of shares to non-controlling interests	–	–	–	–	16	16
Balance at 31 December 2022	55,379	(46)	(6,828)	48,505	15	48,520

	Issued capital US$'000	Treasury shares US$'000	Accumulated losses US$'000	Total equity US$'000
Company				
Balance at 1 January 2021	55,379	(46)	(44,717)	10,616
Loss for the year, representing total comprehensive income for the year	–	–	(3,295)	(3,295)
Balance at 31 December 2021	55,379	(46)	(48,012)	7,321
Loss for the year, representing total comprehensive income for the year	–	–	(2,862)	(2,862)
Balance at 31 December 2022	55,379	(46)	(50,874)	4,459

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	2022 US$'000	2021 US$'000
Operating activities			
Loss before tax		**(3,992)**	(5,369)
Adjustments for:			
Depreciation	9	**4,666**	5,272
Loss on disposal of vessels	18(b)	**–**	2,857
Interest income	16	**(55)**	–
Interest expense		**291**	350
Net foreign exchange loss/(gain) – unrealised		**32**	(87)
Expected credit losses on trade receivables	18(b)	**3,641**	137
Write-back of expected credit losses on trade receivables	18(b)	**(391)**	(1,273)
Expected credit losses on loan to associated company	18(b)	**–**	61
Operating cash flows before movements in working capital		**4,192**	1,948
(Increase)/decrease in trade and other receivables	A	**(1,488)**	1,101
Increase in prepayments		**(106)**	(11)
Increase in inventories		**(159)**	(576)
Decrease in payables and accruals	B	**(283)**	(914)
Cash generated from operations		**2,156**	1,548
Interest paid	B	**(305)**	(368)
Interest received	A	**129**	–
Income tax paid		**(19)**	(590)
Net cash generated from operating activities		**1,961**	590
Investing activities			
Purchases of fixed assets		**(280)**	(1,271)
Proceeds from disposal of vessels		**–**	5,773
Repayment from loan to associated company		**853**	–
Net cash generated from investing activities		**573**	4,502
Financing activities			
Proceeds from bank loan	11	**–**	1,115
Repayment of bank loans	11	**(2,088)**	(2,344)
Proceeds from issuance of shares to non-controlling interests		**16**	–
Acquisition of non-controlling interests		**(30)**	–
Net cash used in financing activities		**(2,102)**	(1,229)
Net increase in cash and cash equivalents		**432**	3,863
Cash and cash equivalents at beginning of financial year		**6,931**	3,190
Effects of exchange rate changes on cash and cash equivalents		**(41)**	(122)
Cash and cash equivalents at 31 December		**7,322**	6,931

Notes to the consolidated statement of cash flows:

Note A:

During the year, total interest income earned from third parties and associated company amounted to US$1,000 (2021: US$Nil). An amount of US$292,000 (2021: US$366,000) remains unpaid at the end of the reporting period and is presented in "Trade and other receivables".

Note B:

During the year, total interest charged by the bank amounted to US$291,000 (2021: US$350,000). An amount of US$49,000 (2021: US$63,000) of interest due to the bank remains unpaid at the end of the reporting period and is presented in "Payables and accruals".

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company (Unique Entity No. 197600666D) is listed on the Singapore Exchange Securities Trading Limited and is incorporated and domiciled in the Republic of Singapore with its principal place of business and registered office at 12A, Jalan Samulun, Singapore 629131. The financial statements are expressed in United States Dollars.

The immediate holding company is BT Investment Pte. Ltd. and the ultimate holding company is Baker Technology Limited. Both companies are incorporated in Singapore.

The principal activities of the Company are that of investment holding and the owning and chartering of vessels. The principal activities of the subsidiaries and associated companies are set out in Notes 7 and 8 respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The consolidated financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The consolidated financial statements are presented in United States Dollar (USD or US$) and all values are rounded to the nearest thousand ($'000), except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

  Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 *Basis of preparation (cont'd)*

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

  Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual periods beginning on 1 January 2022. The adoption of these standards did not have any material effect on the financial statements of the Group and the Company.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-1 Presentation of Financial Statements and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
SFRS(I) 17 Insurance contracts	1 January 2023
Amendments to SFRS(I) 16 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Non-current liabilities with covenants	1 January 2024
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 *Basis of consolidation and business combinations*

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. In circumstances where there are arrangements between the parent and the non-controlling interests that affect the attribution of losses to the non-controlling interests, the deficit balance will not be recognised.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) Business combinations and goodwill (cont'd)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.5 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 *Foreign currency*

The Group's consolidated financial statements are presented in United States Dollars, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 *Foreign currency (cont'd)*

(a) Transactions and balances (cont'd)

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(b) Consolidated financial statements

On consolidation, the assets and liabilities of foreign operations are translated into USD at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.7 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less any impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 *Associates*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognised changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any changes in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of results of associated companies' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.9 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land and buildings are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 *Property, plant and equipment (cont'd)*

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Vessels	–	12 years to 25 years
Drydocking expenditure	–	5 years
Furniture, fittings and equipment	–	3 years to 5 years

Assets under construction included in plant and equipment are not depreciated as these assets are not yet available for use.

Subsequent additions to the vessel are stated at cost and depreciated on a straight-line basis over the vessel's remaining useful lives at the date on which such costs are incurred.

Drydocking expenditure refers to major inspections and overhauls which are required at regular intervals of 5 years over the useful life of the vessels to allow the continued use of the vessels. When a major inspection and overhaul is performed, any remaining carrying amount of the cost of the previous inspection is derecognised. Drydocking expenditure is recognised in the carrying amount of the vessels as a replacement if the following recognition criteria are met:

- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset to the entity can be measured reliably.

The Group reviews the estimated residual values and estimated useful lives of assets at least annually. In particular, the Group considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. The gain or loss arising on disposal or retirement of an item of fixed assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as set out in Note 2.11.

(ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 *Leases (cont'd)*

Group as a lessee (cont'd)

(iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.11 *Impairment of non-financial assets*

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to OCI. In this case, the impairment is also recognised in OCI up to the amount of any previous revaluation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 *Impairment of non-financial assets (cont'd)*

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in statement of profit or loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. Impairment losses relating to goodwill cannot be reversed in future periods.

The Group assesses where climate risks could have a significant impact, such as the introduction of emission-reduction legislation that may increase operating costs. These risks in relation to climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value in use amounts.

2.12 *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 *Financial instruments (cont'd)*

(a) Financial assets (cont'd)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, loan to associated company and cash and cash equivalents.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under SFRS(I) 1-32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 *Financial instruments (cont'd)*

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

  Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 *Financial instruments (cont'd)*

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include payables and accruals and borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SFRS (I) 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in SFRS (I) 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 *Financial instruments (cont'd)*

(b) Financial liabilities (cont'd)

Subsequent measurement (cont'd)

Financial liabilities at amortised cost (loans and borrowings) (cont'd)

This category generally applies to payables and accruals (Note 10) and borrowings (Note 11).

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.13 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and short-term highly liquid deposits with a maturity of one month, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.14 *Impairment of financial assets*

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.14 *Impairment of financial assets (cont'd)*

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.15 *Inventories*

Inventories, comprising bunker stocks on board of vessels for consumption purposes and other spare parts, are stated at lower of cost and net realisable value. Cost is calculated using the first-in first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.16 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.17 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.18 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in the profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to the profit or loss.

2.19 *Employee benefits*

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.20 *Other income*

(a) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(b) Dividend income

Dividend income is recognised when the shareholders' rights to receive payment have been established.

2.21 *Revenue*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 *Revenue (cont'd)*

(a) Charter hire

The Group's charter contracts consist of time charters and bare boat charters. In the case of time charter, revenue is separated into a lease component and a service component.

The lease component represents the lease of the vessel and is accounted for using the lease standard. Revenue from the chartering of vessels is recognised on a straight-line basis over the charter period.

The service component includes the provision of crew and other services under the time charter contracts. The Group separates the components by allocating the transaction price based on their relative stand-alone selling prices. Revenue from the provision of other ancillary services including crew and other marine ancillary services are recognised over time on a straight-line basis over the charter period.

(b) Management fee and agency fee

Management fee earned from rendering of services are recognised over the service period. Revenue from agency contracts are recognised at a point in time upon completion of the underlying transaction of which the agency fee is earned.

2.22 *Taxes*

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 *Taxes (cont'd)*

(b) Deferred tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reviewed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 *Taxes (cont'd)*

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.23 *Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

2.24 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.25 *Treasury shares*

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.26 *Contingencies*

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.26 *Contingencies (cont'd)*

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.27 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person; or

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies; or

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.1 *Judgements made in applying accounting policies*

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

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumption when they occur.

(a) Impairment of vessels

The carrying amounts of the Group's vessels are reviewed at the end of the reporting period to determine whether there is any indication that those vessels have suffered an impairment loss. In determining the impairment loss to be recorded for the Group's vessels, management has computed the value in use and considered the respective CGUs of the Group in deriving the recoverable amount of the Group's vessels.

CGU is defined by management through the division of the Group's fleet of vessels by engine specification (i.e. Brake Horse Power ("Bhp")).

In current year, management computed the value in use by estimating the future cash flows expected to be generated by the vessels based on the pre-tax discount rate of 10.50% per annum (2021: 9.50% per annum) which reflects the current market assessment of the time value of money and the risks specific to the Group.

Based on the above internal and external sources of information, management has carried out a review of the recoverable amount of the Group's vessels and did not recognise an impairment loss for the financial years ended 31 December 2022 and 2021 as the carrying amount of the Group's vessels is not in excess of their recoverable amount.

The recoverable amount of vessels is most sensitive to the forecasted charter rate, expected vessel utilisation rate and pre-tax discount rate used in the value in use model. If the forecasted charter rate decreases by 5%, the impairment charges will increase by US$1,934,000 (2021: US$296,000).

The carrying amounts of the Group's and Company's vessels at the end of the reporting period are disclosed in Note 9.

(b) Useful lives and residual value of vessels

The cost of vessels is depreciated on a straight-line basis over their estimated economic useful lives. The Group reviews the estimated useful lives and residual value of its vessels at the start of each reporting period. In determining the residual values and useful lives of vessels, management considers factors such as market prices of used vessels, expected usage levels, maintenance and repair cost, technical or commercial obsolescence. Changes in these factors could potentially impact the economic useful lives and residual value of these assets, and thereby resulting in changes in future depreciation charges. Such changes are accounted for prospectively.

The carrying amount of the Group's vessels are disclosed in Note 9.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

3.2 *Key sources of estimation uncertainty (cont'd)*

(c) Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed 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 observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs 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. The information about the ECLs on the Group's trade receivables is disclosed in Note 5.

The carrying amount of trade receivables as at 31 December 2022 is US$4,804,000 (2021: US$6,141,000).

(d) Allowance for expected credit losses on amounts due from subsidiary companies and loan to associated company

When measuring ECL, the Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group expects to recover. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes assumptions and expectations of future conditions.

The information about the ECLs on the Group's trade receivables is disclosed in Note 5.

(e) Impairment of investment in subsidiaries

The Company assesses at each reporting date whether there is any objective evidence that the interests in subsidiaries are impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the industry performance, technology changes, operating and financing cash flows. Management will also consider the financial condition and business prospects of the interest.

Where there is objective evidence of impairment, the recoverable amounts are estimated based on the forecasted performance of the subsidiaries. The carrying amounts of the Company's investment in subsidiaries at the reporting date are disclosed in Note 7.

4. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Cash on hand	**12**	11	**–**	–
Cash at bank	**3,310**	6,920	**410**	1,042
Short-term deposits	**4,000**	–	**2,000**	–
	7,322	6,931	**2,410**	1,042

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for periods of one month, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rate ranging from 0.30% to 3.80% per annum in the current financial year.

5. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Trade and other receivables:				
Trade receivables	**4,508**	5,886	**4**	609
Amounts due from related parties (trade)	**–**	–	**–**	–
Amounts due from related parties (non-trade)	**–**	–	**–**	–
Amounts due from related companies (trade)	**102**	–	**–**	–
Amounts due from associated companies (trade)	**194**	255	**–**	–
Amounts due from associated company (non-trade)	**296**	552	**1**	1
Amounts due from subsidiary company (trade)	**–**	–	**8,000**	4,426
Amounts due from subsidiary companies (non-trade)	**–**	–	**12,100**	18,519
Other receivables	**124**	361	**40**	31
Total trade and other receivables	**5,224**	7,054	**20,145**	23,586
Add: Cash and cash equivalents (Note 4)	**7,322**	6,931	**2,410**	1,042
Add: Loan to associated company (Note 6)	**3,458**	4,311	**–**	–
Total financial assets carried at amortised cost	**16,004**	18,296	**22,555**	24,628

5. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

As at 31 December 2022, included in other receivables are advances of US$9,000 (2021: US$253,000) paid to vessel management agents of the Group.

Amounts due from associated companies are unsecured, interest-free and repayable on demand except for those disclosed in Note 6.

Amounts due from subsidiary companies

At the Company level, amounts due from subsidiary companies are unsecured, interest-free and repayable on demand except for an amount of US$525,000 (2021: US$525,000) which bears interest at 8.04% (2021: 8.04%) per annum and is repayable over a period of 3 years (2021: 4 years). In view of uncertainties in collectability, the Company did not recognise this interest income in the financial year ended 31 December 2022 and 2021.

During the year, the Company waived off amounts of US$692,000 (2021: US$282,000) due from subsidiaries companies.

Amounts due from related parties

Related parties refer to the Company's substantial shareholder, Falcon Energy Group Limited and its related companies.

Amounts due from related parties are unsecured, interest-free and repayable on demand except for an amount of US$4,100,000 (2021: US$4,100,000) which bears interest at 4.30% (2021: 4.30%) per annum due from Falcon Energy Group Limited. In view of uncertainties in collectability, the Group did not recognise this interest income in the financial years ended 31 December 2022 and 2021.

As at 31 December 2022, the Group has made cumulative allowances for doubtful debts for the other receivables due from Falcon Energy Group Limited and its related companies amounting to US$8,557,000 (2021: US$8,557,000) out of gross amounts amounting to US$8,557,000 (2021: US$8,557,000).

Expected credit loss on trade receivables due from third parties

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The basis of determination of loss allowance are disclosed in Note 21(a).

		Group	
	Gross amount US$'000	Loss allowance US$'000	Carrying amount US$'000
2022			
Current	1,035	–	1,035
< 3 months past due	2,358	(552)	1,806
3 to 6 months past due	717	(377)	340
6 to 12 months past due	3,355	(2,054)	1,301
>12 months past due	6,303	(6,277)	26
	13,768	(9,260)	4,508

5. TRADE AND OTHER RECEIVABLES (CONT'D)

Expected credit loss on trade receivables due from third parties (cont'd)

	Gross amount US$'000	Group Loss allowance US$'000	Carrying amount US$'000
2021			
Current	1,926	–	1,926
< 3 months past due	2,862	(31)	2,831
3 to 6 months past due	1,224	(100)	1,124
6 to 12 months past due	6	(1)	5
>12 months past due	5,878	(5,878)	–
	11,896	(6,010)	5,886

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance for expected credit losses are as follows:

	Group 2022 US$'000	2021 US$'000
Nominal amounts		
Trade receivables	**13,768**	11,896
Amount due from related parties (trade)	**1,672**	1,672
Amount due from related parties (non-trade)	**6,885**	6,885
Amount due from related companies (trade)	**102**	–
Amount due from associated company (trade)	**194**	255
Amount due from associated company (non-trade)	**296**	552
Other receivables	**124**	361
	23,041	21,621
Less: allowances for expected credit losses on:		
Trade receivables	**(9,260)**	(6,010)
Amount due from related parties (trade)	**(1,672)**	(1,672)
Amount due from related parties (non-trade)	**(6,885)**	(6,885)
	(17,817)	(14,567)
Carrying amount of trade and other receivables	**5,224**	7,054

	Group 2022 US$'000	2021 US$'000
Movement in allowance accounts:		
At 1 January	**14,567**	15,703
Charge for the year	**3,641**	137
Write-back	**(391)**	(1,273)
At 31 December	**17,817**	14,567

Trade and other receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

6. LOAN TO ASSOCIATED COMPANY

	Group 2022 US$'000	Group 2021 US$'000
Loan to associated company	**4,684**	5,537
Less: Allowance for expected credit losses	**(1,226)**	(1,226)
	3,458	4,311
Movement in allowance account:		
At 1 January	**1,226**	1,165
Charge for the year	**–**	61
At 31 December	**1,226**	1,226

The loan to associated company is unsecured and bears interest of 4.26% (2021: 4.26%) per annum. In view of uncertainties in collectability, the Group did not recognise this interest income in the financial year ended 31 December 2022 and 2021.

7. SUBSIDIARY COMPANIES

	Company 2022 US$'000	Company 2021 US$'000
Unquoted equity shares, at cost	**8,751**	8,751
Amounts due from subsidiaries*	**3,710**	3,710
Less: Allowance for impairment	**(3,757)**	(3,757)
	8,704	8,704

* *Settlement of the amounts due from subsidiaries is at the discretion of the subsidiaries. Consequentially, these amounts form part of the Company's net investment in the subsidiaries.*

Movement in allowance account

	Company 2022 US$'000	Company 2021 US$'000
At 1 January	**3,757**	3,293
Charge for the year	**–**	464
At 31 December	**3,757**	3,757

Transactions between the Company and its subsidiaries have been eliminated on consolidation and are disclosed in Note 23.

7. SUBSIDIARY COMPANIES (CONT'D)

Details of the Company's subsidiaries at the end of the financial year are as follows:

	Countries of incorporation and operations	Proportion of ownership interest and voting power held 2022 %	2021 %	Principal activities
Held by the Company				
CHO Ship Management Pte. Ltd. [(a)]	Singapore	**100**	100	Ship management and investment holding
Delaware Marine Pte Ltd [(a)]	Singapore	**100**	100	Investment holding
Sea Glory Private Limited [(a)]	Singapore	**100**	100	Ship owning and chartering
Garo Pte. Ltd. [(a)]	Singapore	**100**	100	Ship owning and chartering
Offshore Gold Shipping Pte Ltd [(a)]	Singapore	**100**	100	Ship owning and chartering
Pembrooke Marine Pte Ltd [(a)]	Singapore	**100**	100	Ship owning and chartering
Venture Offshore Pte. Ltd. [(a)]	Singapore	**100**	100	Ship owning and chartering
CHO Investment Pte. Ltd. [(a)]	Singapore	**100**	–	Investment holding
Held by CHO Ship Management Pte. Ltd.				
High Majestic Sdn. Bhd. [(b)(c)]	Malaysia	**49**	49	Ship owning and chartering
Interseas Sdn. Bhd. [(b)]	Malaysia	**–**	100	Ship owning and chartering
Held by Delaware Marine Pte Ltd				
Pearl Marine Pte. Ltd. [(b)]	Malaysia	**100**	70	Ship owning and chartering
Held by CHO Investment Pte. Ltd.				
Interseas Sdn. Bhd. [(b)]	Malaysia	**29**	–	Ship owning and chartering
Sea Offshore Assets Sdn. Bhd. [(b)]	Malaysia	**49**	–	Trading, ship owning and chartering
Held by Sea Offshore Assets Sdn. Bhd.				
Interseas Sdn. Bhd. [(b)]	Malaysia	**51**	–	Ship owning and chartering

Notes

(a) Audited by Ernst & Young LLP, Singapore.
(b) Audited by member firms of Ernst & Young Global in the respective countries.
(c) High Majestic Sdn. Bhd. ("High Majestic") is deemed to be a subsidiary as the Company has power to control the financial and operating policies of High Majestic.

7. SUBSIDIARY COMPANIES (CONT'D)

On 23 July 2021, the Group has incorporated a wholly-owned Malaysia subsidiary, Interseas Sdn. Bhd. ("Interseas"). The investment in Interseas amounted to RM1.

On 15 June 2022, the Group has incorporated a wholly-owned Singapore subsidiary, CHO Investment Pte. Ltd. ("CHO Investment"). The investment in CHO Investment amounted to S$100.

On 13 July 2022, the Group has incorporated a wholly-owned Malaysia subsidiary, Sea Offshore Assets Sdn. Bhd. ("Sea Offshore Assets"). The investment in Sea Offshore Assets amounted to RM1.

On 8 August 2022, the Group acquired 30,000 shares (or 30%) in Pearl Marine Pte. Ltd. ("Pearl Marine") from a third party bringing the Group's effective ownership interest in Pearl Marine from 70% to 100%.

On 26 September 2022, Sea Offshore Assets and Interseas issued 99,999 new shares and 99,999 new shares respectively at RM 1 per share. The result of the share issuance diluted the Group's effective ownership interest in Sea Offshore Assets from 100% to 49% and in Interseas from 100% to 54%. The Group continues to have control over Sea Offshore Assets due to the power to control the financial and operating policies of Sea Offshore Assets by virtue of it having majority Directors on Sea Offshore Assets' Board.

8. ASSOCIATED COMPANIES

Details of the Group's associates at the end of the financial year are as follows:

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2022 %	2021 %
Held by the Company				
MarineCo Limited [a]	Malaysia	Dormant	–	49
Gemini Sprint Sdn. Bhd. [a]	Malaysia	Dormant	**49**	49
Held by Venture Offshore Pte Ltd				
PT Bahtera Nusantara Indonesia [b]	Indonesia	Ship owning and chartering	**49**	49

(a) Audited by other CPA firms in Malaysia
(b) Audited by other CPA firm in Indonesia

The Group and the 51% shareholders of MarineCo Limited ("MarineCo") signed a Share Sale Agreement with a third party for the sale of all of the shares of MarineCo for a total consideration of RM2.

In accordance with the requirements of Rules 715 and 716 of the SGX–ST Listing Manual, the directors of the Company and the Audit Committee, having reviewed the appointment of different auditors for the Group's significant associates, are satisfied that these appointments would not compromise the standard and effectiveness of the audit of the Group.

8. ASSOCIATED COMPANIES (CONT'D)

The accumulated losses of an associated company in excess of the Group's interest in that associated company which is not included in these financial statements using equity method of accounting amounted to US$284,000 (2021: US$632,000).

Aggregate information about the Group's investments in associated companies that are not individually material are as follows:

	2022 US$'000	2021 US$'000
Profit after tax, representing total comprehensive income	**–**	–

Summarised balance sheet

The summarised financial information in respect of PT Bahtera Nusantara Indonesia, based on its IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	PT Bahtera Nusantara Indonesia	
	2022 US$'000	2021 US$'000
Current assets	**2,500**	2,493
Non-current assets	**8,337**	9,336
Total assets	**10,837**	11,829
Current liabilities	**11,416**	13,119
Total liabilities	**11,416**	13,119
Net liabilities	**(579)**	(1,290)
Proportion of the Group's ownership	**49%**	49%
Carrying amount of the investment	**–**	–

Summarised statement of comprehensive income

	PT Bahtera Nusantara Indonesia	
	2022 US$'000	2021 US$'000
Revenue	**2,772**	2,632
Operating expenses	**(1,887)**	(1,495)
Other expenses	**(61)**	(17)
Profit before tax	**824**	1,120
Income tax expense	**(113)**	(33)
Profit after tax	**711**	1,087
Group's share of results for the year	**–**	–

9. FIXED ASSETS

	Vessels US$'000	Drydocking expenditure US$'000	Furniture, fittings and equipment US$'000	Construction in progress US$'000	Total US$'000
Group					
Cost:					
Balance at 1 January 2021	145,231	13,286	297	–	158,814
Additions	360	897	14	–	1,271
Disposals	(22,611)	(5,696)	(9)	–	(28,316)
Balance at 31 December 2021 and 1 January 2022	122,980	8,487	302	–	131,769
Additions	–	44	7	229*	280
Disposals	–	–	(4)	–	(4)
Balance at 31 December 2022	122,980	8,531	305	229	132,045
Accumulated depreciation:					
Balance at 1 January 2021	59,930	9,276	249	–	69,455
Depreciation	4,109	1,140	23	–	5,272
Disposals	(10,611)	(5,482)	(9)	–	(16,102)
Balance at 31 December 2021 and 1 January 2022	53,428	4,934	263	–	58,625
Depreciation	3,592	1,051	23	–	4,666
Disposals	–	–	(4)	–	(4)
Balance at 31 December 2022	57,020	5,985	282	–	63,287
Accumulated impairment:					
Balance at 1 January 2021	28,511	–	–	–	28,511
Disposals	(4,947)	–	–	–	(4,947)
Balance at 31 December 2021, 1 January 2022 and 31 December 2022	23,564	–	–	–	23,564
Carrying amount:					
Balance at 31 December 2022	42,396	2,546	23	229	45,194
Balance at 31 December 2021	45,988	3,553	39	–	49,580

* *Construction in progress pertains to drydocking expenses for two vessels.*

9. FIXED ASSETS (CONT'D)

	Vessels US$'000	Drydocking expenditure US$'000	Furniture, fittings and equipment US$'000	Construction in progress US$'000	Total US$'000
Company					
Cost:					
Balance at 1 January 2021	66,609	4,214	67	–	70,890
Additions	360	–	2	–	362
Balance at 31 December 2021 and 1 January 2022	66,969	4,214	69	–	71,252
Additions	–	–	4	190*	194
Disposals	–	–	(1)	–	(1)
Balance at 31 December 2022	66,969	4,214	72	190	71,445
Accumulated depreciation:					
Balance at 1 January 2021	30,082	3,688	36	–	33,806
Depreciation	2,264	193	12	–	2,469
Balance at 31 December 2021 and 1 January 2022	32,346	3,881	48	–	36,275
Depreciation	2,279	193	11	–	2,483
Disposals	–	–	(1)	–	(1)
Balance at 31 December 2022	34,625	4,074	58	–	38,757
Accumulated impairment:					
Balance at 1 January 2021, 31 December 2021, 1 January 2022 and 31 December 2022	7,335	–	–	–	7,335
Carrying amount:					
Balance at 31 December 2022	25,009	140	14	190	25,353
Balance at 31 December 2021	27,288	333	21	–	27,642

A vessel with carrying value of $10,548,000 (2021: $11,758,000) is pledged to the bank as security for one of the Company's bank loans.

* *Construction in progress pertains to drydocking expenses for one vessel.*

10. PAYABLES AND ACCRUALS

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Trade payables	**1,756**	1,397	**423**	331
Trade accruals	**2,620**	3,181	**1,304**	1,190
Amounts due to related companies (trade)	**1**	63	**–**	10
Amounts due to related companies (non-trade)	**2**	–	**2**	–
Amounts due to associated companies (non-trade)	**76**	121	**–**	–
Amounts due to subsidiary companies (trade)	**–**	–	**795**	796
Amounts due to subsidiary companies (non-trade)	**–**	–	**41,851**	40,630
Other payables	**18**	12	**–**	–
Total payables and accruals	**4,473**	4,774	**44,375**	42,957
Add: Borrowings (Note 11)	**7,090**	9,193	**7,090**	9,193
Total financial liabilities carried at amortised cost	**11,563**	13,967	**51,465**	52,150

The credit terms granted by suppliers ranged from 30 to 90 days (2021: 30 to 90 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

The amounts due to related companies, associated companies, subsidiary companies (non-trade) are unsecured, non-interest bearing, repayable on demand and to be settled in cash.

11. BORROWINGS

		Group and Company	
	Maturity	2022 US$'000	2021 US$'000
Current:			
Bank loan A	2023	**4,477**	4,449
Bank loan B	–	**–**	986
Bank loan C	2023	**1,004**	895
		5,481	6,330
Non-current:			
Bank loan B	–	**–**	342
Bank loan C	2024-2025	**1,609**	2,521
		1,609	2,863
Total borrowings		**7,090**	9,193

Bank loan A:

The bank loan is a secured revolving credit facility which bears effective interest rate of 3.73% (2021: 3.16%) per annum and is denominated in Singapore dollars.

Bank loan B:

The bank loan is secured with a tenure of 72 months, bears interest of 5.50% (2021: 5.50%) per annum and is denominated in Singapore dollars. This loan is provided by a bank for an initiative under Enterprise Singapore (previously known as SPRING Singapore), an agency under the Ministry of Trade and Industry of Singapore, for working capital assistance for companies in the offshore industry.

11. BORROWINGS (CONT'D)

Bank loan B: (cont'd)

Based on the terms of the loan arrangements, the repayment of the principal amount of the loan will commence 24 months from the inception of the loan. This loan has been repaid in full in the financial year ended 31 December 2022.

Bank loan C:

The bank loan is unsecured with a tenure of 60 months, bears interest at 3.00% (2021: 3.00%) per annum and is denominated in Singapore dollars. This is a Temporary Bridging Loan under Enterprise Financing Scheme for working capital assistance. For the first 12 months, the Group shall only service the interest on the loan.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes as follows:

	1 January 2022 US$'000	Proceeds US$'000	Repayment US$'000	Foreign exchange movement US$'000	31 December 2022 US$'000
Group					
Borrowings	9,193	–	(2,088)	(15)	7,090

	1 January 2021 US$'000	Proceeds US$'000	Repayment US$'000	Foreign exchange movement US$'000	31 December 2021 US$'000
Group					
Borrowings	10,630	1,115	(2,344)	(208)	9,193

12. DEFERRED TAX LIABILITIES

The following are the major deferred tax assets/(liabilities) recognised by the Group and Company, and the movements thereon, during the current and prior reporting periods:

	Accelerated tax depreciation US$'000	Unutilised capital allowance US$'000	Provisions US$'000	Total US$'000
Group				
At 1 January 2021	(3,543)	203	–	(3,340)
Credit/(debit) to profit or loss for the year (Note 17)	440	(10)	150	580
At 31 December 2021	(3,103)	193	150	(2,760)
Credit to profit or loss for the year (Note 17)	246	–	410	656
At 31 December 2022	(2,857)	193	560	(2,104)

12. DEFERRED TAX LIABILITIES (CONT'D)

	Accelerated tax depreciation US$'000	Provision US$'000	Total US$'000
Company			
At 1 January 2021	(2,321)	–	(2,321)
Credit to profit or loss for the year	367	150	517
At 31 December 2021	(1,954)	150	(1,804)
Credit to profit or loss for the year	176	410	586
At 31 December 2022	(1,778)	560	(1,218)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's and Company's accounting policy. The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Deferred tax assets	**753**	343	**560**	150
Deferred tax liabilities	**(2,857)**	(3,103)	**(1,778)**	(1,954)
	(2,104)	(2,760)	**(1,218)**	(1,804)

In deriving at the Group and Company's deferred tax exposure, management has considered the flag type of each vessel and the future periods of which these vessels will continue to derive income not exempted under Section 13A in the computation of the Group and Company's taxable temporary difference.

13. ISSUED CAPITAL

	Group and Company			
	2022 '000	2021 '000	2022 US$'000	2021 US$'000
	Number of ordinary shares			
Issued and paid-up capital:				
At the beginning and end of the year	**705,091**	705,091	**55,379**	55,379

Fully paid ordinary shares are denominated in Singapore Dollar which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

14. TREASURY SHARES

	Group and Company			
	2022 '000	2021 '000	2022 US$'000	2021 US$'000
	Number of ordinary shares			
At the beginning and end of the year	**198**	198	**46**	46

The Group and Company acquired 198,000 of its own shares through purchases on Singapore Exchange. The total amount paid to acquire the shares was US$46,000 and has been deducted from shareholders' equity. These shares are held as "treasury shares". The Group and Company intend to reissue these shares to executives who are granted share options under the employee share option plan in the foreseeable future.

15. REVENUE

	Group	
	2022	**2021**
	US$'000	**US$'000**
Charter hire revenue	**8,332**	5,373
Other ancillary charter hire revenue	**9,823**	9,647
Management and agency fee	**444**	500
	18,599	15,520

The Group accounts for the lease of vessels for bareboat charter and time charter under SFRS(I) 16 *Leases* as leases revenue. Time charter comprises lease of vessels and provision of other ancillary services. Other ancillary services include provision of crew and other services under time charter contracts. The Group separates the lease and non-lease components of time charter by allocating the transaction price based on their relative stand-alone selling prices. Other ancillary time charter revenue is recognised over time.

16. OTHER INCOME

	Group	
	2022	**2021**
	US$'000	**US$'000**
Interest income from outside parties	**1**	–
Interest income from banks	**54**	–
Grant income	**87**	103
Writeback of expected credit loss on trade receivables	**391**	1,273
Others	**271**	597
	804	1,973

Others include insurance claims for vessel amounting to US$266,000 (2021: US$593,000).

17. INCOME TAX CREDIT

(a) Income tax credit comprises:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Income tax		
– Current	**(11)**	(35)
– Over/(under) provision in respect of prior years	**16**	(130)
Deferred tax (Note 12)		
– Origination and reversal of temporary differences	**656**	580
	661	415

17. INCOME TAX CREDIT (CONT'D)

(b) A reconciliation between income tax and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 December 2022 and 2021 were as follows:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Loss before income tax	**(3,992)**	(5,369)
Income tax benefit at statutory tax rate at 17%	**(679)**	(913)
Effects of different tax rates of companies operating in different jurisdictions	**7**	33
Net income not subject to tax [(1)]	**(190)**	(340)
(Income)/loss not subject to tax	**(49)**	27
Effects of expenses not deductible in determining taxable profits	**(46)**	557
Deferred tax assets not recognised	**338**	87
(Over)/under provision in respect of prior years	**(16)**	130
Effect of partial exemption and tax relief	**(3)**	(16)
Others	**(23)**	20
Income tax credit	**(661)**	(415)

(1) This represents mainly losses on income exempted under Section 13A and tax exemption under Section 43(6) of Income Tax Act 1947.

(c) Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately US$5,732,000 (2021: US$3,879,000) that are available for offset against future taxable profits of the relevant subsidiaries in which the losses arose, for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation.

A loss-transfer system of group relief (the "Group Relief System") for companies was introduced in Singapore with effect from year of assessment 2003. Under the Group Relief System, a company belonging to a group of entities may transfer its current year's unabsorbed capital allowances, unabsorbed trade losses and unabsorbed donations (loss items) to another company belonging to the same group, to be deducted against the latter's assessable income.

18. LOSS FOR THE YEAR

(a) In addition to charges and credits disclosed elsewhere in the notes to the statements of profit or loss and other comprehensive income, this item includes the following charges:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Staff cost:		
Permanent staff (including directors' remuneration)	**1,902**	1,957
Contract based crew	**2,462**	3,678
	4,364	5,635
Cost of defined contribution plans included in staff costs	**179**	185
Inventories recognised as an expense in cost of sales	**1,220**	382
Expenses relating to short-term leases	**114**	98
Audit fees:		
To auditors of the Company	**70**	61

(b) Other expenses include:

	Group	
	2022	**2021**
	US$'000	**US$'000**
Net foreign exchange loss	**268**	305
Expected credit losses on trade receivables (Note 5)	**3,641**	137
Loss on disposal of vessels	**–**	2,857
Expected credit losses on loan to associated company (Note 6)	**–**	61

19. LOSS PER SHARE

Loss per share is calculated by dividing the Group's loss attributable to shareholders of the Company for the year by the weighted average number of ordinary shares in issue during the financial years as follows:

	Group	
	2022	**2021**
Loss attributable to shareholders (US$'000)	**(3,330)**	(4,949)
Number of ordinary shares used to compute loss per share ('000)	**704,893**	704,893
Basic and fully diluted:		
Loss per share (US cents)	**(0.47)**	(0.70)

The Group's basic loss per share is the same as the fully diluted loss per share as the Group did not have any potential dilutive ordinary shares outstanding as at end of the reporting period.

20. SEGMENTAL INFORMATION

The operations of the Group are associated specifically with the support of offshore oil and gas industry which is the major operating segment of the group. The Chief Executive Officer ("CEO") is the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

As the main focus is on the generation of revenue for the Group, the CEO makes decision to charter the vessels based on the charter rates, timing and availability of the vessels. Hence, vessels are deployed worldwide and wherever clients required them subject to safety factors, for example, war zones or areas prone to piracy. As a result, it is not meaningful to present the revenue by countries or geographical locations.

Information about major customers

Included in revenue of US$18,599,000 (2021: US$15,520,000) are revenues of approximately US$4,571,000 (2021: US$5,635,000) which arose from the chartering of vessels to the Group's largest customer.

The Group has three (2021: three) major customers that individually contribute greater than 10% of the total revenue for charter income.

	Revenue	
	2022	**2021**
	US$'000	**US$'000**
Customer A**	**–**	2,265
Customer B**	**1,151**	5,635
Customer C	**4,571**	4,364
Customer D*	**3,295**	–
Customer E*	**2,742**	–

* *Revenue contribution in 2021 below 10% but presented for comparative purposes.*
** *Revenue contribution in 2022 below 10% but presented for comparative purposes.*

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. Management has in place processes and procedures to monitor the Group's risk exposures whilst balancing the costs associated with such monitoring and management against the costs of risk occurrence. Such processes and procedures are reviewed periodically for changes in market conditions and the Group's operations.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures these risks.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a pro-active approach in the extension of credit terms to trade customers, monitors its exposure to credit risk on an ongoing basis and transacts exclusively with creditworthy counterparties.

The Group's exposure to credit risk arises primarily from trade and other receivables and loan to associated company. The carrying amount of financial assets recorded in the financial statements, represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. Information regarding loss allowance movement of trade receivables are disclosed in Note 5.

Other receivables, amounts due from related parties, related companies and associated company

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month expected credit losses and determined that the expected credit losses is insignificant.

Concentration of credit risk

Concentration of credit risk exists when changes in economic, industry or geographical factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

The Group's credit exposure is concentrated mainly in the Africa, Mexico, South East Asia, Russia and Middle East and is centralised on oil majors. It adopts a pro-active approach in its credit evaluation process, credit policies and credit control as well as collection procedures to manage the risk arising from the concentration of its credit exposure.

There is significant concentration of credit risk arising from three customers (2021: three customers) which represents 75% (2021: 77%) of total trade receivables of the Group as at the end of the reporting period.

Management regularly reviews collectability and ageing of the outstanding receivables and records specific allowance for debtors who are in severe financial difficulty, of which there is no realistic prospect of recovery.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Based on management's cash flow forecast for the next twelve months, the Group will maintain sufficient cash and cash equivalents via internally generated cash flows and the availability of its revolving credit facility to finance its activities and pay its debts as and when they fall due. Accordingly, management has assessed that the Group will have sufficient financial resources to enable it to continue as a going concern for at least the next twelve months from the end of the reporting period.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2022 US$'000 One year or less	 One to five years	 Total
Group			
Financial assets:			
Trade and other receivables	**5,224**	**–**	**5,224**
Cash and cash equivalents	**7,322**	**–**	**7,322**
Loan to associated company	**3,458**	**–**	**3,458**
Total undiscounted financial assets	**16,004**	**–**	**16,004**
Financial liabilities:			
Payables and accruals	**4,473**	**–**	**4,473**
Borrowings	**5,638**	**1,652**	**7,290**
Total undiscounted financial liabilities	**10,111**	**1,652**	**11,763**
Total net undiscounted financial assets/(liabilities)	**5,893**	**(1,652)**	**4,241**

	2021 US$'000 One year or less	 One to five years	 Total
Group			
Financial assets:			
Trade and other receivables	7,054	–	7,054
Cash and cash equivalents	6,931	–	6,931
Loan to associated company	4,311	–	4,311
Total undiscounted financial assets	18,296	–	18,296
Financial liabilities:			
Payables and accruals	4,774	–	4,774
Borrowings	6,561	2,969	9,530
Total undiscounted financial liabilities	11,335	2,969	14,304
Total net undiscounted financial assets/(liabilities)	6,961	(2,969)	3,992

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	2022 US$'000 One year or less	One to five years	Total
Company			
Financial assets:			
Trade and other receivables	**20,145**	**–**	**20,145**
Cash and cash equivalents	**2,410**	**–**	**2,410**
Total undiscounted financial assets	**22,555**	**–**	**22,555**
Financial liabilities:			
Payables and accruals	**44,375**	**–**	**44,375**
Borrowings	**5,638**	**1,652**	**7,290**
Total undiscounted financial liabilities	**50,013**	**1,652**	**51,665**
Total net undiscounted financial liabilities	**(27,458)**	**(1,652)**	**(29,110)**

	2021 US$'000 One year or less	One to five years	Total
Company			
Financial assets:			
Trade and other receivables	23,586	–	23,586
Cash and cash equivalents	1,042	–	1,042
Total undiscounted financial assets	24,628	–	24,628
Financial liabilities:			
Payables and accruals	42,957	–	42,957
Borrowings	6,561	2,969	9,530
Total undiscounted financial liabilities	49,518	2,969	52,487
Total net undiscounted financial liabilities	(24,890)	(2,969)	(27,859)

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than United States Dollars. The currencies giving rise to this risk are primarily Singapore Dollar, Malaysia Ringgit and Nigerian Naira.

Carrying amounts of significant foreign currencies denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Group US$'000			
	Liabilities		Assets	
	2022	**2021**	**2022**	**2021**
Singapore Dollar	**7,283**	9,295	**485**	177
Malaysia Ringgit	**101**	403	**920**	1,378
Nigerian Naira	**–**	–	**458**	811

	Company US$'000			
	Liabilities		Assets	
	2022	**2021**	**2022**	**2021**
Singapore Dollar	**7,180**	9,200	**267**	110
Nigerian Naira	**–**	–	**–**	211

Sensitivity analysis for foreign currency risk

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies exchange rate against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency exchange rates.

If the foreign currencies strengthen by 10% against the functional currency of each group entity, loss before income tax will (increase)/ decrease by:

	Group US$'000	
	2022	**2021**
Singapore Dollar	**(680)**	(912)
Malaysia Ringgit	**82**	98
Nigerian Naira	**46**	81

	Company US$'000	
	2022	**2021**
Singapore Dollar	**(691)**	(909)
Nigerian Naira	**–**	21

If the foreign currencies weaken by 10% against the functional currency of each group entity, loss before income tax will be impacted by an equal but opposite amount as per table above.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to the interest rate risk arises primarily from their borrowings. The Group's and Company's floating rate borrowings are contractually re-priced at intervals of 3 to 6 months (2021: 6 months) from the end of the reporting period.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 (2021: 50) basis points lower/higher with all other variables held constant, the Group's loss before tax would have been US$22,000 (2021: US$23,000) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate borrowings.

22. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the equity balance.

The capital structure of the Group consists of debt, which includes bank borrowings, and equity attributable to owners of the Company, comprising issued capital and accumulated profits.

The Group's overall strategy remains unchanged from prior year.

23. TRANSACTIONS WITH SUBSIDIARIES

Some of the Company's transactions and arrangements are with other members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand.

Some transactions with subsidiaries, other than those disclosed elsewhere in the notes to the financial statements are as follows:

	Company	
	2022	**2021**
	US$'000	**US$'000**
Agency fees paid to a subsidiary company	**144**	144

24. OTHER RELATED PARTIES TRANSACTIONS

Related companies in these financial statements refer to members of the ultimate holding company and its other subsidiaries.

Some of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

24. OTHER RELATED PARTIES TRANSACTIONS (CONT'D)

Some related parties transactions, other than those disclosed elsewhere in the notes to the statements of profit or loss and other comprehensive income are as follows:

	Group		Company	
	2022 US$'000	2021 US$'000	2022 US$'000	2021 US$'000
Management and agency fee earned from associated companies	**48**	71	**–**	–
<u>Transactions with related companies</u>				
– Rental paid	**99**	91	**18**	19
– Fees earned/(paid) for services rendered	**2**	(115)	**7**	–
– Management and agency fee earned	**217**	218	**–**	–

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2022 US$'000	2021 US$'000
Directors' fees	**224**	206
Short-term benefits	**523**	521
	747	727
Comprise amounts paid/payable to:		
– Directors of the Company	**439**	433
– Other key management personnel	**308**	294
	747	727

25. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables, cash and cash equivalents, loan to associated company, payables and accruals, borrowings

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Company has commenced arbitration proceedings against its charterer for unpaid charter hire of approximately US$2.1million on one of the Company's vessels. In February 2023, the charterer filed a counterclaim of approximately US$3.4 million in response to the Company's claim. The Company is of the view that the charterer's counterclaim has no merit and will therefore vigorously refute such claim in the course of the arbitral proceedings. The Company does not expect any further losses arising from this arbitration.

27. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2022 were authorised for issue by the Board of Directors on 15 March 2023.

STATISTICS OF SHAREHOLDINGS

As at 10 March 2023

SHARE CAPITAL

Issued and Fully paid-up capital (including Treasury Shares)	:	S$95,251,165.43
Issued and Fully paid-up capital (excluding Treasury Shares)	:	S$95,188,106.23
Total Number of Issued & Paid Up Shares (including Treasury Shares)	:	705,090,514
Total Number of Issued & Paid Up Shares (excluding Treasury Shares)		704,892,514
Total Number/ Percentage of Treasury Shares	:	198,000 (0.0281%)
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	16	0.56	318	0.00
100 – 1,000	687	24.22	528,848	0.07
1,001 – 10,000	1,427	50.32	7,022,595	1.00
10,001 – 1,000,000	697	24.58	37,016,669	5.25
1,000,001 AND ABOVE	9	0.32	660,324,084	93.68
TOTAL	**2,836**	**100.00**	**704,892,514**	**100.00**

TWENTY LARGEST SHAREHOLDERS

As shown in the Register of Members and Depository Register

NO.	NAME	NO. OF SHARES	%
1	BT INVESTMENT PTE. LTD.	387,535,300	54.98
2	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	194,676,175	27.62
3	ENERGIAN PTE. LTD.	45,379,956	6.44
4	LIM YOK LAN	23,171,866	3.29
5	DBS NOMINEES (PRIVATE) LIMITED	4,366,550	0.62
6	RAFFLES NOMINEES (PTE.) LIMITED	1,467,968	0.21
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,452,399	0.21
8	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,159,570	0.16
9	CITIBANK NOMINEES SINGAPORE PTE LTD	1,114,300	0.16
10	KOH CHIN HIN	957,500	0.14
11	HO KIM LEE ADRIAN	940,700	0.13
12	YEAP CHEOW SOON	881,600	0.13
13	PHILLIP SECURITIES PTE LTD	784,200	0.11
14	CHIA CHEE HUA	681,800	0.10
15	OCBC SECURITIES PRIVATE LIMITED	582,500	0.08
16	NG HWEE KOON	542,900	0.08
17	MAYBANK SECURITIES PTE. LTD.	536,850	0.08
18	GAN GUAT CHING	480,000	0.07
19	LIM THIAM HONG	464,800	0.07
20	LEE SAM KONG	400,000	0.06
	TOTAL	**667,576,934**	**94.74**

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 10 March 2023:

	Direct Interest		Deemed Interest	
	No. of Shares	**%**	**No. of Shares**	**%**
BT Investment Pte. Ltd.	387,535,300 [(a)]	54.98	–	–
Baker Technology Limited	–	–	387,535,300 [(a)]	54.98
Dr Benety Chang	–	–	387,535,300 [(a)]	54.98
Dr Doris Heng Chin Ngor	–	–	387,535,300 [(a)]	54.98
Energian Pte. Ltd.	45,379,956 [(b)]	6.44	194,380,175 [(b)]	27.57
Falcon Energy Group Limited	–	–	239,760,131 [(b)]	34.01
Tan Pong Tyea	–	–	239,760,131 [(b)]	34.01

Notes:

[(a)] *Baker Technology Limited, Dr Benety Chang and Dr Doris Heng Chin Ngor are each deemed pursuant to Section 4 of the Securities and Futures Act 2001 to have an interest in the 387,535,300 shares of the Company held by BT Investment Pte. Ltd.*

[(b)] *Falcon Energy Group Limited and Mr Tan Pong Tyea are each deemed pursuant to Section 4 of the Securities and Futures Act 2001 to have an interest in the 239,760,131 shares of the Company held by Energian Pte. Ltd., (of which 194,380,175 shares are pledged to CIMB Bank Berhad, Singapore Branch and held through CGS-CIMB Securities (Singapore) Pte. Ltd.)*

FREE FLOAT

Based on the information available to the Company as at 10 March 2023 and to the best knowledge of the Directors and the substantial shareholders of the Company, approximately 11.01% of the issued ordinary shares (excluding Treasury Shares and Subsidiary Holdings) of the Company was held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**AGM**" or the "**Meeting**") of CH OFFSHORE LTD. (the "**Company**") will be held at Nautica Room, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on Friday, 21 April 2023 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1 To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022 and the Auditors' Report thereon. **(Resolution 1)**

2 To approve Directors' fees of up to S$312,000 for the financial year ending 31 December 2023, to be paid quarterly in arrears. **(Resolution 2)**

3 To re-elect Mr Thia Peng Heok George, being a Director who retires by rotation pursuant to Article 89 of the Constitution of the Company. **(Resolution 3)**

4 To re-elect Mr Tan Kiang Kherng, being a Director who retires by rotation pursuant to Article 89 of the Constitution of the Company. **(Resolution 4)**

5 To re-appoint Messrs Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6 To transact any other business that may be transacted at an AGM.

SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

7 "**Share Issue Mandate** **(Resolution 6)**

That pursuant to the Company's Constitution and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, authority be given to the Directors of the Company to issue shares ("**Shares**") whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the share capital of the Company;

(b) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution, after adjusting for:

(i) new shares arising from the conversion or exercise of convertible securities;
(ii) new shares arising from exercising share options or vesting of Share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8; and
(iii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustment in accordance with (b)(i) and (b)(ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of this Resolution.

(c) And that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of such convertible securities."

8 "**CH Offshore Employee Share Option Scheme** **(Resolution 7)**

That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the CH Offshore Employee Share Option Scheme ("**Scheme**") and pursuant to Section 161 of the Companies Act 1967, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Scheme provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of shares of the Company from time to time."

9 "**Proposed Renewal of the IPT General Mandate** **(Resolution 8)**

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST ("**Chapter 9**"), for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into the Mandated Transactions with the Mandated Interested Persons, provided that such transactions are:

(i) made on commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders; and

(ii) in accordance with the review procedures for such Mandated Transactions (the **"IPT General Mandate**");

(b) the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier;

(c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the review procedures and/or modify or implement such review procedures as may be necessary to take into consideration any amendment to Chapter 9, which may be prescribed by the SGX-ST from time to time; and

the Directors of the Company who are not interested in the Mandated Transactions and each of them be and are hereby authorised to do all acts and things as they or each of them may deem desirable, necessary or expedient to give effect to the IPT General Mandate as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company."

10 "**Proposed Renewal of the Share Buyback Mandate** **(Resolution 9)**

That for the purposes of Sections 76C and 76E of the Companies Act 1967, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued and fully paid-up ordinary shares from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to 10% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as ascertained as at the date of the AGM of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Appendix dated 5 April 2023 (the "**Appendix**"), in accordance with the terms of the Share Buyback Mandate set out in the Appendix, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until (i) the date of the next AGM of the Company or the date by which the next AGM of the Company is required by law or the Constitution of the Company to be held; (ii) the date on which the share purchases are carried out to the full extent mandated; or (iii) the time when the authority conferred by this mandate is revoked or varied by Shareholders in general meeting, whichever is the earliest."

By Order of the Board

Lim Mee Fun
Company Secretary
Singapore
5 April 2023

Explanatory Notes:

Resolution 2 The Ordinary Resolution 2, if passed, will authorise the Company to pay Directors' fees to Independent Directors and Non-Executive Non-Independent Directors nominated by Shareholders for the year ending 31 December 2023 quarterly in arrears.

Resolution 3 Detailed Information pursuant to Rule 720(6) of the Listing Manual of SGX-ST on Mr Thia Peng Heok George can be found in the section titled "Directors Standing for Re-Election at the AGM" of the Annual Report.

Resolution 4 Detailed Information pursuant to Rule 720(6) of the Listing Manual of SGX-ST on Mr Tan Kiang Kherng can be found in the section titled "Directors Standing for Re-Election at the AGM" of the Annual Report.

Resolution 6 The Ordinary Resolution 6, if passed, will authorise the Directors from the date of the above Meeting until the date of the next AGM, to allot and issue Shares and convertible securities in the Company up to an amount not exceeding fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per cent (20%) may be issued other than on a pro-rata basis.

Resolution 7 The Ordinary Resolution 7, if passed, will authorise the Directors to offer and grant options in accordance with the provisions of the Scheme and pursuant to Section 161 of the Companies Act 1967 to allot and issue shares under the Scheme up to an amount not exceeding fifteen per cent (15%) of the total number of shares of the Company from time to time.

Resolution 8 The Ordinary Resolution 8, if passed, will renew the IPT General Mandate and will authorise the Company, its subsidiaries and associated companies to enter into the Mandated Transactions with the Mandated Interested Persons on the terms and subject to the conditions of the resolution. Details of the IPT General Mandate are set out in greater detail in the Appendix enclosed together with the Annual Report.

Resolution 9 The Ordinary Resolution 9, if passed, will authorise the Directors of the Company from the date of this AGM until (i) the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law or the Constitution of the Company to be held; (ii) the date on which the share purchases are carried out to the full extent mandated; or (iii) the time when the authority conferred by this mandate is revoked or varied by Shareholders in general meeting, whichever is the earliest, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the price of up to but not exceeding the Maximum Price as defined in the Appendix.

The rationale for the authority and limits on the sources of funds to be used for the purchase or acquisition of shares, including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited financial statements of the Group for the financial year ended 31 December 2022, are set out in greater detail in the Appendix.

Notes:

1. The AGM will be held, in a wholly physical format, at Nautica Room, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on Friday, 21 April 2023 at 10.00 a.m., pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

   There will be no option for shareholders to participate virtually. **Printed copies of this Notice and the accompanying Proxy Form will not be sent to shareholders by post.**

   The Company may implement such COVID-19 safe management measures at the AGM as may be required or recommended under any regulations, directives, measures or guidelines that may be issued from time to time by any government or regulatory agency in light of the COVID-19 situation in Singapore. **Shareholders should check the Company's announcements on SGXNet for the latest updates on the status of the AGM, if any.**

2. The Annual Report, Appendix dated 5 April 2023 (in relation to the proposed renewal of the share buyback mandate and interested persons mandate), Notice of AGM and Proxy Form have been published on the SGX website at the URL https://www.sgx.com/securities/company-announcements. These documents can also be accessed at the Company's website as follows:

   https://www.choffshore.com.sg/announcements/2023-2/
   https://www.choffshore.com.sg/annual-report/
   https://www.choffshore.com.sg/circulars/

3. Arrangements relating to attendance at the AGM by shareholders, including CPF and SRS investors, submission of questions to the Chairman of the Meeting by shareholders, including CPF and SRS investors, in advance of, or at, the AGM, addressing of substantial and relevant questions in advance of, or at, the AGM, and voting at the AGM by shareholders, including CPF and SRS investors, or (where applicable) duly appointed proxy(ies), are set out in the accompanying Company's announcement dated 5 April 2023.

   This announcement may be accessed at the Company's website at the URL https://www.choffshore.com.sg/announcements/2023-2/ and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by the cut-off date.

5. A proxy need not be a member of the Company.

6. The completed & signed proxy form must be submitted to the Company in the following manner:

    (a) if submitted by post, be lodged at the office of the Company at 12A Jalan Samulun Singapore 629131; or

    (b) if submitted electronically, be submitted via email to the Company at **AGM2023@choffshore.com.sg**

    in either case not less than 48 hours before the time appointed for the AGM.

"Relevant Intermediary" means:

(a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

DECLARATION REQUIRED BY RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Name of Director	**Thia Peng Heok George**
Date of Appointment	30 Mar 2015
Date of last Re-Election	18 Jun 2020
Age	74
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors of the Company has accepted the NC's recommendation on Mr Thia Peng Heok George's re-election after taking into consideration Mr Thia Peng Heok George's contribution and performance as Independent Director of the Company.
Whether the appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title	Independent Director Board Chairman Audit Committee Chairman Remuneration Committee Chairman Nominating Committee Member
Professional qualifications	Life Member of the Institute of Singapore Chartered Accountants Retired Member of the Association of Chartered Certified Accountants (UK), Master of Gerontology from Singapore University of Social Science
Working experience and occupation(s) during the past 10 years	2019-Current: Business Consultant, GAAB Private Limited 2005-2019: Consultant, Asianic Private Limited
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes

DECLARATION REQUIRED BY RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST (CONT'D)

Other Principal Commitments including Directorships – Past (for the last 5 years)	**Past Directorship:** DiSa Limited Singapore Institute of Management Group Limited **Past Principal Commitments:** Singapore Institute of Management (Board of Governors)
Other Principal Commitments including Directorships – Present	**Present Directorship:** Yoma Strategic Holdings Limited Asiainc Private Limited Thia Holdings Private Limited GAAB Private Limited **Present Principal Commitments:** National Cancer Centre of Singapore (Board of Trustees)

(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was fi led against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

DECLARATION REQUIRED BY RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST (CONT'D)

(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach for any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere.	No
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

DECLARATION REQUIRED BY RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Name of Director	**Tan Kiang Kherng**
Date of Appointment	27 Aug 2018
Date of last Re-Election	18 Jun 2020
Age	53
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors of the Company has accepted the NC's recommendation on Mr Tan Kiang Kherng's re-election after taking into consideration Mr Tan Kiang Kherng's contribution and performance as Non-Executive Non-Independent Director of the Company.
Whether the appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title	Non-Executive Non-Independent Director
Professional qualifications	Bachelor of Accountancy (Honours) degree from Nanyang Technological University, Singapore. Member of the Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	2013-Current: Chief Financial Officer, Baker Technology Limited 2002-2013: Financial Controller, Baker Technology Limited
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None
Conflict of interest (including any competing business)	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships – Past (for the last 5 years)	**Past Directorship:** MarineCo Limited Interseas Sdn. Bhd. **Past Principal Commitments:** Nil

DECLARATION REQUIRED BY RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST (CONT'D)

Other Principal Commitments including Directorships – Present	**Present Directorship:** CHO Ship Management Pte. Ltd. Delaware Marine Pte Ltd Garo Pte. Ltd. Offshore Gold Shipping Pte. Ltd. Pembrooke Marine Pte Ltd Sea Glory Private Limited Venture Offshore Pte. Ltd. CHO Investment Pte. Ltd. High Majestic Sdn. Bhd. Pearl Marine Pte. Ltd. PT Bahtera Nustantara Indonesia **Present Principal Commitments:** Chief Financial Officer of Baker Technology Limited

(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was fi led against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c)	Whether there is any unsatisfied judgment against him?	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No

DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

DECLARATION REQUIRED BY RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST (CONT'D)

(i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j)	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach for any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere.	No
(k)	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

CH OFFSHORE LTD.

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

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:
1. The Annual General Meeting (the "**AGM**" or the "**Meeting**") will be held, in a wholly physical format, pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. **There will be no option for shareholders to participate virtually. Printed copies of the Notice of AGM and this proxy form will not be sent to shareholders by post**. These documents will be published on the Company's website at the URL https://www.choffshore.com.sg/announcements/2023-2/ and the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3 This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors who wish to appoint the Chairman of the Meeting as proxy to vote on their behalf at the AGM, should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 11 April 2023.
4. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the AGM.

*I/We, ____ (Name), _____________________________ (NRIC/Passport/Registration No.)

of ____ (Address),

being a *member/members of **CH OFFSHORE LTD.** (the "**Company**"), hereby appoint

Name	**NRIC/ Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/ Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons referred to above, the Chairman of the Meeting, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be held at **Nautica Room, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on Friday, 21 April 2023 at 10.00 a.m.** and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated below.

* *Delete where inapplicable*

\# *Voting will be conducted by poll. If you wish your proxy(ies) to cast all your votes "for" or "against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "for" or "against" in the "For" or "Against" box in respect of that resolution. If you wish your proxy(ies) to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of shares that your proxy(ies) is directed to abstain from voting in the "Abstain" box in respect of that resolution.* ***In the absence of specific directions in respect of a resolution, (i) the proxy/proxies will vote or abstain from voting at his/her discretion; and (ii) the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.***

No.	**Resolutions relating to:**	**For#**	**Against#**	**Abstain#**
	ORDINARY BUSINESS			
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022			
2	Approval of Directors' Fees for the financial year ending 31 December 2023			
3	Re-election of Mr Thia Peng Heok George as Director			
4	Re-election of Mr Tan Kiang Kherng as Director			
5	Re-appointment of Messrs Ernst & Young LLP as Auditor			
	SPECIAL BUSINESS			
6	Authority to allot and issue new shares and/or convertible securities			
7	Approval of authority to offer and grant options and to issue shares pursuant to the CH Offshore Employee Share Option Scheme			
8	Renewal of IPT General Mandate			
9	Renewal of Share Buyback Mandate			

Dated this ________________ day of ________________ 2023

Total Number of Ordinary Shares Held	
CDP Registers	
Register of Members	

____

Signature(s) of Member(s) or
Common Seal of Corporate Shareholder(s)

NOTES TO PROXY FORM

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2(a) A member who is not a relevant intermediary (within the meaning of Section 181 of the Companies Act 1967) is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

2(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

2(c) A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

3. A proxy need not be a member of the Company

4. CPF or SRS investors who wish to cast their votes should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM

5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company at 12A Jalan Samulun Singapore 629131; or

   (b) if submitted electronically, be submitted via email to the Company at **AGM2023@choffshore.com.sg**

   in either case not less than 48 hours before the time appointed for the AGM.

6. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

7. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing a proxy(ies) is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing a proxy(ies) is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 April 2023.

CH Offshore Ltd.
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Website: www.choffshore.com.sg