ANNUAL REPORT 2024
**BAKER TECHNOLOGY LIMITED**

# ADVANCING WITH RESILIENCE

# CONTENTS



# VISION

To strive for sustainable growth through innovation, diversification and organisational excellence, while staying committed to safeguarding stakeholders' interests and the Group's assets in order to deliver long-term value and growth to our shareholders.

# MISSION

To be a leading provider of specialised equipment and services to the marine offshore sector, offering advanced and innovative products and value-added business solutions for the diverse and specific needs of our global customers while staying committed to safeguarding stakeholders' interests and the Group's assets in order to deliver long-term value and growth to our shareholders.

Baker Technology Limited ("Baker Tech") together with its subsidiaries (the "Group") is a leading manufacturer and provider of specialised marine offshore equipment and services, focused on the oil and gas and renewables sectors.

The Group's core business is in the design, construction, operation and chartering of mobile offshore units and offshore supply vessels, along with the design and construction of a wide range of critical equipment and components for the marine offshore industry (specifically oil and gas and renewables sectors). These include offshore pedestal cranes, anchor winches, skidding systems, jacking systems, raw water tower structures and wind turbine installation equipment. It also provides engineering services and other services such as project management, quality assurance and construction supervision.

# KEY MILESTONES

## 2000

**MAY**
Saberon Investments Pte Ltd acquired a controlling stake in the Company

**JULY**
Name changed to Baker Technology Limited

## 2004

**SEPTEMBER**
Winner of Singapore Corporate Governance Award (SESDAQ) at SIAS Investors' Choice Award

## 2005

**OCTOBER**
Winner of Singapore Corporate Governance Merit Award (SESDAQ) at SIAS Investors' Choice Award

## 2006

**JUNE**
Raised $14.3 million from a renounceable non-underwritten rights issue with free detachable warrants

## 2007

**MAY**
Acquired 100% of PPL Holdings Pte Ltd, an investment holding company, which owns a 15% stake in PPL Shipyard Pte Ltd.

**OCTOBER**
Formed a strategic partnership with a TATA enterprise company (TRF Singapore Pte Ltd) which acquired a 51% stake in York Transport Equipment (Asia) Pte Ltd

## 2008

**APRIL**
Acquired 100% of Sea Deep Shipyard Pte. Ltd.

**OCTOBER**
Upgraded to SGX-ST Mainboard

## 2009

**APRIL**
Winner of Best Managed Board (Merit)* in the Singapore Corporate Awards

**NOVEMBER**
Completed a renounceable non-underwritten rights issue of 327.4 million warrants at 1.0 cent each

## 2010

**APRIL**
Winner of Best Managed Board (Silver)* in the Singapore Corporate Awards

**SEPTEMBER**
Listed on Forbes Asia's Best Under a Billion and was one of only eight companies in Singapore on the list

**OCTOBER**
Disposed of entire issued and paid up share capital of PPL Holdings Pte Ltd to QD Asia Pacific Ltd for a cash consideration of US$116.25 million

## 2011

**MAY**
Acquired a 10.5% stake in Discovery Offshore S.A.

**JULY**
Winner of Best Managed Board (Gold)* and Best Annual Report (Silver)* at the Singapore Corporate Awards

## 2012

**MARCH**
Disposed of remaining 49% stake in York Transport Equipment (Asia) Pte Ltd

**JUNE**
Completed a renounceable non-underwritten rights issue of 280.1 million warrants at 1.0 cent each

**JULY**
Winner of Best Annual Report (Silver)* at the Singapore Corporate Awards

**AUGUST**
Increased investment in Discovery Offshore S.A. to 20%

* For companies with market capitalisation of less than $300 million

## 2013

### MAY
Incorporation of wholly-owned subsidiary - Baker Engineering Pte. Ltd.

### JUNE
Disposal of 20% stake in Discovery Offshore S.A.

### JULY
Winner of Best Annual Report (Bronze)* at the Singapore Corporate Awards

### AUGUST
Listed on Forbes Asia's Best Under a Billion and was one of only seven companies in Singapore on the list

### SEPTEMBER
Incorporation of wholly-owned subsidiary - BT Investment Pte. Ltd.

## 2014

### FEBRUARY
Incorporation of indirect wholly owned subsidiary - BEL Design Pte. Ltd.

### JULY
Winner of Best Managed Board (Gold)* and Best Annual Report (Silver)* at the Singapore Corporate Awards

## 2015

### JULY
Winner of Best Annual Report (Bronze)* at the Singapore Corporate Awards

## 2016

### JULY
Winner of Merit (Most Improved Category) Award at SIAS Investors' Choice Award

### OCTOBER
Incorporation of wholly-owned subsidiary - BT Titanium Pte. Ltd.

## 2017

### JULY
Winner of Best Annual Report (Bronze)* at the Singapore Corporate Awards

## 2018

### APRIL
Naming ceremony of Baker Engineering's Blue Titanium liftboat

### JULY
Winner of Best Annual Report (Silver)* award at the Singapore Corporate Awards

Acquired 52.72% stake in CH Offshore Ltd. (54.98% as of 13 September 2018)

### OCTOBER
Wholly-owned subsidiary - Interseas Shipping (Private) Limited changed its name to Sea Hercules Cranes Pte. Ltd.

## 2019

### SEPTEMBER
Winner of Transparency (Small & Mid Cap) Award at the SIAS Investors' Choice Award

## 2021

### SEPTEMBER
Winner of Most Transparent Company Award (Energy) at the SIAS Investors' Choice Award

## 2023

### SEPTEMBER
Winner of Best Chief Executive Officer* Award at the Singapore Corporate Awards

### NOVEMBER
Winner of Most Transparent Company Award (Energy) at the SIAS Investors' Choice Awards 2023

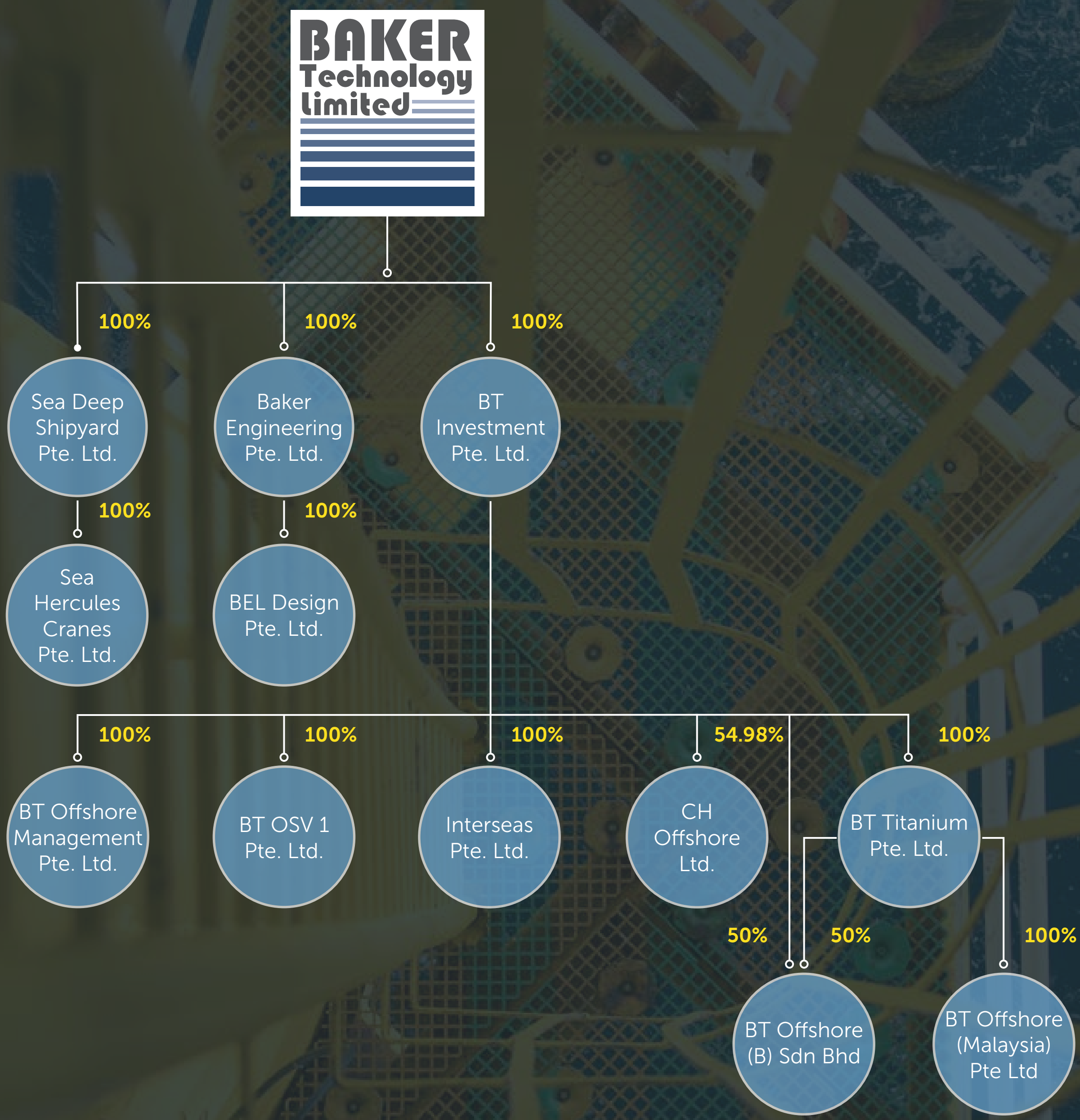
## 2024

### AUGUST
Winner of Best Risk Management (Gold)* Award at the Singapore Corporate Awards

### SEPTEMBER
Winner of Most Transparent Company Award (Energy) at the SIAS Investors' Choice Awards 2024

* For companies with market capitalisation of less than $300 million

# CORPORATE STRUCTURE



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Chairman**
Mr Lim Jun Xiong Steven (Independent)

**Executive**
Ms Jeanette Chang (Chief Executive Officer)
Dr Benety Chang

**Non-Executive**
Mr Tan Yang Guan
Mr Wong Meng Yeng
Mr Ajay Kumar Jain (Independent)
Mr Chong Weng Hoe (Independent)

## AUDIT & RISK MANAGEMENT COMMITTEE

Mr Lim Jun Xiong Steven (Chairman)
Mr Ajay Kumar Jain
Mr Chong Weng Hoe

## NOMINATING COMMITTEE

Mr Chong Weng Hoe (Chairman)
Mr Lim Jun Xiong Steven
Ms Jeanette Chang

## REMUNERATION COMMITTEE

Mr Ajay Kumar Jain (Chairman)
Mr Lim Jun Xiong Steven
Mr Chong Weng Hoe
Mr Wong Meng Yeng

## COMPANY SECRETARY

Ms Lim Mee Fun

## REGISTERED OFFICE

10 Jalan Samulun
Singapore 629124
Tel: (65) 6262 1380
Fax: (65) 6262 2108
Website: www.bakertech.com.sg

## SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

## AUDITOR

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

## AUDIT PARTNER-IN-CHARGE

Mr Shekaran Krishnan
*(appointed since financial year ended 31 December 2024)*

## PRINCIPAL BANKERS

Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

# CHAIRMAN'S MESSAGE

**Mr Lim Jun Xiong Steven**
Board Chairman, Independent Director

## Dear Shareholders,

On behalf of the Board of Directors ("Board"), I am pleased to present the Annual Report of Baker Technology Limited ("Baker Tech" or the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2024 ("FY2024").

2024 was a year where the global economy faced significant turbulence, with inflation and high interest rates continuing to impact many regions, and geopolitical tensions, particularly between major powers, kept the world on edge. The Ukraine-Russian war and Israel-Hamas conflicts persisted as major economic disruptors, particularly in the energy sector with the sanctions against Russia and renewed violence and escalation destabilising the Middle East. Oil prices continued to trade mainly rangebound between US$69 and US$91 per barrel (Brent Crude Oil) as weakening global economy reduced oil demand resulting in downward pressure on prices during the year. OPEC+ nations exerted considerable influence over production cuts, which had ripple effects across international markets while tensions in the Middle East caused concerns over the security of key shipping routes and the flow of oil through the Suez Canal.

While the shift towards renewable energy gained some momentum, fossil fuels continued to have a dominant role in shaping global economies with major European energy companies shifting their attention from green projects back to oil and gas in 2024 to focus on near-term profits[1]. Additionally, the transition to cleaner energy sources sparked debates over how quickly economies could decarbonise without jeopardising energy security or economic growth. The offshore wind sector continues to grapple with challenges such as limited profitability, credit issues, supply chain delays and policy uncertainty.

Although 2024 saw improved day rates and utilisation for offshore support vessels ("OSV"), market sentiments remained tentative during the year with high dependency on seasonality, volatility in market activity and availability of vessels amongst other factors. The year started off strong. However, utilisation and rates came under pressure[2] as the market had to grapple with destabilisers such as Saudi Aramco deciding to halt plans for oil production expansion including shelving projects leading to confirmed suspension of 30 rigs as of December 2024 and growing tensions between Petroleum Sarawak Bhd (Petros) and Petroliam Nasional Bhd (Petronas) over the supervision of oil and gas trading in Sarawak in 4Q2024. New building activity remains tepid due to still high interest rates, lack of available financing and a safety net of long-term charters.

## FINANCIAL PERFORMANCE REVIEW

Group revenue increased marginally from $91.4 million in FY2023 to $92.0 million in FY2024, primarily due to higher spare sales but was partially offset by lower fabrication revenue while chartering revenue remained flat for the year.

For FY2024, the Group reported a net profit of $19.1 million as compared to $3.6 million in FY2023. This significant improvement in profitability was mainly due to better vessel utilisation for the year, higher foreign exchange gain of $3.6 million in 2024 as compared to a foreign exchange loss of $2.2 million in 2023 and the absence of impairment loss on vessel recorded in FY2023.

After taking into account non-controlling interests (i.e. minority shareholders of CH Offshore Ltd.), net profit attributable to shareholders was $18.2 million for FY2024, as compared to $8.3 million for FY2023.

Group shareholders' fund increased from $218.6 million as at 31 December 2023 to $235.3 million as at 31 December 2024. This was due mainly to net profit attributable to shareholders of $18.2 million for the current year and foreign currency translation gain of $1.5 million arising from the consolidation of subsidiaries reported in foreign currencies but partially offset by payment of $3.0 million dividend to shareholders.

Cash and short-term deposits increased from $87.5 million as at 31 December 2023 to $112.0 million as at 31 December 2024, mainly due to better operating cash flows during FY2024.

## OUTLOOK

2025 is expected to be an eventful year for the global economy. The new US administration's aggressive trade policies are expected to have significant impact on the global economy and could lead

[1] https://www.reuters.com/business/energy/big-oil-backtracks-renewables-push-climate-agenda-falters-2024-12-27/
[2] Fearnley Offshore Supply, The Offshore Report, Summary 2024 Offshore Support and Specialized Vessels 27 January 2025

to an increasingly fragmented economic landscape with increased barriers to trade and transfers of technology and increased geopolitical rivalries and ultimately trade wars[3]. Uncertainty around inflation levels and interest rates are also adding to economic concerns as rate cut expectations have fallen. China's recent monetary stimulus measures are expected to boost economic growth (albeit still expected to remain weak).

Growth in demand for oil and gas is expected to come from oil and gas majors increasing selective spending on exploration and production while focused on strategic capital allocation, maintaining capital discipline and shareholder payouts[4]. Supply on the other hand is expected to remain tight as older vessels are retired with limited new builds[5]. The interplay between supply and demand should hopefully deliver better charter rates and utilisation in 2025. However, the evolving tensions in the Middle East continue to cast a pall on oil trade flows and oil prices.

Notwithstanding, we remain committed to our mission of driving responsible and efficient business practices, contributing to economic growth while embracing the opportunities presented by the ebb and flow of the global landscape. We continue to invest in technology, efficiency improvements, and market diversification to enhance operational agility and ensure long-term sustainability and value creation for our stakeholders.

## SUSTAINABILITY

This is the third year of our sustainability reporting where we disclose our Scopes 1, 2 and 3 emissions (as defined by the Greenhouse Gas Protocol Corporate Standard). We have also started preparations towards incorporating the climate-related requirements in the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board for our next sustainability report for FY2025. These standards fully incorporate the Task Force on Climate-related Financial Disclosures recommendations with S1 focused on general requirements for sustainability risks and opportunities and S2 focused on climate-related risks and opportunities.

With several major weather-related incidents globally in 2024 such as hurricanes, floods, wildfires and unusually warm temperatures, sustainability remains a key priority. We are focused on reducing our carbon footprint by investing in new technology and equipment to improve productivity and energy efficiency in fabrication work. With the installation of solar panels in our yard over the next two years, we will be able to significantly reduce our Scope 2 emissions and look to harness low-carbon energy sources as they become operationally and economically viable.

Underpinning our strategy and operations are our employees. We are proud to report that in addition to achieving our zero-fatality target, one of our subsidiaries, Sea Deep Shipyard, had zero-reportable incidents in FY2024, thereby outperforming our HSE target. With health and safety always being in the forefront of how we approach our operations, we continue to enhance our safety trainings and consistently motivate our employees to nurture a safety culture where everyone can complete a day's work in a safe and healthy environment.

Recognising the importance of mental health, we reach out to our employees especially those who are living away from family to better understand their concerns in relation to their work responsibilities, colleagues, dorm mates and general level of happiness. This enables us to address key issues. We are pleased to say that in 2024, most of those surveyed were happy and satisfied with the current state of affairs. Coupled with the strong positive feedback from previous years, social activities including meals, barbecues and sporting events continued to feature in 2024.

Our commitment to strong corporate governance ensures transparency, accountability, and ethical decision-making across all levels of the organisation. Our governance framework, focused on clear board oversight, strong risk management practices, timely reporting, enables the Company to comply with evolving regulatory standards. By upholding these principles, we continue to foster stakeholder trust and drive sustainable long-term growth. Our robust and effective risk management practices were recognised at the Singapore Corporate Awards 2024 as the Company was conferred the Gold Award for Best Risk Management under the category of listed companies with market capitalisation of less than $300 million. We were also winner of the Most Transparent Company Award (Energy) at the SIAS Investors' Choice Awards 2024 for the second year running.

## IN APPRECIATION

Reflecting on my inaugural year as a member and chairman of the Board, speaking on behalf of my fellow new directors, Mr Ajay Kumar Jain and Mr Chong Weng Hoe, I am grateful for the warm welcome and collaboration from the other Board Directors and senior management of the Group over the last year and I look forward to continuing on this path together to drive growth and development in the coming year.

I extend heartfelt thanks to Ms Vicky Han and Mr Ang Miah Khiang who retired from the Board as independent directors at the conclusion of AGM 2024. Their years of service were marked by dedication, steadfast guidance and a collaborative spirit and their invaluable contributions have helped us navigate challenges and seize opportunities.

On behalf of the Board, I would like to extend my heartfelt gratitude to our dedicated employees and valued stakeholders. Our employees, from the front lines to our leadership team, have demonstrated unwavering commitment and resilience, turning challenges into opportunities and driving our success every day. Equally, the trust and collaboration of our stakeholders—be they investors, partners, suppliers, or customers—have been instrumental in our growth and evolution. Together, your collective efforts and enduring support have not only strengthened our company but also paved the way for a promising future. Thank you for your passion, your commitment, and your steadfast belief in our shared vision.

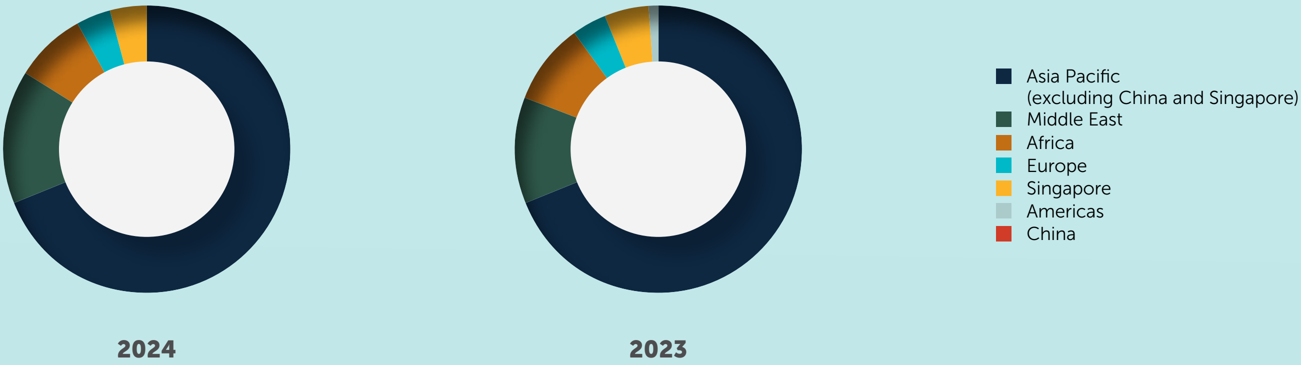
**Mr Lim Jun Xiong Steven**
**Board Chairman,**
**Independent Director**

[3] World Economic Forum, Centre for the New Economy and Society, Chief Economists Outlook, January 2025
[4] Deloitte Insights, 2025 Oil and Gas Industry Outlook, 5 December 2024
[5] Fearnley Offshore Supply, The Offshore Report, Summary 2024 Offshore Support and Specialized Vessels 27 January 2025

# OPERATING REVIEW

The Group continues to focus on and derive its revenue from the marine offshore industry covering the oil and gas and renewables sectors. The Group reported a marginal increase of 1% in revenue for FY2024 primarily due to higher spare sales in the Middle East region but partially offset by lower fabrication revenue. About 69% (2023: 69%) of the revenue was from the Asia Pacific (excluding China and Singapore). The Group's liftboat, Blue Titanium, as well as the CH Offshore Ltd. ("CHO") vessels, were mainly deployed in the Asia Pacific region.

## REVENUE BY GEOGRAPHICAL AREA




| | FY2024 | | FY2023 | |
|---|---|---|---|---|
| | $'000 | % | $'000 | % |
| Asia Pacific (excluding China and Singapore) | 63,530 | 69 | 63,151 | 69 |
| Middle East | 13,546 | 15 | 11,088 | 12 |
| Africa | 7,181 | 8 | 8,216 | 9 |
| Europe | 3,929 | 4 | 3,900 | 4 |
| Singapore | 3,614 | 4 | 4,146 | 5 |
| Americas | 110 | - | 875 | 1 |
| China | 109 | - | 39 | - |
| **Total** | **92,019** | 100 | **91,415** | 100 |

# FINANCIAL REVIEW

## INCOME STATEMENTS

| | 2024 $'000 | 2023 $'000 | CHANGES % | EXPLANATORY NOTES |
|---|---|---|---|---|
| **Revenue** | **92,019** | **91,415** | *+1* | Higher spare sales but partially offset by lower fabrication revenue |
| Cost of sales | (56,229) | (63,371) | *-11* | |
| **Gross profit** | **35,790** | **28,044** | *+28* | Higher gross profit from CHO fleet due to higher vessel utilisation for the year |
| **Gross profit margin** | **39%** | **31%** | | |
| Other income/(expenses): | | | | |
| Interest income | 3,529 | 2,788 | *+27* | Increase due to improvement in interest rates and higher deposits |
| Foreign exchange gain/(loss) | 3,625 | (2,180) | *NM* | Primarily due to appreciation of US dollar against Singapore dollar by about 3% during 2024 as compared to a depreciation of 2% in 2023 |
| Impairment loss on vessel | - | (4,160) | *-100* | Recorded for one of CHO's owned vessels in 2023. No further impairment for 2024 |
| Other sundry income | 531 | 417 | *+27* | |
| Administrative expenses | (22,515) | (21,133) | *+7* | Mainly due to higher salary & payroll, repair & maintenance but partially offset by lower allowance for expected credit loss in 2024 |
| Finance cost | (901) | (554) | *+63* | Higher interest expense on lease liabilities as a result of the 20-year lease extension for one of the Group's JTC premises |
| **Profit before tax** | **20,059** | **3,222** | *NM* | |
| Income tax (expense)/credit | (962) | 350 | *NM* | Higher tax expenses inline with higher profitability |
| **Profit after tax** | **19,097** | **3,572** | *NM* | |
| **ATTRIBUTABLE TO:** | | | | |
| Owners of the Company | 18,171 | 8,287 | *+119* | Mainly due to turnaround by CHO in 2024 |
| Non-controlling interests | 926 | (4,715) | *NM* | Due to profits for CHO in 2024 vs losses in 2023 |
| | **19,097** | **3,572** | *NM* | |

*NM: Not meaningful*

# FINANCIAL REVIEW

## CASH FLOWS

| | 2024 $'000 | 2023 $'000 | CHANGES % | EXPLANATORY NOTES |
|---|---|---|---|---|
| Cash from operating activities | 39,431 | 29,592 | +33 | Increase due to improvement in operating conditions during the year |
| Cash from/(used) in investing activities | 7,934 | (35,389) | NM | Higher proceeds from maturity of short-term deposits in 2024 as compared to higher placement of short-term deposits in 2023 |
| Cash used in financing activities | (5,081) | (4,256) | +19 | Higher dividend payment to shareholders |
| **Net increase/(decrease) in cash & cash equivalents** | **42,284** | **(10,053)** | NM | |
| Effect of exchange rate changes on cash & cash equivalents | 381 | (897) | NM | |
| Cash & cash equivalents at beginning of year | 36,750 | 47,700 | -23 | |
| **Cash & cash equivalents at end of year** | **79,415** | **36,750** | +116 | |

## BALANCE SHEETS

| | 2024 $'000 | 2023 $'000 | CHANGES % | EXPLANATORY NOTES |
|---|---|---|---|---|
| **NON-CURRENT ASSETS** | | | | |
| Property, plant & equipment | 130,578 | 134,048 | -3 | Reduction due to depreciation charge but partially offset by capital expenditure and translation gain during the year |
| Right-of-use assets | 7,557 | 8,277 | -9 | Reduction mainly due to depreciation charge during the year |
| Intangible assets | - | 258 | -100 | Reduction due to amortisation charge during the year |
| Investment securities | 13,007 | 7,691 | +69 | Due to additional purchases during the year |
| | **151,142** | **150,274** | +1 | |
| Current assets | 142,037 | 129,180 | +10 | Increase mainly due to increase in cash and short-term deposits of $24.5 million, but partially offset by the reduction in contract assets and trade receivables |
| Current liabilities | (23,330) | (25,864) | -10 | Decrease mainly due to lower payables and accruals |
| **Net current assets** | **118,707** | **103,316** | +15 | |
| **NON-CURRENT LIABILITIES** | | | | |
| Deferred tax liabilities | (471) | (1,028) | -54 | Decrease due to reversal of liabilities during 2024 |
| Loans and borrowings | (6,763) | (8,170) | -17 | Due to repayment of borrowings and principal portion of lease liabilities |
| Provision | (1,580) | (1,800) | -12 | Reclassification of $0.45 million to current liabilities partially offset by additional provision of $0.23 million during the year |
| | **(8,814)** | **(10,998)** | -20 | |
| **Net assets** | **261,035** | **242,592** | +8 | |
| Share capital | 108,788 | 108,788 | - | |
| Retained earnings | 123,448 | 108,320 | +14 | Due to net profit of $18.2 million reported for the year, partially offset by payment of $3.0 million dividend to shareholders |
| Other reserves | 3,092 | 1,505 | +105 | Increase mainly due to foreign currency translation gain |
| **Shareholders' equity** | **235,328** | **218,613** | +8 | |
| Non-controlling interests | 25,707 | 23,979 | +7 | Increase due to minority share of profits reported by CHO in 2024 |
| **Total equity** | **261,035** | **242,592** | +8 | |

*NM: Not meaningful*

## HALF YEARLY RESULTS

| | 1H $'000 | 2H $'000 | FULL YEAR $'000 |
|---|---|---|---|
| **REVENUE** | | | |
| 2024 | 52,381 | 39,638 | 92,019 |
| 2023 | 39,373 | 52,042 | 91,415 |
| **GROSS PROFIT** | | | |
| 2024 | 19,761 | 16,029 | 35,790 |
| 2023 | 11,682 | 16,362 | 28,044 |
| **PROFIT AFTER TAX** | | | |
| 2024 | 12,989 | 6,108 | 19,097 |
| 2023 | 1,497 | 2,075 | 3,572 |
| **PROFIT AFTER TAX (EXCLUDING FOREIGN EXCHANGE GAIN/LOSS)** | | | |
| 2024 | 9,919 | 5,553 | 15,472 |
| 2023 | 1,203 | 4,549 | 5,752 |
| **PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY** | | | |
| 2024 | 11,901 | 6,270 | 18,171 |
| 2023 | 4,116 | 4,171 | 8,287 |

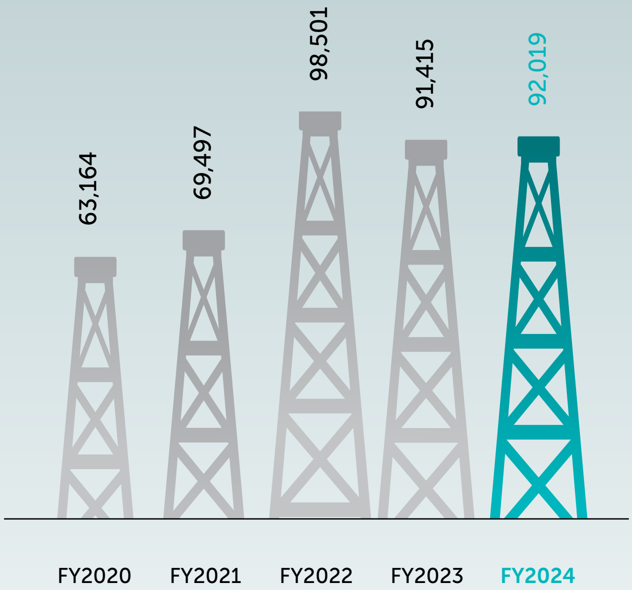
Group revenue for 2H2024 decreased by $12.7 million to $39.6 million mainly due to lower charter revenue because of lower vessel utilisation. Correspondingly, the Group reported lower gross profit and net profit after tax in 2H2024. A lower foreign exchange gain in 2H2024 also contributed to the lower profit in 2H2024.

The Group reported higher revenue and net profit after tax for 2H2023 as compared to 1H2023. This was primarily due to higher gross profit of $4.7 million and lower allowance for expected credit losses of $1.4 million in 2H2023, partially offset by impairment loss on a CHO vessel of $4.2 million and higher foreign exchange losses in 2H2023.

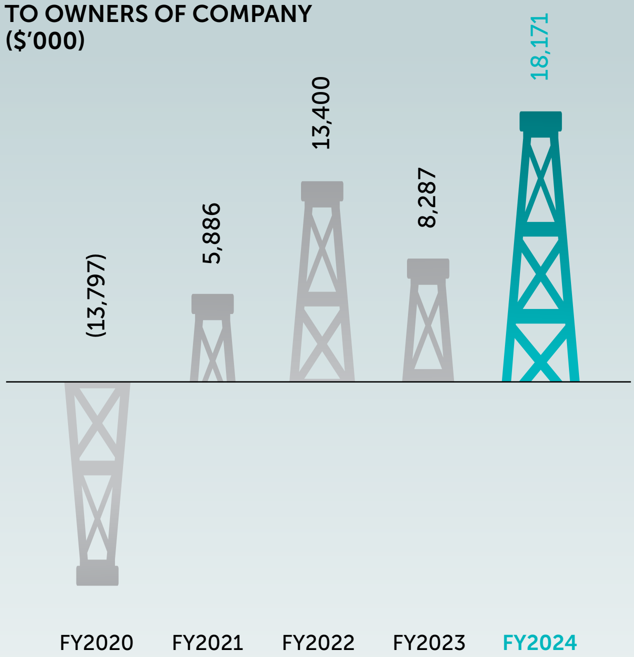
# FIVE-YEAR FINANCIAL HIGHLIGHTS

| | FY2020 $'000 | FY2021 $'000 | FY2022 $'000 | FY2023 $'000 | FY2024 $'000 |
|---|---|---|---|---|---|
| **FINANCIAL PERFORMANCE** | | | | | |
| Revenue | 63,164 | 69,497 | 98,501 | 91,415 | 92,019 |
| Gross profit | 8,832 | 18,177 | 31,810 | 28,044 | 35,790 |
| Pre-tax profit/(loss) | (25,907) | 2,440 | 11,003 | 3,222 | 20,059 |
| Profit/(loss) after tax | (25,933) | 2,886 | 11,332 | 3,572 | 19,097 |
| Profit/(loss) for the year attributable to Owners of the Company | (13,797) | 5,886 | 13,400 | 8,287 | 18,171 |
| **FINANCIAL POSITION** | | | | | |
| Total assets | 263,504 | 266,251 | 271,744 | 279,454 | 293,179 |
| Cash and short-term deposits | 44,316 | 59,760 | 71,467 | 87,521 | 111,997 |
| Net current assets | 53,024 | 75,695 | 94,963 | 103,316 | 118,707 |
| Loans and borrowings | 17,557 | 15,076 | 11,278 | 16,176 | 14,186 |
| Shareholders' equity | 194,053 | 201,093 | 212,863 | 218,613 | 235,328 |
| Non-controlling interests | 33,636 | 31,360 | 29,143 | 23,979 | 25,707 |
| **PER SHARE DATA (CENTS)** | | | | | |
| Earnings per share | (6.8) | 2.9 | 6.6 | 4.1 | 9.0 |
| Dividend per share | - | 0.5 | 1.0 | 1.5 | 2.0 |
| Cash per share | 21.8 | 29.5 | 35.2 | 43.1 | 55.2 |
| Net asset value per share | 95.7 | 99.1 | 104.9 | 107.8 | 116.0 |
| **OTHER INFORMATION** | | | | | |
| Return on shareholders' equity | -11% | 1% | 5% | 2% | 7% |
| Return on assets | -10% | 1% | 4% | 1% | 7% |
| Dividend cover | N/A | 5.8 | 6.6 | 2.7 | 4.5 |
| **STOCK INFORMATION** | | | | | |
| Number of shares on issue ('000) | 202,878 | 202,878 | 202,878 | 202,878 | 202,878 |
| Highest/lowest share price (cents) | 40.5 / 18.0 | 46.5 / 22.0 | 66.5 / 38.0 | 68.5 / 50.0 | 67.0 / 50.0 |
| Year-end share price (cents) | 23.5 | 39.5 | 65.0 | 52.0 | 61.0 |
| Year-end market capitalisation ($'m) | 47.7 | 80.1 | 131.9 | 105.5 | 123.8 |

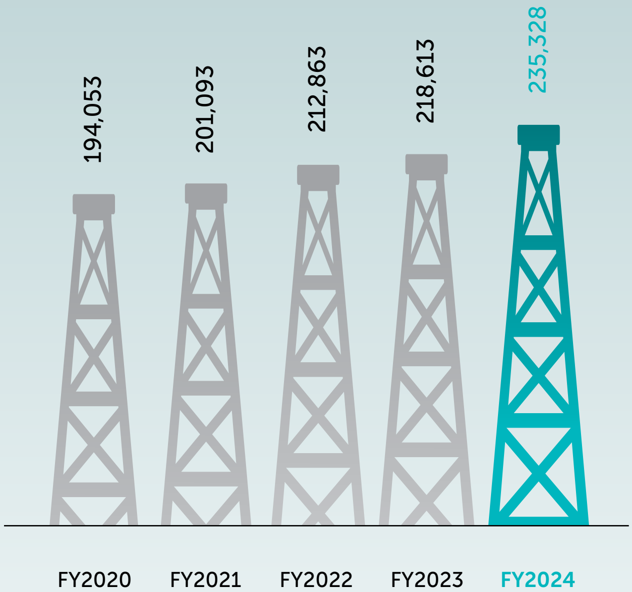
**5-YEAR REVENUE
($'000)**



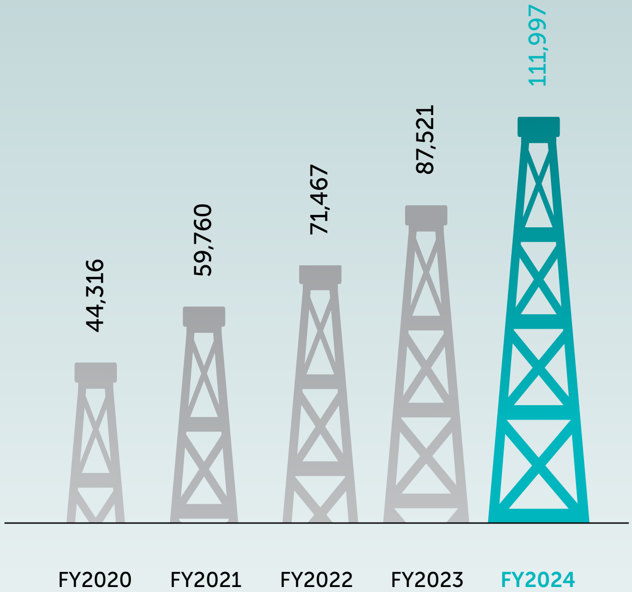

**5-YEAR PROFIT / (LOSS) ATTRIBUTABLE TO OWNERS OF COMPANY
($'000)**




**5-YEAR SHAREHOLDERS' EQUITY
($'000)**




**5-YEAR CASH & SHORT-TERM DEPOSITS
($'000)**



# FIVE-YEAR FINANCIAL PERFORMANCE

## FY2020

Despite the impact from Covid-19, Group revenue remained relatively flat at $63.2 million for FY2020. However, in view of the continued weakness in the oil and gas industry, the Group recorded impairment loss for the CHO vessels of $11.7 million, impairment on loan to CHO's associate of $1.6 million and allowance for expected credit losses of $3.0 million. As a result, the Group reported net loss after non-controlling interests of $13.8 million for FY2020.

The Group's cash position stood at $44.3 million as at 31 December 2020, or 21.8 cents per share.

## FY2021

Due to improvements in the operating conditions of the marine offshore industry, Group revenue increased by 10% to $69.5 million for FY2021. On the back of higher gross margins and lower losses incurred by CHO, the Group reported net profit after non-controlling interests of $5.9 million for FY2021.

With the improvement in operating cashflows, the Group's cash position now stands at $59.8 million as at 31 December 2021, or 29.5 cents per share.

## FY2022

Group revenue increased 42% from $69.5 million in 2021 to $98.5 million in 2022 primarily due to higher fabrication revenue resulting from improved operating conditions. On the back of higher gross margins, the Group reported net profit attributable to shareholders of $13.4 million, up from $5.9 million for 2021.

Similarly, the Group's cash position increased to $71.5 million or 35.2 cents per share as at 31 December 2022.

## FY2023

Group revenue decreased 7% from $98.5 million in 2022 to $91.4 million in 2023, primarily due to lower fabrication revenue but was partially offset by higher chartering revenue in 2H2023. As a result of lower contributions from chartering activities during 1H2023 and fabrication activities during 2023, impairment loss on vessel and higher foreign exchange losses, the Group reported net profit attributable to shareholders of $8.3 million for FY2023, down from $13.4 million for 2022.

However, the Group's cash position increased to $87.5 million or 43.1 cents per share as at 31 December 2023.

## FY2024

Group revenue remained relatively flat in 2024 as compared to 2023 as the increase in spare sales was offset by lower fabrication revenue while charter revenue remained flat year on year. However, due to higher vessel utilisation from the CHO fleet, gross profit increased by $7.7 million in 2024. Coupled with higher foreign exchange gain and the absence of impairment loss on vessel during 2024, the Group reported net profit attributable to shareholders of $18.2 million for 2024, an increase of 119% from $8.3 million for 2023.

With the improvement in operating cashflows, the Group's cash position increased to $112.0 million as at 31 December 2024.

# OUR BUSINESS

## BAKER ENGINEERING PTE. LTD.

Baker Engineering Pte. Ltd. ("BEPL" or "Baker Engineering") was incorporated as a wholly-owned subsidiary of Baker Tech in May 2013.

Focused on the design, engineering and construction of mobile offshore units and critical equipment and components for the offshore marine industry, specifically the oil and gas and renewables sectors, including mobile offshore production units, self-elevating units, wind turbine installation equipment. BEPL also has a sub-division providing steel fabrication and piping work for various sectors.

Operates out of three waterfront shipyards in Singapore, each equipped with open production facilities, office buildings, workshops and warehouses. The waterfront provides our customers with an option to transport completed projects by sea.

Onsite warehouses are fully equipped with a live Enterprise Resource Planning system, fully integrated with a procurement module for inventory enhanced traceability.

As an ISO 9001 certified company, BEPL ensures that every aspect of its operations and production procedures conforms to the highest standards of quality control to produce exceptional results for all customers and projects.

Our shipyards have attained a Statement of Compliance of a Port Facility from the Maritime and Port Authority in accordance with the International Code for the Security of Ships and Port Facilities.

The State-of-the-Art DP2 Liftboat, Blue Titanium, was constructed by BEPL and is owned by BT Titanium Pte. Ltd., a wholly-owned subsidiary of Baker Tech. In the year of review, the Blue Titanium was on a time charter supporting rejuvenation works for a national oil company. The Blue Titanium provides offshore workers with top-tier accommodation services, walk-to-work gangway and an on-board pedestal crane with lifting capacity of up to 300MT.

BEPL is a BizSafe Star company and is accredited with numerous world-class certifications including ISO 45001. BEPL upgraded its ISO 3834 to ISO 3834-2 which includes the fabrication of stainless-steel materials and duplex stainless-steel material. BEPL also upgraded its EN 1090 certification to EN 1090-1 which includes the highest execution class with the most stringent requirements.

# OUR BUSINESS

## SEA DEEP SHIPYARD PTE. LTD.

Sea Deep Shipyard Pte. Ltd. ("Sea Deep") was incorporated in 1996 and acquired by Baker Tech in April 2008. Sea Deep is an established leader in the manufacture and production of high-quality steel products and components for specialised equipment, new builds, repairs, conversions and upgrades of jackup rigs and liftboats. To meet customer specific requirements for specialised engineering products, Sea Deep also provides product customisation services and refurbishment and replacement support.

Operates out of a waterfront yard in Singapore, equipped with production facilities, office buildings and workshops. Produces high quality steel products and components for new builds, repairs and upgrades for jackup rigs and liftboats including racks and chords.

Designs and manufactures its own proprietary Sea Hercules Cranes for fixed and floating platforms. These cranes offer reliability and cost-effective maintenance thus earning them a proven track record and a strong presence in Asia Pacific and Middle East.

Attained API Q1 (for the manufacture and supply of spare parts for pedestal cranes) and API Q2 certification (for inspection and servicing of pedestal cranes).

In October 2018, Sea Deep's wholly-owned subsidiary, Interseas Shipping (Private) Limited, changed its name to Sea Hercules Cranes Pte. Ltd. ("Sea Hercules Cranes") to better align with the subsidiary's business activities.

As an ISO 9001 and ISO 45001 certified and BizSAFE Star company, Sea Deep ensures every aspect of the production procedures is subjected to stringent quality control whilst observing the highest standard of health and safety.

### SEA DEEP'S RANGE OF PRODUCTS AND SERVICES INCLUDES:

- Offshore Pedestal Cranes – Sea Hercules Kingpost Crane
- Design and Engineering Services
- Mechanical Handling Equipment
- Maintenance and Repair Services for existing offshore equipment including cranes, jacking systems, raw water towers etc
- Steel Products and Components Fabrication – Rack Chords and Pinions
- Ancillary Equipment – Elevating Systems, Skidding Systems, Raw Water Towers and Winches
- Project Management and turnkey conversions with its proprietary designs

# BT INVESTMENT PTE. LTD.

**September 2013:**

BT Investment Pte. Ltd. ("BT Investment") was incorporated as a wholly-owned subsidiary of Baker Tech. As an investment holding company, BT Investment focuses on exploring new business opportunities to increase the Group's revenue stream and expand Baker Tech's product offerings through acquisitions and strategic alliances.

**October 2016:**

Incorporation of wholly-owned subsidiary, BT Titanium Pte. Ltd. ("BT Titanium"), specialising in vessel chartering and vessel ownership. BT Titanium owns the Blue Titanium, the Group's state-of-the-art DP2 liftboat

Incorporated a number of direct and indirect wholly-owned subsidiaries specialising in offshore marine logistics support services and vessel ownership:

| | |
|---|---|
| **June 2017:** | BT Offshore (Malaysia) Pte Ltd (in Labuan, Malaysia) |
| **May 2018:** | BT Offshore (B) Sdn Bhd (in Brunei Darussalam) |
| **August 2018:** | BT OSV 1 Pte. Ltd. |

**July 2018:**

BT investment acquired a 52.72% stake in CH Offshore Ltd. ("CHO").

Baker Tech's stake in CHO increased to 54.98% in September 2018

**September 2018:**

Incorporation of BT Offshore Management Pte. Ltd. whose primary activities include vessel chartering and ship management services

# OUR BUSINESS

## CH OFFSHORE LTD.

Incorporated as Mico Line Pte Ltd in March 1976

Was listed on the Mainboard of the Singapore Exchange Securities Trading Limited under its new name CH Offshore Ltd. ("CHO") in February 2003

**July 2018:**

BT Investment Pte. Ltd. acquired a 52.72% stake in CHO

**September 2018:**

After making a mandatory cash offer for CHO, BT Investment's stake in CHO increased to 54.98%

CHO, together with its subsidiaries ("CHO Group"), is a leading provider of offshore marine assets and services, focused on the oil and gas sector. The company's core business is in the ownership and chartering of vessels for the marine and offshore sector as well as the provision of ship management services.

CHO Group, owns six 12,240 bhp anchor handling tugs, each equipped with state-of-the-art facilities for heavy offshore work in deeper waters.

The 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. They are deployed across the globe from Mexico, Africa, India to South-East Asia among other locations.

In addition to providing ship management services for the Group's vessels (including the Blue Titanium), CHO, through its wholly-owned subsidiary, CHO Ship Management Pte. Ltd. also provides ship management services (commercial, technical and operational) for third party vessels.

CHO's core values of Passion, Respect, Integrity and Honesty, Monetary Discipline and Excellence ("PRIME"), together with its "Do No Harm" corporate philosophy guide CHO in how they do business, treat their people, respect the environment, and deliver their solutions.

Passion

Respect

Integrity

Honesty

Monetary Discipline

Honesty

# BOARD OF DIRECTORS

**Mr Lim Jun Xiong Steven**
Board Chairman,
Independent Director

Appointed to the Board on 1 December 2023, Mr Lim is the Chairman of the Board and Audit and Risk Management Committee and a member of the Nominating and Remuneration Committees. Mr Lim was last re-elected as Director on 26 April 2024.

Mr Lim brings with him close to 40 years of experience in the financial, trust and wealth management industry. He has held leading roles in financial organisations during his career, including the CEO of SG Trust (Asia) Ltd, a subsidiary of Societe Generale Private Banking. Before that, he was head/managing director of HSBC Private Bank Global Wealth Solutions. He started his career at PriceWaterhouseCoopers. Mr Lim currently serves as an independent director for Sinarmas Land Limited, Riverstone Holdings Ltd, Livingstone Health Holdings Limited, and CosmoSteel Holdings Limited.

Mr Lim holds a Bachelor of Commerce in Accounting and Finance from the University of Newcastle, Australia, and is a fellow member of CPA Australia and the Institute of Singapore Chartered Accountants, as well as a member of the Society of Trust and Estate Practitioners.

**Ms Jeanette Chang**
Chief Executive Officer,
Executive Director

Appointed to the Board as Executive Director on 1 September 2013, Ms Chang was redesignated to the position of Chief Executive Officer ("**CEO**") of Baker Tech on 1 January 2019 and appointed as a member of the Nominating Committee on 14 February 2019. Ms Chang was last re-elected as Director on 28 April 2021. Ms Chang is responsible for the overall management of the Group.

Ms Chang is also a non-executive non-independent director of CH Offshore Ltd. ("**CHO**"). She has an engineering and finance background having previously worked with Mott MacDonald Group in London on UK and Singapore engineering projects. Prior to joining the Company, Ms Chang 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.

# BOARD OF DIRECTORS

**Dr Benety Chang**
Executive Director

Appointed as Director and CEO of Baker Tech since 5 May 2000, Dr Chang stepped down as CEO on 31 December 2018. Dr Chang remains an Executive Director of the Company. Dr Chang is the major shareholder of the Company and was last re-elected as Director on 19 June 2020.

Dr Chang is due to retire by rotation at the forthcoming AGM and will be seeking re-election as Director at the AGM.

Dr Chang is the CEO and executive director of CHO, a subsidiary of Baker Tech. 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 Yang Guan**
Non-Executive
Non-Independent Director

Appointed as Non-Executive Non-Independent Director of Baker Tech since 5 May 2000, Mr Tan was last re-elected as Director on 28 April 2023. 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 a consultant of Baker Tech from 1 July 2009, providing financial advice and overview for the Group. He has more than 30 years of experience in the oil and gas industry. He was the finance director of PPL Shipyard Pte Ltd from December 1997 to November 2012 and was responsible for all its financial matters, including accounting, financial and treasury functions.

Mr Tan is a senior accredited director and member of the Singapore Institute of Directors. He is a fellow member of the Association of Chartered Certified Accountants of the United Kingdom, and a life and fellow member of the Institute of Singapore Chartered Accountants.

**Mr Wong Meng Yeng**
Non-Executive
Non-Independent Director

Appointed to the Board on 3 June 2010 as an Independent Director, Mr Wong was re-designated to Non-Executive Non-Independent Director upon the conclusion of Annual General Meeting held on 26 April 2024. Mr Wong is currently a member of the Remuneration Committee. Mr Wong was last re-elected as Director on 26 April 2024.

Mr Wong has been an advocate and solicitor in Singapore since 1984 and practices corporate commercial law. He is currently a director of Alliance LLC, a law firm in Singapore, since 2001. Mr Wong was previously an independent director of KS Energy Limited, Keong Hong Holdings Limited and Multi-Chem Limited. Mr Wong holds a Bachelor of Laws (Honours) Degree from the National University of Singapore and is a member of the Singapore Institute of Directors.

**Mr Ajay Kumar Jain**
Independent Director

Appointed to the Board on 12 June 2023, Mr Jain is the Chairman of Remuneration Committee and a member of the Audit and Risk Management Committee. Mr Jain was last re-elected as Director on 26 April 2024. Mr Jain is due to retire by rotation at the forthcoming AGM and will be seeking re-election as Director at the AGM.

Mr Jain has more than 25 years of experience in corporate and institutional banking, primarily at Standard Chartered Bank and Deutsche Bank. He is currently the head of corporate & institutional banking, Emirates NBD Bank, Singapore.

Mr Jain holds a Bachelor of Science degree from Punjabi University in India. Mr Jain is also a Chartered Accountant and a member of The Institute of Chartered Accountants of India. In April 2023, he completed Postgraduate Certificate in Sustainable Business (Value Chains) from the University of Cambridge.

**Mr Chong Weng Hoe**
Independent Director

Appointed to the Board on 1 December 2023, Mr Chong is the Chairman of Nominating Committee and a member of the Audit and Risk Management and Remuneration Committees. Mr Chong was last re-elected as Director on 26 April 2024.

Mr Chong began his career at TUV SUD PSB Pte Ltd as an engineer before progressing to vice president (electromagnetic compatibility), and then to senior vice president (testing). He was appointed CEO in 2008, overseeing operations in ASEAN countries including Singapore, Malaysia, Thailand, Vietnam, Indonesia, and the Philippines. After stepping down as CEO in 2013, he continued as a director, supporting regional business development. Mr Chong currently holds the position of executive vice president, global head of service line for EMC (electromagnetic compatibility), at TUV SUD Asia Pacific Pte Ltd on a part-time basis. He also serves as an independent director for Bund Center Investment Ltd HC Surgical Specialists Limited, ISEC Healthcare Ltd and Hong Fok Corporation Limited.

Mr Chong has a Bachelor of Engineering (Electrical) from the National University of Singapore and Master of Business Administration (Accountancy) from the Nanyang Technological University of Singapore.

# KEY EXECUTIVES

**Mr Tan Kiang Kherng**
Chief Financial Officer

Mr Tan joined the Group in June 2002 as Financial Controller and is currently the Chief Financial Officer of the Company. He is also a non-executive non-independent director of CHO. He is responsible for all financial matters of the Group, including financial reporting, strategic financial planning, treasury and internal controls. Prior to that, Mr Tan was a senior audit manager with Ernst & 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 Wee Lee**
Managing Director
Baker Engineering Pte. Ltd.
Sea Deep Shipyard Pte. Ltd.
Sea Hercules Cranes Pte. Ltd.

Mr Tan joined the Group in October 2013 as the Managing Director of Baker Engineering Pte. Ltd. ("Baker Engineering"). In October 2018, Mr Tan was further appointed Managing Director of Sea Deep Shipyard Pte. Ltd. ("Sea Deep") and its wholly owned subsidiary, Sea Hercules Cranes Pte. Ltd. Mr Tan is responsible for Baker Engineering and Sea Deep Group's overall management and operations.

Mr Tan began his career in Keppel FELS in 1995 and joined PPL Shipyard Pte. Ltd. in 1998, leaving in 2008 as a Project Manager. Prior to joining the Group, he was the general manager of a private chinese shipyard and the managing director of the Singapore subsidiary.

Mr Tan holds a Bachelor of Engineering Degree (Electrical Engineering) from Nanyang Technological University Singapore.

**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 is responsible for upholding successful company operations, implementing business strategies, fostering external business relationships and driving the company's profitability.

He joined CHO as Director of Business Development in February 2017. Mr Lim was promoted to VP of Business Development & 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 ("OSV") and Offshore Accommodation MODUs. He has extensive knowledge and contacts in the OSV industry and prior to joining CHO Group, 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.

# GEOGRAPHICAL PRESENCE

# SUSTAINABILITY REPORT

## OUR YEAR IN SUMMARY

### No major breaches of voluntary codes or non-compliance with environmental laws or regulations

We do not produce, import or export any ozone-depleting substances or generate any $NO_x$ or $SO_x$ through our operations

### We have implemented multiple trainings, initiatives, processes and strategies

to address our Economic, Environmental, Social and Governance material factors

### Winner of Most Transparent Company Award (Energy)

organised by the Securities Investors Association of Singapore

### Maintained

**0** work-related fatalities across our operations

**0** reportable incidents for Sea Deep Shipyard Pte. Ltd. in FY 2024

**0** breaches in privacy or loss of personal data

**0** breaches in ethics and governance

**0** incidents of discrimination and harassment in the workplace across all our operations

**0** reportable incidents of corruption with a strong compliance record

As part of the phased implementation of our sustainability strategy we have been tracking our

### Scopes 1, 2 and 3

energy usage and emissions since 2022

Baker Engineering renewed its

### ISO 3834-2:2005 to ISO 3834-2:2021

which includes carbon steel, stainless steel and duplex stainless steel fabrication

### Best Risk Management Award

(Companies with less than $300 million in market capitalisation) at the Singapore Corporate Awards

Maintained

### gender diversity

on the Board since 2013

We are incorporating

## 11

of the United Nations Sustainable Development Goals as a supporting framework

# 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. As a responsible manufacturer and provider of specialised marine offshore equipment and services to the oil and gas and renewables sectors, we are committed to taking steps to address climate-related risks while seizing climate-related opportunities.

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. To this end, the Board has set EESG related topics as a regular agenda at Board meetings.

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 the Group and the stakeholders and consider and review material topics and boundaries. In addition, they monitor all feedback channels from key stakeholders which comprises our employees, shareholders, investors, suppliers and customers so as to be better informed in the formulation/review of the Group's sustainability strategy. Management, together with our Environmental Management System Committee ("**EMS Committee**"), is responsible for the implementation and integration of sustainability initiatives into our daily operations.

# SUSTAINABILITY REPORT

## ABOUT THE REPORT

This Sustainability Report ("**Report**") covers the sustainability performance of the Group for the financial year ended 31 December 2024 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 in 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 internationally recognised and relevant for all our stakeholder groups. The GRI Content Index can be found on pages 52 to 55 of this Annual Report. This Report also takes into account the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**") and the Singapore Exchange-ST Listing Rules 711A, 711B and Practice Note 7.6 Sustainability Reporting Guide. As part of our phased approach, this year, we are also supporting the achievement of the United Nations Sustainable Development Goals ("**SDGs**") and have incorporated 11 of the SDGs as a supporting framework. During the course of 2025, we will make preparations to incorporate the climate-related requirements in the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("**ISSB**") for our next sustainability report for financial year ending 31 December 2025.

The boundary of this Report is determined by the operational control approach under the Greenhouse Gas ("**GHG**") Protocol and includes Baker Technology Limited ("**Baker Tech**"), Baker Engineering Pte. Ltd. ("**Baker Engineering**"), Sea Deep Shipyard Pte. Ltd. ("**Sea Deep Shipyard**") and Sea Hercules Cranes Pte. Ltd. ("**Sea Hercules Cranes**"). Our other listed subsidiary, CH Offshore Ltd. ("**CHO**"), is not included in this Report as it publishes its own sustainability report. Our liftboat, the Blue Titanium, which is managed by CHO, is also excluded in this Report but is included in CHO's sustainability report. We account for Scope 1 and Scope 2 (as defined by GHG Protocol) emissions from operations over which we have operational control. Notwithstanding the exclusion of CHO and Blue Titanium herein, it should be noted that the Group's consolidated financials do however include CHO and BT Titanium Pte. Ltd. which owns the Blue Titanium.

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, Moore Risk Management Pte. Ltd. on a cyclical basis, as part of their internal audit plan.

As part of our sustainability efforts, we will continue with electronic transmission of our Annual Report, and related Appendices (in relation to the share buyback mandate and proposed adoption of the Baker Tech employee performance share plan) which are published on the Group's corporate website at **www.bakertech.com.sg**. We sincerely hope that Shareholders will continue to support our sustainability efforts towards environmental conservation and to reduce cost and increase operational conservation by embracing electronic communications. We welcome constructive feedback and suggestions from our stakeholders on ways to improve our sustainability efforts at **SR@bakertech.com.sg**.

# 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 varying engagements throughout the year for the different stakeholder groups as they provide valuable inputs towards determining our material focus areas.

By identifying and managing positive impacts and concerns raised by our stakeholders, we are better able to refine our sustainable goals. The following outlines the key topics of interest and engagement methods for each stakeholder group.

| KEY STAKEHOLDERS | FORM OF ENGAGEMENT | KEY TOPICS | OUR COMMITMENT |
|---|---|---|---|
| Internal<br>**EMPLOYEES** | • Staff memos and emails<br>• Staff meetings<br>• Training and development programmes<br>• Performance appraisals<br>• Health and wellness programmes<br>• Safety briefings<br>• Regular gatherings<br>• Compensation and benefits framework<br>• Employee survey | • Staff memos and emails<br>• Mental welfare and well-being<br>• Career and personal development<br>• Employee engagement<br>• Employee benefits and compensation<br>• Occupational health and safety<br>• Diversity and equal opportunity | We are focused on providing equal opportunities and fair compensation and benefits. We provide clear policies and procedures to serve as a guide for our employees. As part of protecting employees' mental and physical health and well-being, we continue to prioritise occupational health and safety and also provide learning and career development opportunities. |
| External<br>**COMMUNITY AND ENVIRONMENT** | • Community outreach initiatives<br>• Donations<br>• Environmentally focused activities experience<br>• Internship programme | • Stakeholder engagement<br>• Corporate social responsibilities<br>• Social development internship | We continue to engage local communities by supporting various non-profit charitable causes and other organisations to better improve the lives of people in the communities around us. We also carry out our operations in a responsible manner to contribute to environmental sustainability.<br><br>We are committed to providing training opportunities to students to develop long-term interest in the oil and gas and renewables sectors and for the possibility of employment offers to suitable candidates. |
| External<br>**CUSTOMERS AND BUSINESS PARTNERS** | • Teleconferences and email<br>• Meetings<br>• Corporate website<br>• Business development events<br>• Audits<br>• Customer satisfaction surveys | • Quality management<br>• Health and safety compliance<br>• Solutions to address customers requirements<br>• Environmental compliance | We strive to develop and maintain long-term relationships with our customers by providing reliability, on-time delivery, high quality, customisation and solutions to fulfil their requirements and maximise customer satisfaction. We are committed to providing prompt responses to enquires and feedback. |

# SUSTAINABILITY REPORT

| KEY STAKEHOLDERS | FORM OF ENGAGEMENT | KEY TOPICS | OUR COMMITMENT |
|---|---|---|---|
| External<br>**GOVERNMENT AND REGULATORS** | • On-going communication with relevant authorities<br>• Teleconferences and email<br>• Meetings and forums<br>• Surveys<br>• Inspections/site visits<br>• Audits | • Regulatory and legal procedures and practices<br>• Investment opportunities<br>• Environmental compliance<br>• Timely reporting | Compliance with regulatory and legal procedures and practices is of critical importance. We ensure timely transparent disclosure, responses and adaptation to new or revised requirements and to surveys and requests for feedback.<br><br>We adopted the Approved Code of Conduct in relation to Chief Executives' and Board of Directors' Workplace Safety and Health duties which was issued in 2022. |
| External<br>**SUPPLIERS AND CONTRACTORS** | • Perform assessment and continuous monitoring of key suppliers and contactors<br>• Meetings<br>• Teleconferences and email | • Business relationships and ethical business practices<br>• Fair and equal treatment<br>• Responsible procurement practices<br>• Environmental compliance<br>• Service excellence | To be sustainable, we work hand in hand with our suppliers and contractors and together, we establish strong rapport and long-standing relationships built on mutual trust and integrity. We support our suppliers and contractors to enable them to provide competitive pricing for good quality products and also to abide by our Group's policies and procedures. |
| External<br>**SHAREHOLDERS AND INVESTING COMMUNITY** | • Annual reports<br>• General meetings<br>• Websites and SGXNET announcements | • Economic performance, corporate governance and business strategy | To develop confidence and trust in our Group, we ensure accurate and transparent disclosure of the Group's business developments to shareholders and the investing community on a timely basis. All financial results and announcements are published on SGXNET and the Group's website at **www.bakertech.com.sg**. We seek to address shareholder queries in accordance with prevailing regulations. Each operating subsidiary within the Group has its own website focusing on its unique company profile, ongoing projects and operations. |

The Group is committed to promoting effective and open communication with all stakeholders whilst ensuring consistency and clarity of disclosure at all times. At Baker Tech, we actively engage our stakeholders and the investing community by delivering timely communication of our financial performance and other corporate information. To achieve this, Baker Tech ensures that the Group's financial performance, business strategy and business developments are disseminated through a range of communication channels, including our Group website (**www.bakertech.com.sg**) which ensures investors have easy access to information on the Group so as to make better informed investment decisions. All stakeholders can reach out to the Group via the Contact Us pages on each company website or our dedicated investor relations email address (**investor_relations@bakertech.com.sg**). Our investor relations team also maintains an open channel to respond promptly to enquiries and feedback on a timely basis.

As a testament to our continued efforts in maintaining a high level of governance and transparency, we clinched the Most Transparent Company Award in the energy category organised by the Securities Investors Association of Singapore in 2023 and 2024.

With senior management spearheading the team and the Board providing oversight, Baker Tech will continue to maintain the highest standards of corporate governance and build on its good investor relations practices and transparency levels to safeguard the interests of all stakeholders.

### FINANCIAL CALENDAR 2025

| | |
|---|---|
| Announcement of FY2024 Second Half and Full Year Results | February |
| Publication of Annual Report and Annual General Meeting | April |
| Announcement of Half Yearly Results | July |
| End of Financial Year 2025 | December 31st |

## MATERIALITY ASSESSMENT
### GRI 3-1, 3-2

On an annual basis, the Group reviews its material topics to account for changes in the impact (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:

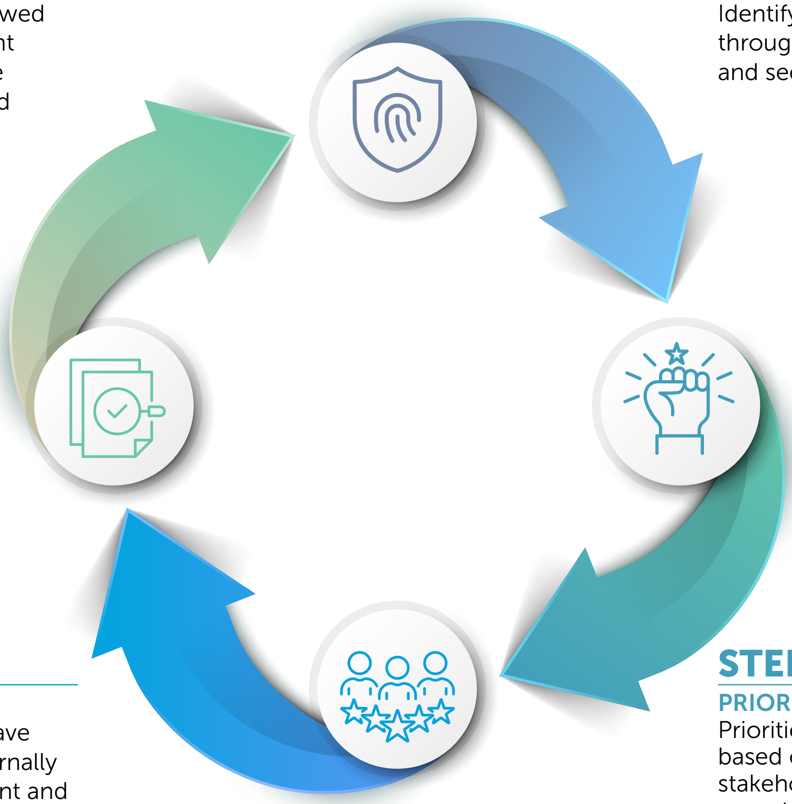
- **IDENTIFY:** Identify material topics through peer benchmarking and sector standards. Material topics should influence assessments and decisions of stakeholders and reflect the Group's significant economic, environmental, social and governance impacts
- **PRIORITISE:** Prioritise material topics based 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 & ASSESS:** Material topics are reviewed annually by the Management and the Board to ensure that they are current and relevant to the business

### STEP 01
**IDENTIFY**
Identify material topics through peer benchmarking and sector standards

### STEP 02
**PRIORITISE**
Priorities the material topics based on decisions of stakeholders, legal/regulatory aspects affecting the Group directly or indirectly and our sustainability goals

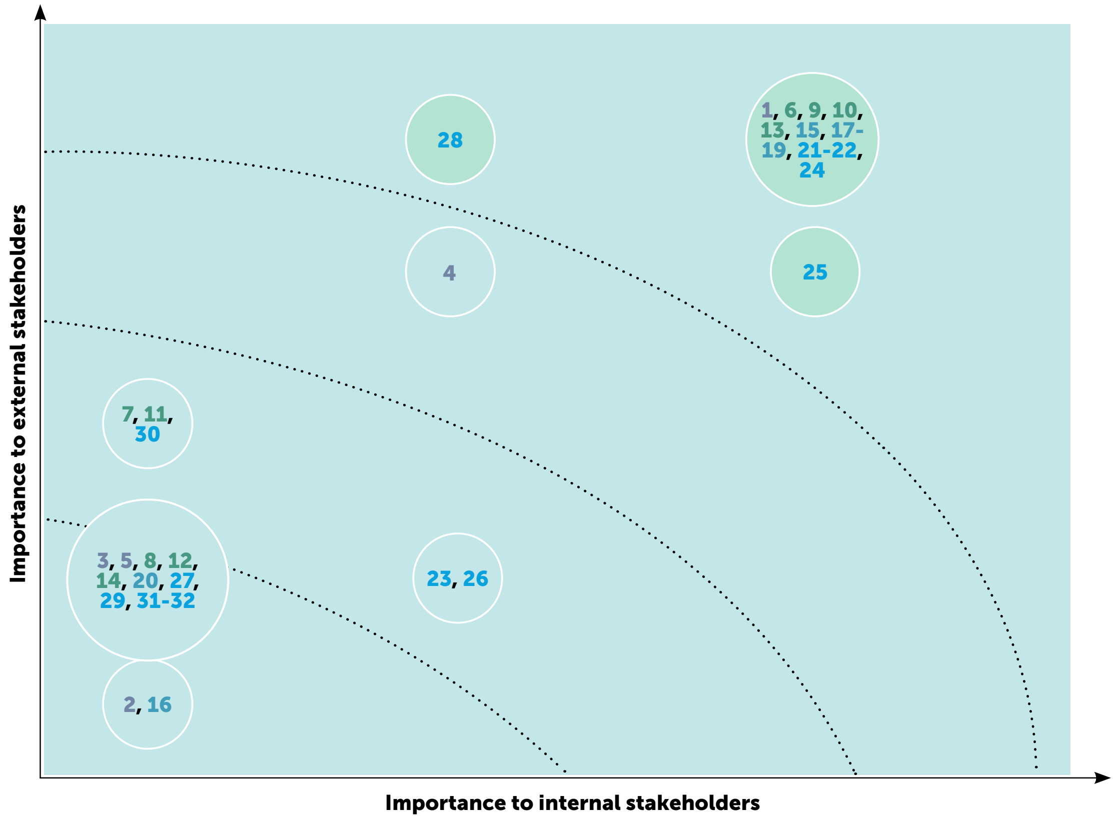
### STEP 03
**VALIDATE**
Material topics which have been prioritised are internally validated by Management and the Board

### STEP 04
**REVIEW & ASSESS**
Material topics are reviewed annually by Management and the Board to ensure that they are current and relevant to the business



# SUSTAINABILITY REPORT

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 shaded 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.




**ECONOMIC**
1. Economic performance
2. Market presence
3. Indirect economic impacts
4. Procurement practices
5. Tax

**GOVERNANCE**
15. Anti-corruption
16. Anti-competitive behaviour
17. Cyber security and data protection
18. Whistleblowing
19. Risk management
20. Public Policy

**ENVIRONMENT**
6. Energy
7. Water and effluents
8. Biodiversity
9. GHG emissions
10. Waste
11. Supplier environmental assessment
12 Materials
13. Climate adaptation, resilience and transition
14. Air emissions

**SOCIAL**
21. Human rights
22. Employment
23. Labour management relations
24. Occupational health and safety
25. Training & education
26. Freedom of association
27. Security practices
28. Local communities
29. Supplier social assessment
30. Customer health & safety
31. Marketing & 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 |
|---|---|---|---|
| ECONOMICS | Economic Excellence | • Economic performance | 201-1 to 201-4 |
| ENVIRONMENT | Environmental Sustainability | • Task Force on Climate-Related Financial Disclosures | |
| | | • Energy | 302-1 to 302-4 |
| | | • Emissions | 305-1 to 305-7 |
| | | • Waste | 306-1 to 306-5 |
| SOCIAL | People Focus | • Employment | 401-1 to 401-3 |
| | | • Training and Education | 404-1 to 404-3 |
| | | • Diversity, Equal Opportunity and Non-discrimination | 405-1 |
| | | • Non-discrimination | 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 | 205-1 to 205-3, 415-1 |
| | | • Code of Conduct | 2-15 |
| | | • Whistleblowing | 2-16, 2-25, 2-26 |
| | | • Human Rights | 2-23 |
| | | • Risk Management | 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 2024 as indicated below:



| | |
|---|---|
| Chairman's Message | Page 6 |
| Financial Review | Page 9 |
| Five-Year Financial Highlights | Page 12 |
| Compensation, Benefits and Engagement | Page 44 |
| Risk Management | Pages 32 & 51 |
| Financial Contents | Page 74 |



In FY2024, the Group received over $60,000 in financial assistance from the Singapore government, comprising amongst others, Progressive Wage Credit Scheme, Global Ready Talent Programme and government regulated leave benefits (including childcare leave).

# SUSTAINABILITY REPORT

## 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

Baker Tech's Board of Directors and Executive Officers determine and monitor the material EESG factors and oversee climate-related risks and opportunities as part of our Enterprise Risk Management and strategy process. The Board reviews on an annual basis the Group's strategy and budget including climate-related issues. Sustainability is now de rigueur as part of the agenda for the quarterly Board meetings. Material EESG topics are regularly reviewed to determine relevancy and updates on such EESG factors are provided by Management to the Board.

The EMS Committee comprises Management and sustainability champions from various departments within the Group, including quality assurance and control, health and safety and production. The role of the EMS Committee is 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 provide updates to Management on a regular basis. The EMS Committee meets twice a year to discuss sustainability initiatives and progress on such initiatives and may appoint third party vendors to assist in developing or advancing any aspect of the Group's sustainability strategy. The EMS Committee is supported by the Management Representative Committee ("**MRC**") which includes Management and departmental and section heads from across the Group. The MRC is responsible for matters relating to quality, environmental, safety and health of the Group and meets on a monthly basis to inspect the Group premises, discuss observations, issues and changes in regulations and execute the implementation of sustainability procedures amongst other activities.

### 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 EMS Committee, MRC and Management.

This year, we engaged a third-party consultant to facilitate a refresh of our climate-related risks and opportunities and incorporated qualitative scenario analysis to enhance our understanding of potential impacts. This was conducted in a workshop format, where Management and key heads of department collectively assessed our exposure to physical and transition risks under different climate scenarios, reviewed existing control mechanisms, and identified climate-related opportunities that align with our business strategy. The identified climate-related risks are evaluated based on their likelihood (across the short-, medium-, and long-term) and financial impact.

To guide our assessment, we have selected the following scenarios to assess physical and transition risks:

- Physical risks were evaluated using SSP5-8.5
- Transition risks were evaluated using NGFS Net Zero 2050

We have also identified timeframes for climate-related risks defined as follows:

- Short-term (1-3 years)
- Medium-term (3-5 years)
- Long-term (>5 years)

Each identified risk is assessed using a methodology aligned with the Group's latest enterprise risk management framework ("**ERM Framework**"), ensuring consistency with our overall risk governance practices. The risk ratings based on the defined time frames are included in the summary table.

### CLIMATE-RELATED RISK ASSESSMENT

#### Physical Risks

Baker Tech focused on the SSP5-8.5 scenario from the IPCC's Sixth Assessment Report and data from the World Resources Institute, as this scenario is expected to have the most significant impacts on physical risks. The SSP5-8.5 scenario reflects global temperatures rise above 4°C by 2100, leading to more intense extreme weather events, rising temperatures, and supply chain disruptions. These impacts could pose operational challenges, affecting our production workforce and yard operations, highlighting the need for resilience and adaptive measures. Our findings indicate that Baker Tech's shipyard and office buildings in Singapore (at 10 Jalan Samulun and 6 Pioneer Sector 1) are located close to the high-risk zones for riverine flooding. Although Baker Tech's assets may become more vulnerable to flooding during periods of heavy or prolonged rainfall, potentially leading to operational disruptions and rising property insurance premiums, the probability of such events occurring are small due to higher ground levels vis-à-vis high tide levels. Additionally, the increased frequency and intensity of extreme weather events such as thunderstorms could further impact our operations. Lightning hazards pose risks of electrocution and asset damage, while poor visibility during severe weather could affect fabrication operations.

In addition to acute weather events, rising mean temperatures could lead to heat stress among production employees working in our fabrication facilities and shipyards. According to Singapore's Third National Climate Change Study, the number of very hot days and warm nights is expected to rise significantly, potentially becoming a daily occurrence by 2100 under a high-emissions scenario (SSP5-8.5). Prolonged exposure to extreme heat could result in lower labour productivity and increased health and safety risks. Regulations from the Ministry of Manpower currently mandate that workers take a 10-minute break under shade every hour when temperatures exceed a specified threshold. This requirement can disrupt workflow and negatively impact overall productivity. The need to prioritise tasks during the cooler periods of the day could also lead to operational inefficiencies.

### Transition Risks

In evaluating the transition risks associated with climate change, we have identified several key factors that could impact our operations under the NGFS Net Zero 2050 scenario. This scenario is particularly relevant as it reflects the most ambitious global commitments to reduce greenhouse gas emissions and achieve carbon neutrality by 2050, which is likely to shape regulatory frameworks, market dynamics, and stakeholder expectations in the coming years.

A key transition risk is the shift in market behaviour from traditional fossil fuel to renewable energy requiring us to adapt our business strategies to meet changing expectations.

This transition could lead to a decrease in demand for traditional oil and gas-related equipment and services, which could impact our financial performance. However, this shift also presents a significant opportunity for us as our capabilities, knowledge base and skills in engineering, design, fabrication and project management are transferable to renewable projects such as offshore wind. Over the last few years, we have made our mark in fabricating equipment for the offshore wind market and continue to expand our target market. By staying attuned to market needs and evolving alongside our customers, we continue to be well-positioned to capitalise on emerging opportunities in renewable energy.

The enhanced emissions reporting obligations by SGX and other regulators require companies to adopt a more rigorous approach to measuring, reporting and verifying their GHG emissions. To comply with these evolving regulations, Baker Tech will need to invest in more robust data collection and reporting systems, leading to increased compliance costs.

| RISK | | | | | | POTENTIAL IMPACT | CONTROL MECHANISM |
|---|---|---|---|---|---|---|---|
| RISK RATING | | | SHORT-TERM | MEDIUM-TERM | LONG-TERM | | |
| PHYSICAL RISKS | Acute | Increased severity of extreme climate events, such as flooding and extreme heat days | | | | • While not directly located at the projected impact zones for coastal and riverine flooding, operations and facilities close to these areas may be more susceptible<br>• Potential delays in logistics and material transportation due to adverse weather conditions<br>• Outdoor steel fabrication (welding) activities may face higher risk of fire hazards<br>• Increased risk of heat stress for production employees | • Ensure that contracts have tight force majeure clauses to reduce our liability in such events.<br>• Enhance insurance coverage where economically feasible<br>• Diversify supplier base to enhance supply chain resilience against weather-related disruptions<br>• Monitor real-time weather conditions and communicate updates to the production team using the myENV app<br>• Educate employees on proper hydration and implement heat stress management measures in line with Ministry of Manpower's ("**MOM**") requirements |

# SUSTAINABILITY REPORT

| | | RISK | | | | POTENTIAL IMPACT | CONTROL MECHANISM |
|---|---|---|---|---|---|---|---|
| | | RISK RATING | SHORT-TERM | MEDIUM-TERM | LONG-TERM | | |
| PHYSICAL RISKS | Chronic | Rising mean temperature | | | | • Lower labour productivity and increased health and safety risks for production employees<br>• Prioritising work during cooler periods of the day may lead to operational inefficiencies | • Implement heat stress management measures and Wet Bulb Globe Temperature ("**WBGT**") monitoring in compliance with MOM's requirements<br>• Provide adequate shelters and cooling areas for workers<br>• Optimise work scheduling and implement a rotating work roster to minimise prolonged heat exposure |
| TRANSITION RISKS | Policy and Legal | Increased pricing of Greenhouse Gas emissions i.e. carbon tax | | | | • Singapore's upcoming carbon tax increases (\$50-\$80/t$CO_2$e by 2030) could lead to higher operational costs, particularly under a NGFS Net Zero 2050 scenario | • Carbon tax mainly targets heavy emitters. Impact is assessed to be low given Baker Tech's size of operations<br>• Monitor developments in Singapore's carbon tax policies |
| TRANSITION RISKS | Policy and Legal | Enhanced emissions reporting obligations by SGX and other regulators | | | | • Increased compliance costs due to investments in more robust data collection and reporting systems, as well as development of expertise and knowledge to meet the requirements | • Our Management team proactively monitors regulatory developments and provide updates to the Board as needed |
| TRANSITION RISKS | Policy and Legal | Mandates on and regulation of existing products and services | | | | • Stricter regulations on emissions and energy efficiency may lead to higher compliance costs and technology upgrade requirements | • Overall impact is assessed to be low, as we have the capabilities to source for sustainable materials to meet client requirements or comply with future regulatory mandates |
| TRANSITION RISKS | Technology | Transition to lower emission technology | | | | • Increased demand for low-emission solutions may render high-emission technologies in machinery and equipment design obsolete | • Explore lower-emission solutions in engineering where economically viable<br>• Monitor industry trends and market expectations to ensure product offerings align with evolving sustainability demands |

| | | RISK | RISK RATING: SHORT-TERM | RISK RATING: MEDIUM-TERM | RISK RATING: LONG-TERM | POTENTIAL IMPACT | CONTROL MECHANISM |
|---|---|---|---|---|---|---|---|
| TRANSITION RISKS | Market | Changing market behaviour | Low | Low | Medium | • Customer base shifting from traditional fossil fuel sectors to renewable energy industries, causing reduced demand for oil and gas related equipment and services | • Leverage existing expertise to capture opportunities in offshore wind and other renewable energy projects |
| TRANSITION RISKS | Reputation | Increased stakeholder expectations and scrutiny | Low | Low | Low | • Increasing scrutiny on sustainability practices could impact brand perception and business opportunities | • Maintain transparent EESG disclosures that align with regulatory requirements and industry practices<br>• Integrate climate risks and opportunities into overall business strategy to enhance resilience and stakeholder confidence |
| TRANSITION RISKS | Reputation | Heightened investor and financier expectations | Low | Low | Low | • Could limit access to capital, raise borrowing costs and affect funding opportunities | • Engage with investors and financiers to address EESG considerations and demonstrate alignment with market expectations |

Low   Medium   Medium-High   High

**CLIMATE-RELATED OPPORTUNITY ASSESSMENT**

| OPPORTUNITY | | INITIATIVES |
|---|---|---|
| **Resource Efficiency** | Use of more efficient production processes | • Optimised material usage through tailored engineering programs for nesting and cutting to minimise waste<br>• Reused scrap materials for fabrication and yard activities wherever feasible |
| **Energy Source** | Use of low-emission sources of energy/new technologies | • Planning to install solar panels for our new office building and workshops, which will cover a significant portion of our electricity usage (targeted for completion in 2026/2027) |
| **Products and Services** | Development of new products and services through innovation | • Assessing renewable project opportunities while maintaining a balanced portfolio between renewable energy and oil and gas projects<br>• Developing new equipment and vessel designs in response to industry needs and customer requirements |
| | Ability to diversify business activities | • Invested in workforce training for offshore wind project to enhance capabilities<br>• Expanded opportunities in offshore wind while assessing market demand and profitability |

By evaluating our climate-related risks and opportunities, we are better positioned to develop our long-term business strategy to manage such risks and maximise such opportunities to stay sustainable and competitive. As this is our inaugural climate-related scenario analysis exercise, we plan to conduct more in-depth assessments in the future to evaluate the resilience of our Group's business strategy against these risks.

# SUSTAINABILITY REPORT

### RISK MANAGEMENT

Climate-related risks are identified and assessed through our enterprise risk management framework ("**ERM Framework**"). Management and Executive Officers proactively and regularly review the business operations and the environment in which the Group operates in order to identify areas of risks and ensure mitigating measures are promptly developed to address these risks. Such risks would include climate-related 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 regularly reviews the key risks, both existing and emerging; determine the key owners for the risks identified; ensures risk mitigation actions are promptly and properly implemented; and ensures policies and controls are complied with. Management reports to the Audit and Risk Management Committee on the risk register on a half yearly basis. Appropriate mitigating actions in managing the key risks, as well as action plans to address the gaps are considered, documented and implemented to safeguard shareholders' interests and the Group's assets. In addition to managing climate-related risks and opportunities under the ERM Framework, our main operational subsidiary is certified to ISO 14001 Environmental Management Systems standard (which provides a framework for organisations to manage environmental aspects, fulfil compliance obligations and address risks and opportunities). External and internal environmental audits are conducted annually as part of the ISO 14001 assessment framework. 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. FY2022 was the first year that these metrics were tracked, thus forming the benchmark for future years to be compared against. 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 and 2 GHG emissions
- Selected Scope 3 GHG emissions (i.e. business travel, employee commuting)

## ENERGY AND EMISSIONS
### GRI 2-27, 302-1 to 302-4, 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 our EMS Committee, supported by our MRC and overseen by our Board of Directors. The MRC addresses the practical aspects of implementing environmentally friendly measures and initiatives. One of our main operating subsidiaries, Baker Engineering, is certified to ISO 14001 Environmental Management System standards and the principles and processes which stem from ISO 14001 are applied across the entire Group.

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 Climate 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 exception) at $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. The Group does not operate any taxable facilities and is therefore not subject to the carbon tax regime. As an SGX listed company, Baker Tech complies with SGX's mandatory climate-related reporting requirements which were instituted at the start of 2022. Such requirements were enhanced in 2024 to start incorporating the International Financial Reporting Standard ("**IFRS**") Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("**ISSB**") from FY2025 onwards. We have therefore started preparations to bring our sustainability reporting from FY2025 in line with the new requirements for sustainability disclosure aimed at capital market participants. 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.

As a continuation of our excellent track record, we had no major breaches of voluntary codes or non-compliance with environmental laws or regulations in 2024. We aim to work closely with all stakeholders and regulators to drive environmentally friendly initiatives to further improve our environmental performance.

From FY2022, as part of our sustainability strategy, the Group tracked its Scope 1 and 2 energy usage and emissions from activities over which we have operational control. The Group's energy usage comes from a mix of direct and indirect sources of energy whereby direct energy refers to fuel burnt by the Group for operational purposes and indirect energy refers to electricity purchased from utility companies. The Group currently does not consume any direct renewable energy but instead generates all its direct energy from diesel, liquified petroleum gas and acetylene. Our emissions are directly related to the amount of fuel burnt through the generation of electricity and other operational uses and private transportation. Process emissions and fugitive emissions are not relevant to the Group.

## ENERGY CONSUMED
## GRI 302-1

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Fuel from Non-Renewable sources (GJ)*[1]** | | | |
| Diesel | 2,489 | 1,253 | 1,372 |
| LPG | 958 | 371 | 331 |
| CNG | 38 | 0 | 5 |
| **Electricity consumed (GJ)[2]** | 6,380 | 3,822 | 3,746 |
| **Total Energy Consumed (GJ)** | 9,865 | 5,446 | 5,454 |

* Excluding acetylene
[1] WRI/WBCSD Greenhouse Gas Protocol Emission Factors for Cross Sector Tools (March 2017)
[2] Energy Market Authority

## SCOPE 1 AND SCOPE 2 GHG EMISSION
## GRI 305-1

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Scope 1 ($tCO_2e$)**[1]** | | | |
| Stationary | 207 | 83 | 94 |
| Transport | 42 | 34 | 30 |
| **Scope 2 ($tCO_2e$)[2]** | 719 | 442 | 429 |
| **Scope 3 ($tCO_2e$)[3]** Business Travel | 23 | 30 | 46 |
| Employee Commuting | 29 | 21 | 31 |
| **Total Scope 1 and Scope 2 GHG Emissions** | 968 | 559 | 552 |
| **Total Scope 3 Emissions** | 53 | 51 | 77 |

** Including acetylene
[1] WRI/WBCSD Greenhouse Gas Protocol Emission Factors for Cross Sector Tools (March 2017)
[2] Energy Market Authority
[3] World Resources Institute (2015), GHG Protocol tool for mobile combustion, Version 2.6

Operational control approach is used to identify the GHG emissions. The boundaries of our reported emissions currently comprise our operations in Singapore across our three yards. Energy conversion factors and GHG emission factors ("**EF**") were sourced from WRI/WBCSD Greenhouse Gas Protocol Emission Factors for Cross Sector Tools (March 2017). 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. Grid EF for Singapore was obtained from the Energy Market Authority. Scope 3 emissions were computed using the World Resources Institute (2015), GHG Protocol tool for mobile combustion, Version 2.6.

The Group consumed 1,708 GJ of Scope 1 energy and 3,746 GJ of Scope 2 energy through the activities conducted in all three of its yards in Singapore by both employees and sub-contractors in 2024. The total energy intensity, covering Scopes 1 and 2, was 227 GJ/$million revenue (vs 234 GJ/$million revenue in 2023) thus showing a 3% improvement in energy intensity. Acetylene which is used in our operations, has been excluded from the energy consumption data.

In terms of emissions, the Group's total direct emissions from the use of fuel was 124 $tCO_2e$ while the total indirect emissions from electricity use was 429 $tCO_2e$. The emissions from acetylene have been included in the consolidated emissions data. The total emission intensity, covering Scopes 1 and 2, was 23 $tCO_2e$/$million revenue (vs 24 $tCO_2e$/$million revenue in 2023 showing a 4% improvement in emissions intensity).

Apart from Scopes 1 and 2 emissions, the Group also initiated tracking of emissions outside of the Group in 2022, covering two categories i.e. business travel and employee commuting by company-hired third-party transportation. The Group's Scope 3 emissions from these two categories totaled 77 $tCO_2$ in FY2024, with an emissions intensity of 3.2 $tCO_2$/$million revenue. The increase in Scope 3 emissions were attributed to an increase in employee commuting as well as business travel and increase in our international client base and attendance at international conferences to enable face to face networking.

As for non-GHG air emissions, we do not produce, import or export any ozone-depleting substances or generate any $NO_x$ or $SO_x$ through our operations.

This is the third year that the Group is disclosing its energy consumption and emissions. The Group stands steadfast in its commitment to combat climate change and looks towards productivity solutions tailored towards reducing our energy intensity. We are exploring renewable energy sources in place of grid electricity across our yards and facilities in the next 3 years with the view of reducing our Scope 2 emissions by a target 50%. We strongly encourage the adoption of more energy efficient equipment with lower emissions when and where operationally and economically possible.

## WASTE MANAGEMENT AND DISPOSAL

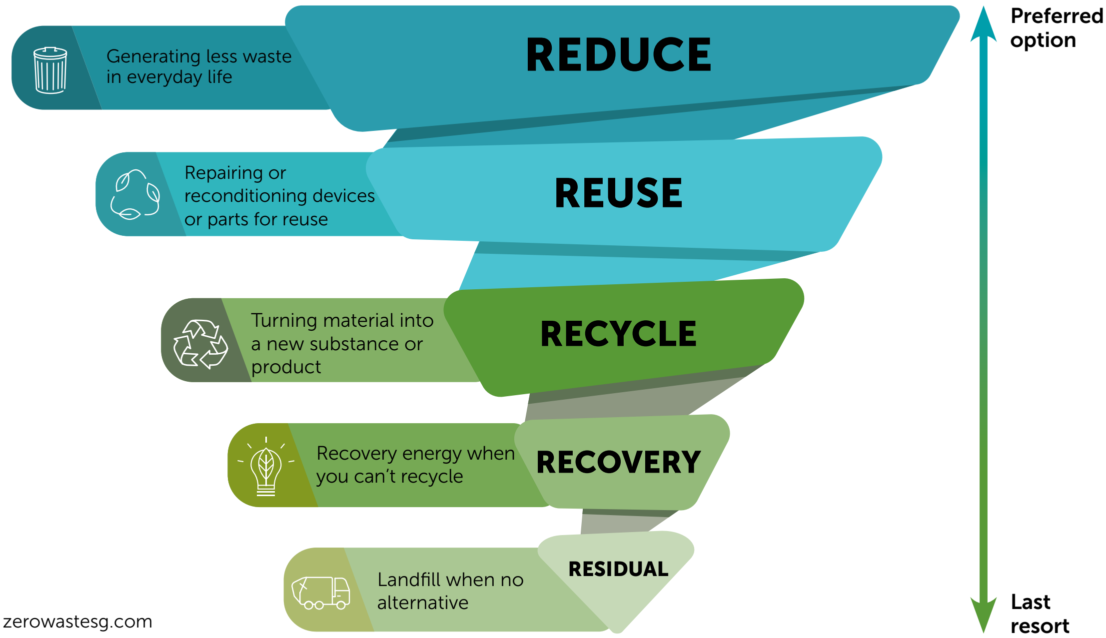
### GRI 306-1 to 306-5

Different types of waste, for example scrap steel, wooden pallets, empty containers, plastics etc, are generated from our yard operations. Scrap metal, empty containers and spent oil are outputs of our fabrication and commissioning activity while wooden pallets and plastics are generated when we receive deliveries. Our administrative activities also generate waste e.g. paper, ink cartridges, used personal protective equipment, plastic containers, etc. Risk assessments and procedures are implemented for the identification, handling and disposal of both hazardous and non-hazardous materials.

The Group adopts the 5Rs of responsible waste management hierarchy. We strive to minimise and optimise the use of raw materials so as to **REDUCE** waste generation. Operationally we focus on planning and scheduling so as to have optimal nesting and cutting plans that result in minimal wastage. Where possible, we **REUSE** industrial waste and scrap material like scrap steel and wooden pallets.

Further, waste which we cannot reuse but can have alternative purposes, we then **RECYCLE** them. This would include paper, clothes, empty drums (which can also be reused), plastic material etc. Timber material and waste are also disposed by authorised vendors who can **RECOVER** energy from such waste (e.g. via incineration) to further reduce wastage. Finally, where no further use can be obtained, responsible **RESIDUAL** disposal will be the option of last resort.

## RESPONSIBLE WASTE MANAGEMENT HIERARCHY




From zerowastesg.com

We endeavor to support various reuse and/or recycling programmes in Singapore by collecting paper, textile and e-waste from employees and work processes for donation and contribution to reuse and recycle causes. We also promote employee awareness on responsible consumption and the importance of effective waste management 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. In FY2024, the Group recycled 484 tonnes of operational waste mainly in the form of steel scrap and paper. The Group disposed of 192 tonnes of non-hazardous waste. We also recycled up to 202 kg of e-waste this year as part of our on-going recycling efforts.

In relation to hazardous waste, the Group is committed to minimising the use of hazardous materials to reduce the amount of hazardous waste generated. The bulk of such waste generated by the Group is in the form of empty paint containers and paint consumables used during fabrication activity. Such hazardous waste is handled, stored and disposed of to licenced toxic waste collectors in accordance with best practices and local regulatory requirements.

To further reduce paper wastage, we continued promoting the use of e-documents through better use of our Enterprise Risk Management System ("**ERP**"), cloud servers and other IT systems. In addition, we adopted a Visitor Management System to increase the efficiency of our security processes and also reduce the need for manual records.

We track our waste disposal via our ERP and also through internal processes when we participate in recycling exercises.

## TYPE OF WASTE GENERATED

| | AMOUNT | | | OUTCOME |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | |
| **Hazardous** | | | | |
| Paint containers ($m^3$) | 18 | 3 | 7 | The waste collector removes paint before recycling the metal paint cans |
| E-Waste (kg) | 117 | 0 | 202 | E-waste collected is sent for recycling on a yearly basis |
| **Non-Hazardous** | | | | |
| Steel Scrap (tonnes) | 473 | 425 | 483 | Recycled by waste vendor |
| Timber (tonnes) | 46 | 4 | 0 | Recycled by waste vendor |
| Paper (tonnes) | 0.73 | 1.23 | 0.76 | Recycled by waste vendor |
| General Waste (tonnes) | 163* | 171 | 192 | Incinerated |

* excludes information from one vendor who only started providing data from 2023

# SUSTAINABILITY REPORT

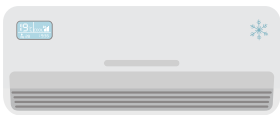
We are mindful of our impact on the environment and practise strict adherence towards all relevant environmental regulations. In the year of review, we have not noted any major breaches of voluntary codes nor non-compliance with environmental laws or regulations. We aim to work closely with all stakeholders and regulators to drive environmentally friendly initiatives to improve our environmental performance.

**We have achieved our target by having 0 significant spills since FY2023.**
Going forward, we aim to maintain this achievement

**Baker Tech recycled a total of 760kg in waste paper for 2024**
as compared to 1230kg in 2023 as part of our recycling initiative. Greater awareness, adoption of the paperless payroll system and move to online leave approval has significantly reduce our overall paper consumption for the year

We are committed to achieving energy efficiency in our yards.
**Since FY2022, we started exploring alternative energy sources in place of grid electricity across our different yards and facilities**

**Regularly serviced air-conditioning units are set to an optimum temperature to reduce electricity** usage and are automatically programmed to switch off after working hours. LED lightings and energy saving appliances are used to improve energy efficiency



We had no significant instances of non-compliance with laws and regulations (environmental and otherwise) and **no fines were incurred during the reporting period**

Promote eco-consciousness among our stakeholders and investment community by **publishing digital copies of our Annual Report and related Appendices instead of hard copies since FY2022**

We encourage all employees to be mindful of food waste and to minimise their packaging waste
**by advocating the use of reusable containers, cutlery, and water bottles**

We believe that everyone has a shared responsibility to make a difference.
**We increase conservancy awareness among employees through a series of eye-catching e-posters, emails and internal memos**

**Our vessels are equipped with waste management and disposal systems**
that ensure waste generated is disposed according to strict protocols

Waste bins in the mess hall (on our vessels) are separated into food waste (perishable items) and general waste.
**Waste bins on deck are divided into General waste bin, Scrap material bin and Special bin (battery bin and razor blade bin)**
Waste disposal is conducted onshore to avoid polluting the oceans

**Waste is segregated in our yards**
to promote reuse and recycling

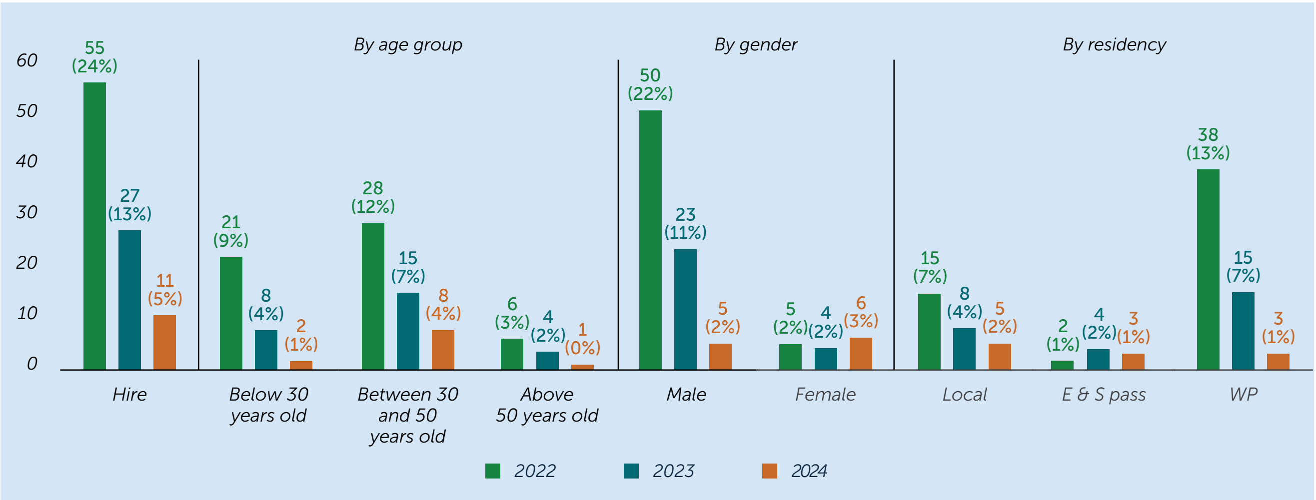
**Baker Engineering is an ISO 14001 certified company with prevailing environmental standards** which it adheres to. These standards are also applied throughout the Group's operations where relevant

# PEOPLE FOCUS

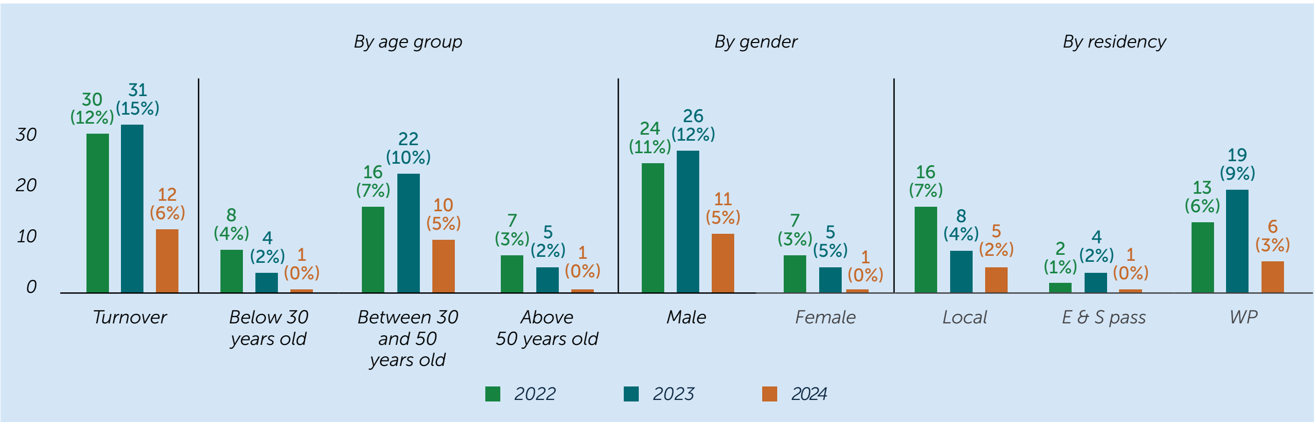
## POLICIES AND PROCEDURES
## GRI 401-1 to 401-3

At Baker Tech, we recognise that our employees are our most valuable asset and key to the long-term viability of our business. 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 to mental and physical health. The Group only employs full-time employees and all employees (both permanent and contract based) are entitled to the same benefits.

### TOTAL NUMBER AND RATE(%) OF NEW EMPLOYEE HIRES
### GRI 401-1




### TOTAL NUMBER AND RATE(%) OF NEW EMPLOYEE HIRES AND TURNOVER
### GRI 401-1




* Numbers are rounded to the whole number. Totals are calculated based on the original (not rounded) figures

# SUSTAINABILITY REPORT

Baker Tech continues to support and work closely with the Institute of Technical Education ("**ITE**") to provide internship placement opportunities to local students. A total of 3 local students from ITE were placed on internship in 2024. During their internship, the students were rotated through various departments with different job functions. This provided them the opportunity to experience real-life working conditions. The interns are excluded from the calculation of new hire and turnover.

During the course of FY2024, we had a number of employees (both male and female who were entitled to paternity and maternity leave respectively, of which some had taken paternity leave.

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| Entitled Males | 28 | 31 | 28 |
| Paternity Leave Taken | 4 | 2 | 0 |
| Entitled Females | 10 | 9 | 9 |
| Maternity Leave Taken | 2 | 1 | 0 |

| | 2022 | 2023 | 2024 |
|---|---|---|---|
| Return To Work Rate | 83 | 100 | 100 |
| Retention Rate | | 83 | 100 |

## DIVERSITY AND FAIR EMPLOYMENT PRACTICES

We welcome and value diversity in ethnicity, gender, religious beliefs, nationality, age, amongst others, in the workplace from Board level to the production floor. 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. We have maintained at least 1 female representation on our Board since 2013.

Our commitment to diversity and fair employment practices can also be seen in our hiring policies. The Group's human resource initiatives and policies are guided by the Group's ambitions to be a responsible employer of choice. Our daily operating procedures serve as a guide to govern all our employees in our daily operations and to develop and encourage a safe and healthy conducive working environment. We promote a fair playing field in our recruiting activities and as an advocate for fair employment practices, the Group adopted the Singapore Tripartite Standards and is a signatory of the TAFEP Employers' Pledge of Fair Employment Practices.

The Group's recruitment process is guided by its non-discriminatory hiring policy, which assesses solely based on merit focusing on candidates' qualifications, skills, aptitude, attitude and suitability for specific roles as well as the ability to contribute to the Company. Our HR policy prohibits any discrimination on the basis of nationality, age, race, religion, language gender or marital status.

As part of our hiring policy, we conscientiously recruit a highly competent and diverse group to establish long-standing working relationships built on trust and integrity.

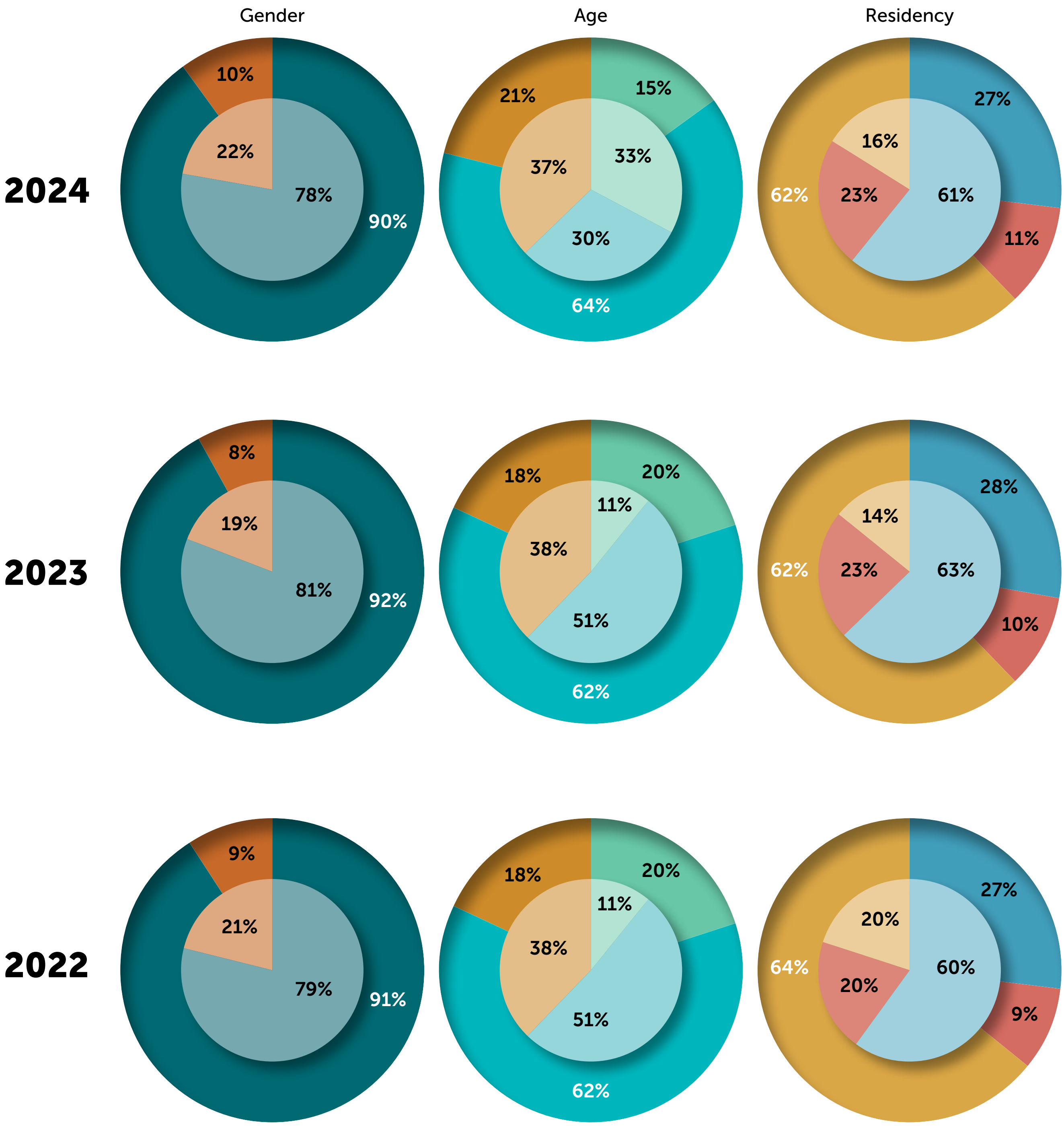
Our business prides itself in supporting employees with a strong sense of self-drive work ethic fostered in a harmonious work environment designed to enhance growth, creativity and efficient outcomes. We constantly welcome employees of different nationalities and facilitate interaction and understanding of their different cultures.

The Group also ensures that all employees are remunerated in an equitable manner, regardless of gender, age and residency status. Due to the small number of employees (excluding non-traditional source work permit holders), we are unable to provide representative ratios of basic salary and remuneration of women to men. However, gender is not a consideration when determining employees' or candidates' remuneration, rather experience, qualifications and capabilities are the main drivers. As at 31 December 2024, women comprised about 10% of our total workforce. Within our managerial ranks, female professionals occupied 15% of leadership positions.

The Group encourages older employees to continue working until such time as they choose to retire. We offer such employees the option of shorter working hours and modified job scopes where possible. As at the end of 2024, we have five employees above the current retirement age.

We have zero tolerance towards workplace discrimination and harassment and have achieved our target of zero incidents since we started disclosing our targets.

## DIVERSITY OF EMPLOYEES
## GRI 405-1




Inner circle - exclude NTS workers

Outer circle - include NTS workers

- Male
- Female

- Under 30 years old
- 30-50 years old
- Over 50 years old

- Singaporean and PR
- E pass and S pass holders
- Work permit holders

* Values may not add to 100% due to rounding

## 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 medical benefits and group insurance policies. In addition, our migrant worker community also enjoys other benefits including subsidised housing, medical care and flights for home leave. In line with the Ministry of Manpower's requirements, we have also purchased Primary Care Plans for our work permit and S-pass employees to cover outpatient care including annual basic health screenings, telemedicine, acute and chronic consultations etc.

With our sector being highly reliant on foreign workers, we are committed to protect and ensure that their safety and welfare are not compromised. We house our migrant community in clean and well-maintained dormitories which are equipped with a variety of recreational facilities and amenities. For their safety and convenience, we also provide transportation to ferry them to and from work. Our HR team together with our Health and Safety team conduct regular site visits to the dormitories to ensure clean and comfortable safe living conditions are being maintained in the dormitories. We also work closely with the dormitory managers to ensure that our dormitory rooms are well kept and well maintained. We strive to provide better welfare for our migrant community and this includes looking to further improve their living conditions in the dormitories.

Our migrant community is also reminded to stay active and to keep themselves healthy by having an adequate amount of sleep, maintaining good personal hygiene, eating a balanced diet and doing light moderate exercises. In appreciation of our migrant community, we gave necessities such as rice, cooking oil and fresh vegetables. Those who work under extreme heat conditions are occasionally provided isotonic drinks and isotonic drink powder sachets to ensure they stay hydrated throughout the day.

To further engage our employees and to support their mental well-being, the Group also facilitates and encourages employee engagement by 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. We maintain group chat rooms with our migrant community and ensure all employees have easy access to supervisors, managers, senior management and directors who provide a listening ear and help address concerns where possible.

In the year of review, we also surveyed a pool of our migrant employees to better understand and manage their mental health. This survey included aspects related to employee engagement including job satisfaction, happiness level at work and work stress management. From this survey, a large majority of the respondents were happy and satisfied with the safety of the work environment and their dormitory living conditions.

The Group also invests heavily in an extensive healthcare support system where our employees are entitled to healthcare insurance and both medical and dental benefits. We have contracts with several chains of clinics located around Singapore to provide outpatient treatment and all employees are eligible to seek outpatient treatment at such clinics.

As a Group, we are committed to provide better welfare and a conducive work environment for all our employees. In 2023, we implemented shortened working hours in addition to a five-day work week to promote a healthier work-life balance. This financial year, after a comprehensive review, the Group has also revised its annual leave policy in-line with industry norms to retain its competitive edge. Additionally, to help our office employees effectively manage their work commitments, personal and family responsibilities, we have recognised the benefits in providing flexible work arrangements ("**FWAs**") in line with the Tripartite Guidelines on FWAs. The Group adopted a FWA policy where employees can now easily request for FWAs when and where possible.

We also publish e-posters on health promotions or lifestyle recommendations to encourage employees to adopt healthy lifestyle choices. Social events were also held during festive seasons for Management and staff to gather over a meal and festivities.

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. In early 2025, our employee handbook was updated to reflect the changes in the maternity and paternity leave entitlements stipulated by the Ministry of Manpower.

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

At Baker Tech, we strive to provide an all-inclusive, diverse and holistic work environment where all our employees are given an equal opportunity to succeed. Lifelong learning, training and development programmes are made accessible across our workforce. The objectives of these training and development programmes are several-fold; to enable our employees to perform their roles from a regulatory perspective, to enhance their capabilities and performance, to develop additional skills for career advancement and to increase technical and sector knowhow to become more effective and knowledgeable.

Increasing employees' knowledge base has become more important as we digitalise more aspects of our Company's processes and so training for our employees is important to ensure that they can keep up with the pace of technology advancement. Employees are encouraged to attend both internal and external training programmes which empowers them to undertake different challenges and provides them with opportunities for career advancements. As a result of the pandemic, online webinars have become commonplace and continue to play a role in our employees' training as employees are encouraged to sign up for relevant webinars to meet new challenges and increase their knowledge base. On the job training is also a key focus within the Company both for new and existing employees. From FY2024, as a step towards more disclosure, we have included internal and external training hours and will provide a further breakdown in relation to the training hours as per the following table:

| Av. no. of training hours | Male | Female | Executives | Non-Executives |
|---|---|---|---|---|
| 10 | 10 | 10 | 27 | 7 |

As a meritocratic Company, we provide equal opportunities for promotion, compensation, development etc based on merit. Annual performance appraisals are conducted for all permanent and long-term contract employees. However, regular ongoing conversations between employees and supervisors are also encouraged to promote exchange of ideas and expectations and identification of relevant trainings.

## TOTAL WORKPLACE SAFETY AND HEALTH

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

To maintain and enhance the trust and confidence of our employees and other stakeholders, we place great importance on the health and safety of all our employees and have prioritised maintaining the highest standards of workplace health and safety. 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.

Our main operating subsidiaries, Baker Engineering, Sea Deep Shipyard and Sea Hercules Cranes are all ISO 45001 certified. All 3 subsidiaries are also BizSAFE Star Enterprises with Baker Engineering earning the BizSAFE Enterprise Exemplary Award in 2020 and 2018 at the Annual BizSAFE convention organised by Workplace Safety and Health Council.

We implemented Safety Management Systems ("**SMS**") in line with ISO 45001:2018. Our SMS, together with our Quality Management System (ISO 9001:2015) and Environmental Management Systems (ISO 14001:2015), form our Shipyard Management System. The Shipyard Management System undergoes annual audits as a part of the certification requirements. The SMS adheres to the requirements of the Workplace Safety and Health Act ("**WSHA**") and other relevant safety rules, regulations and requirements as set by local regulators. It applies to all activities on our premises from the office to the production yard. All personnel on our premises, including employees, visitors, subcontractors and crew have to abide by our SMS.

Our Workplace Safety, Health and Environment ("**WHSE**") committee is responsible for maintaining, reviewing, updating and implementing the SMS. Safety performance indicators (covering amongst others, policies and procedures, risk assessments, licences, statutory requirements) are reviewed regularly during WHSE meetings, and corrective measures, audits and management reviews and improvements are made to the system where required. Ad hoc reviews are also conducted if and when there is an incident onsite as we conduct investigations into the root causes of such incidents or when there are relevant incidents in other yards or vessels.

Within our SMS, we adopt Hazard Identification, Risk Assessment and Determining Controls to carry out a systematic, critical appraisal of all potential hazards involving personnel, equipment, services and operation methods, identification of existing safeguards available to control the risks due to the potential hazards and suggest additional control measures to reduce the risk to a level that is As Low As Reasonably Practicable.

All hazardous, critical and major operations for each department are reviewed weekly and also additionally on an ad hoc basis if required. Risk assessments according to a risk rating matrix are carried out on all activities on our premises from routine to non-routine, office-based to production yard, simple tasks to complicated activities. All personnel working in our yards have to submit risk assessments for their work including subcontractors and facilities vendors (e.g. lift maintenance vendors, pest control vendors). Control measures are adopted to reduce the numbers of people likely to be exposed to the risk, reduce the likelihood of an injury occurring due to the risk and reduce the likely severity of the injury that could result from the risk.

# SUSTAINABILITY REPORT

Our operations are closely monitored by our WHSE team, WHSE committee and also all supervisors, who consistently ensure all employees comply with the codes of practice and safety procedures as implemented. Our constant emphasis on promoting workers' health and improving workplace safety has resulted in relatively low numbers of accidents in our workplace and we will continue to uphold our mandate to target zero injuries and fatalities amongst our workforce.

To reinforce the importance of WHSE at the workplace, new employees attend a mandatory safety induction programme on their first day of employment. This safety induction programme covers workplace hazards, at-risk areas and the Group's safety procedures. Where relevant, new employees are also issued with personal protective equipment including safety boots, hard hat, safety glasses and ear plugs. In addition, all contractors and subcontractors working in our yards (as well as visitors and clients) are also required to undergo a mandatory safety induction training and yard familiarisation programme prior to commencing work. The safety induction and yard familiarisation programme covers safety aspects for our yards including yard layout, safety and emergency protocols. Our safe work procedures such as heat stress management and safe use of lorries have also been implemented since 2023. Safe work procedures and risk assessments are required to be in place prior to the start of any new projects and are constantly reviewed during various stages of project execution. To further protect our production-related employees from noise-induced hearing loss, in addition to hearing protection PPE, all at-risk employees also undergo annual audiometric tests conducted by a mobile medical unit with follow-up doctor consultations if hearing impairment is identified.

In addition to safety induction training, all contractors and subcontractors (as well as clients) are also required to undergo a mandatory security awareness training.

In addition to our WHSE induction and yard familiarisation training, some of our WHSE internal trainings, initiatives and promotions conducted in FY2024 included:

- Working safely at-height (including emergency familiarisation)
- Working safely in a confined space
- Operation and safety training for overhead cranes
- Diesel tank Company Emergency Response Team ("**CERT**") fire-fighting training
- CERT Fire-fighting training
- Fire warden and basic fire safety
- Fire evacuation familiarisation
- Personal protective equipment workwear
- Heat stress first-aid response
- Safety time-out and workplace survey

Any regulatory training and medical examinations required under the WSHA are also carried out by authorised external providers, where necessary.

*Working-at-Height Safety and Emergency Preparedness and Response (Rescue)*

In accordance with Ministry of Manpower WSHA legislation, we conduct daily tool-box meetings, Vessel Safety Coordination Committee ("**VSCC**") meetings and routinely inspect our safety equipment and all personal protective equipment. The objectives and scope of our VSCC include active monitoring of permit-to-work applications, issuance and validity of permits and certifications (such as hot-works, painting works lifting, pressure-test, confined space entry, work-at-heights etc), routine review and identification of hazards risks and control measures, proper coordination and job sequence as well as monitoring of critical high impact risk activities. Since 2023, the greater participation from our Security team in our daily VSCC meetings added valuable input to help coordinate and manage daily work activities as planned.

We regularly refresh the WHSE posters in multiple languages around our yards to ensure that all our employees are able to understand the safety requirements and are kept abreast of any WHSE updates.

In FY2023, we launched an online reporting feedback platform aptly named "iCARE" which is still being used today. All employees are encouraged to scan a QR code should they observe any workplace hazards, near-miss or dangerous occurrence or notice any good safety practices in our yards. Employees continue to use this reporting platform to share their feedback, safety concerns or ideas on yard improvement works.

Our WHSE team also organised quarterly Safety Awards to recognise and reward employees who demonstrated exemplary behaviour in workplace health and safety. This year, a new award category (WSH Innovation Award) was introduced to recognise employees who develop innovative solutions (eg processes or equipment) to help improve productivity while ensuring safety.

In addition to regular safety inspections undertaken by our WHSE team, we also conduct monthly safety walkabouts with key supervisory personnel (including the Managing Director, Yard Manager, Project Manager etc) and monthly safety meetings to discuss HSE, quality and sustainability issues. Since September 2023, members who were present during the safety walkabouts were encouraged to identify a hazard identification together with a positive observation. This initiative has helped employees develop a mindset of identifying unsafe activities or good practices.

Employees who identify unsafe activities or good practices onsite can raise such issues to their supervisors or the WHSE team as and when required, during safety walkabouts or during daily tool-box or VSCC meetings. Such employees also have the right to remove themselves from any activity if they deem it unsafe. Our Whistleblowing policy protects all whistleblowers (including employees) from any reprisals.

# WSH INNOVATION Q4 AWARD

## PRODUCT INVENTION

- "Bomb Bay Door" (for General Waste Bin)

## SOLUTION(S)

- Base of bin with an **engineered** design (with lock hinges, rollers) to **flip open/close** during general waste disposal via the use of forklift
- Negating the conventional way of tipping the bin into the Main skip, **mitigating the operator's exposure** to **manual handling** (riggings etc.)

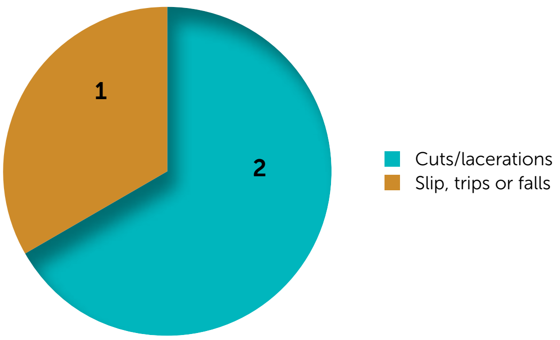

# SUSTAINABILITY REPORT

| | FY2022 | FY2023 | FY2024 |
|---|---|---|---|
| Number of man-hours worked | 583,020 | 504,304 | 462,158 |
| Number of fatalities | 0 | 0 | 0 |
| Number of high-consequence injuries | 1 | 0 | 0 |
| Total number of recordable injuries[1] | 8 | 1 | 3 |
| Fatality frequency rate | 0.00 | 0.00 | 0.00 |
| High-consequence injury frequency rate | 1.72 | 0.00 | 0.00 |
| Total recordable injury frequency rate | 13.72 | 1.98 | 6.49 |
| Accident Frequency Rate ("AFR")[2] | 13.72 | 1.98 | 6.49 |
| Accident Severity Rate ("ASR")[3] | 530 | 8 | 22 |

[1] Recordable injuries include fatalities, lost time injuries, restricted work injuries and medical treatment injuries receiving at least one day of medical leave
[2] Accident Frequency Rate = No. of MOM reportable accidents / Manhours worked x 1,000,000
[3] Accident Severity Rate = No. of man days lost due to MOM reportable accidents / Manhours worked x 1,000,000.

We have successfully maintained our target by recording zero fatalities and zero cases of property damage in the year of review. One of the Group's operating subsidiary, Sea Deep Shipyard, had also outperformed its work-related injury target by recording zero work-related injuries.

## TYPES OF REPORTABLE CASES IN FY 2024




An investigation is conducted after each incident to identify the root cause and an action plan is developed and implemented to address such root cause to prevent similar incidents from recurring. We also conduct safety stand downs to highlight key findings and new procedures where relevant and also to provide additional training if required.


Our WHSE committee, together with our supervisors, ensures compliance with the Workplace Safety and Health Act and other relevant safety rules, regulations and requirements as set by local regulators to foster an injury and risk-free workplace. Every employee must comply with safety practices and procedures implemented in our yards. We encourage input from our employees in relation to the workplace environment and also work processes as our objective is to ensure that our employees are able to work safely and efficiently without any short, medium or long-term health and safety issues.

On a regular and frequent basis, we conduct emergency drills in all of our yards. Such drills cover different scenarios including fire, performing first-aid, rescue and security issues (together with our security team as part of the International Ship and Port Facility Security Code) in conjunction with continuing health and safety emergency response protocols.

The Group's workplace safety and health protocols, practices, policies and compliance programmes are subject to both internal and external annual reviews and audits together with stringent checks by Management to ensure the safety and well-being of all our employees. The Board reviews and endorses the risk management strategies in relation to health, safety and environmental protocols. In addition, WHSE, together with sustainability, is part of the agenda at quarterly Board meetings.

### LOCAL COMMUNITIES

We stand committed to delivering long-term sustainable value with a positive impact to our society. As such, we have continued to be proactive in our philanthropic activities focused on helping the less fortunate and vulnerable families in Singapore.

The Group including its subsidiary CHO, came together to extend a helping hand to Food From The Heart. Volunteers took time out from their busy schedules to help sort and pack food items into goodie bags for distribution to sponsored schools, welfare homes and other programmes identified by Food From The Heart. The Group also donated thoughtfully curated food items through Food From The Heart to vulnerable individuals and families who face food insecurity.

We also continued to participate in Food From The Heart's Annual Toy Buffet 2024 by both the Group and its employees purchasing and donating over 200 toys for about 3000 underprivileged children in Singapore.

We owe our success over the years to the unwavering commitment of our employees backed by our local community which we operate in. We value the work and experience of our people, and will continue to invest in them and their well-being. To foster togetherness and camaraderie within our subsidiaries and amongst departments, a year-end themed party was organised. Making the party memorable was the Company's lucky draw which saw lucky employees walk away with many attractive prizes.


To promote eco-consciousness within the Group, we also encouraged employees to take part in our park clean-up activity. This activity helped create an understanding on how our own habits and actions can affect the cleanliness of our country and promoted the need to maintain a clean and healthy environment. We also continuously inspire our employees to take responsibility by keeping our work environment clean and green for all to enjoy by means of eye-catching posters and electronic memos.

To advocate an active and healthy lifestyle, our employees also organise sporting events and activities such as friendly futsal tournaments. These activities also engender teamwork and relaxation among our employees.

## RESPONSIBLE BUSINESS

### POLICIES AND PROCEDURES
### GRI 205-1 to 205-3, 2-15, 2-16, 2-23 to 2-26

Baker Tech is committed to conducting its business in accordance with the highest ethical standards and in compliance with all applicable laws and regulations. Key corporate policies including our Group Code of Conduct, Anti-Bribery and Corruption Policy, Gift and Hospitality Policy, Whistleblowing Policy, Personal Data Protection Policy and Human Rights Statement are provided to all new employees upon joining the Group. Critical aspects of each policy are covered during the orientation programme for all new employees and current employees are required to declare on an annual basis that they have read and understood all the policies. Since FY2022, on an annual basis, prior to providing their annual declaration of adherence to the policies, employees will undergo a refresher training on all corporate policies. Posters covering key elements of each of policy are also displayed around the yard.

# SUSTAINABILITY REPORT

Our human resource, health and safety and security policies support corporate policies where relevant. The policies are reviewed and updated as and when required. Key policies are approved by the Board and are also made publicly available on our Company website. For FY2024, the Group maintained a strong compliance record with zero reported cases of corruption and non-compliance to applicable law and regulations. We also achieved our target of zero breaches in ethics and governance and zero breaches of privacy or loss of personal data.

### CODE OF CONDUCT
### GRI 2-15

The Group Code of Conduct assists the Board, employees and company representatives in understanding their responsibilities better and provides guidelines for daily business operations to enable them to execute their duties and responsibilities to the highest standard of business integrity and also to be in accordance with applicable laws and regulations. The Code of Conduct sets out important working principles covering topics ranging from proper and ethical business and workplace conduct, conflicts of interest, insider trading, public representation of the Group, discrimination and diversity, maintenance of confidential information, workplace health and safety and regulatory compliance amongst others. Appropriate disciplinary action, including termination of employment, will be taken if an employee is found to have violated the Code.

### ANTI-CORRUPTION
### GRI 205-1, 415-1

We are committed to conducting our business and operations in an ethical, honest and professional manner. We adopt a zero-tolerance policy towards any form of bribery and corruption and are committed to acting transparently, fairly and with integrity in all our business activities and relationships. We have in place an Anti-Bribery and Corruption Policy which applies to all directors and officers, employees, contract workers (including crew), consultants etc and has clear prohibitions against bribery and corruption and, amongst others, covers scenarios in relation to conflicts of interest and the responsibility of each such party in relation to such conflicts of interest. The Anti-Bribery and Corruption Policy works hand in hand with our Group Gift and Hospitality Policy. Corruption risk has been identified through our Enterprise Risk Management framework and control measures have been put in place to address such risk. Operational activities which are of higher risk in relation to bribery and corruption are subject to internal audit and reviewed regularly. The effectiveness of our controls is also subject to internal audit and are also included as topics of conversation during board meetings, if required. In line with the Group's Anti-Bribery and Corruption Policy, we did not offer or provide any gifts, entertainment or donations to any political or government official in FY2024.

### WHISTLEBLOWING POLICY
### GRI 2-16, 2-25, 2-26

Our Group Whistleblowing Policy provides a channel through which stakeholders (including employees, clients and vendors) are able to raise their concerns in confidence regarding financial and non-financial matters without fear of retaliatory or obstructive actions. Such matters could be in relation to our Code of Conduct, Anti-Bribery and Corruption Policy or any other policy or issue as the case may be. All whistleblowing reports (if any) are received and investigated by the Independent Directors and senior management (where unrelated to such parties). During the year, there were no reports or concerns raised nor brought to the attention to the Independent Directors or Audit and Risk Management Committee.

## PERSONAL DATA PROTECTION POLICY

At Baker Tech, we 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 of the changes to the PDPA and are made aware of any corporate obligations and liabilities.

### HUMAN RIGHTS COMMITMENT
### GRI 205-1 TO 205-3, 2-15, 2-16, 2-23 TO 2-26

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.

## RISK MANAGEMENT
## GRI 201-2, 205-1

At Baker Tech, 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 Audit and Risk Management Committee and the Board, supported by Management and Executive Officers, reviews existing risks and considers changes and trends in the market environment as well as business operations to further enhance and build 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 RISKS

- Review Group's strategy and financial performance regularly to ensure continued liquidity
- Continue to explore new market opportunities for sustainable growth and development
- Adopt and practise a policy of collecting payment before delivery or an up-front collection of non-refundable deposits (where possible)
- 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 of excess foreign currencies to Singapore Dollar
- Closely follow impacts on supply chains from pricing of raw materials to freight costs to ensure more rigorous pricing for projects
- 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

### HEALTH AND SAFETY RISKS

- Cultivate safe-at-work habits and practices
- Raise awareness for certified in-house safety procedures and policies
- Attend regular training programmes and daily safety meetings and conduct safety promotions
- Conduct regular safety site walkabouts followed by WHSE meetings attended by WHSE committee members to review issues and opportunities for improvement, if any, and to highlight good safety observations
- Provide mandatory internal safety briefings and induction programmes and external competency training (where required) in addition to employee orientation programmes.
- Conduct periodic fire evacuation and security drills to ensure preparedness and cooperation during emergencies

### OPERATIONAL RISKS

- Maximise operational efficiency by sourcing of alternative sites to ensure continuity to fulfil customers' requirements in the event of yard closure due to force majeure events
- Diversify vendor, supplier and subcontractor base to reduce reliance on any given suppliers
- Identify vendors/suppliers local to our yards or 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
- Reduce reliance on manual foreign workers by adopting automation (where possible) and technology
- 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
### GRI 2-23

In addition to the Risks discussed on pages 32-35
- Raise awareness of climate risks and sustainability considerations amongst employees so that sustainability issues form part of strategic decision making in relation to procedures, asset purchases, facilities etc
- Identify alternatives to fuel burning sources of energy including solar power and batteries
- Purchase lower emissions and higher productivity equipment (where cost-effective)
- Increase market share within the renewables sector to increase revenue
- Widen customer base and knowledge within renewables sector
- Maintain a strong balance sheet to weather any climate-related impacts
- Increase automation to reduce reliance on foreign labour
- Educate employees on the importance of hydration to combat increase in temperatures
- Ensure that contracts have appropriate force majeure clauses to address possible extreme weather conditions

# GRI CONTENT INDEX

| | |
|---|---|
| Statement of use | Baker Technology Limited has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 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 organisation's sustainability reporting | 26 | |
| GRI 2-3 | Reporting period, frequency and contact point | 26 | |
| GRI 2-4 | Restatements of information | Not applicable | |
| GRI 2-5 | External assurance | 26 | Assurance |
| GRI 2-6 | Activities, value chain and other business relationships | 15-18 | |
| GRI 2-7 | Employees | 41 | |
| GRI 2-8 | Workers who are not employees | 41 | |
| GRI 2-9 | Governance structure and composition | 5, 19-22, 25, 56-64 | |
| GRI 2-10 | Nomination and selection of the highest governance body | 59-60 | |
| GRI 2-11 | Chair of the highest governance body | 61 | |
| GRI 2-12 | Role of the highest governance body in overseeing the management of impacts | 25, 32 | |
| GRI 2-13 | Delegation of responsibility for managing impacts | 25, 32 | |
| GRI 2-14 | Role of the highest governance body in sustainability reporting | 25, 29-32 | |
| GRI 2-15 | Conflicts of interest | 49-50, 56 | |
| GRI 2-16 | Communication of critical concerns | 49-50 | |
| GRI 2-17 | Collective knowledge of the highest governance body | 25, 57 | |
| GRI 2-18 | Evaluation of the performance of the highest governance body | 64 | |
| GRI 2-19 | Remuneration policies | 64-67 | |
| GRI 2-20 | Process to determine remuneration | 64-67 | |
| GRI 2-21 | Annual total compensation ratio | 64-67 | |
| GRI 2-22 | Statement on sustainable development strategy | 25 | Alignment with Frameworks |
| GRI 2-23 | Policy commitments | 49-51, 56, 70, 72-73 | |
| GRI 2-24 | Embedding policy commitments | 49-50, 56, 70, 72-73 | |
| GRI 2-25 | Processes to remediate negative impacts | 49-50 | |

| GRI Standard | Disclosure | Page Reference and Response | Alignment to SGX Core ESG Metrics |
|---|---|---|---|
| GRI 2-26 | Mechanisms for seeking advice and raising concerns | 49-50, 70, 72-73 | |
| GRI 2-27 | Compliance with laws and regulations | 24 ,37, 40, 50 | |
| GRI 2-28 | Membership associations | 27-28 | |
| GRI 2-29 | Approach to stakeholder engagement | 27-28 | |
| GRI 2-30 | Collective bargaining agreements | None of our employees are covered by collective bargaining agreements | |
| GRI 3-1 | Process to determine material topics | 29-31 | |
| GRI 3-2 | List of material topics | 29-31 | |
| **GRI 2: General Disclosures (2021)** | | | |
| **Economics: Economic Excellence** | | | |
| GRI 201 Economic Performance (2016) | 201-1: Direct economic value generated and distributed | 31 | |
| | 201-2: Financial implications and other risks and opportunities due to climate change | 31, 51 | |
| | 201-3: Defined benefit plan obligations and other retirement plans | 31, 44 | |
| | 201-4: Financial assistance received from government | 31 | |
| **Environment: Environmental Sustainability** | | | |
| GRI 302 Energy (2016) | 302-1: Energy consumption within the organisation | 32, 36-37 | Energy consumption |
| | 302-2: Energy consumption outside of the organisation | 32, 36-37 | |
| | 302-3: Energy intensity | 32, 36-37 | |
| | 302-4: Reduction of energy consumption | 32, 36-37 | |
| GRI 305 Emissions (2016) | 305-1: Direct (Scope 1) GHG emissions | 32, 36-38 | Greenhouse gas emissions ("GHG") |
| | 305-2: Energy indirect (Scope 2) GHG emissions | 32, 36-38 | |
| | 305-3: Other indirect (Scope 3) GHG emissions | 32, 36-38 | |
| | 305-4: GHG emissions intensity | 32, 36-38 | |
| | 305-5: Reduction of GHG emissions | 32, 36-38 | |
| | 305-6: Emissions of ozone-depleting substances (ODS) | We do not produce, import or export ODS or generate any $NO_x$ or $SO_x$ through our operations | |
| | 305-7: Nitrogen oxides ($NO_x$), sulphur oxides ($SO_x$) | | |
| GRI 306 Waste (2020) | 306-1: Waste generation and significant waste-related impacts | 32, 38-40 | Waste generation |
| | 306-2: Management of significant waste-related impacts | 32, 38-40 | |
| | 306-3: Waste generated | 32, 38-40 | |

# GRI CONTENT INDEX

| GRI Standard | Disclosure | | Page Reference and Response | Alignment to SGX Core ESG Metrics |
|---|---|---|---|---|
| | 306-4: | Waste diverted from disposal | 32, 38-40 | Waste generation |
| | 306-5: | Waste directed to disposal | 32, 38-40 | |
| **Social: People Focus** | | | | |
| GRI 401 Employment (2016) | 401-1: | New employee hires and employee turnover | 41 | Employment |
| | 401-2: | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 44 | |
| | 401-3: | Parental leave | 42, 44 | |
| GRI 404 Training and Education (2016) | 404-1: | Average hours of training per year per employee | 45 | Development and Training |
| | 404-2: | Programs for upgrading employee skills and transition assistance programs | 45 | |
| | 404-3: | Percentage of employees receiving regular performance and career development reviews | 45 | |
| GRI 405 Diversity and Equal Opportunity (2016) | 405-1: | Diversity of governance bodies and employees | 41-43, 60 | Board composition, management diversity, gender diversity and age-based diversity |
| GRI 406 Non-discrimination (2016) | 406-1 | Incidents of discrimination and corrective actions taken | Zero incidents of discrimination in the workplace across our operations | |
| **Social: Total Workplace Safety and Health** | | | | |
| GRI 403 Occupational Health and Safety (2018) | 403-1: | Occupational health and safety management system | 45-48 | Occupational Health and Safety Certifications |
| | 403-2: | Hazard identification, risk assessment and incident investigation | 45-48 | |
| | 403-3: | Occupational health services | 45-48 | |
| | 403-4: | Worker participation, consultation and communication on occupational health and safety | 45-48 | |
| | 403-5: | Worker training on occupational health and safety | 45-48 | |
| | 403-6: | Promotion of worker health | 45-48 | |
| | 403-7: | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 45-48 | |
| | 403-9: | Work-related injuries | 45-48 | |
| | 403-10: | Work-related ill health | 45-48 | |
| **Governance: Responsible Business** | | | | |
| GRI 205 Anti-Corruption (2016) | 205-1: | Operations assessed for risks related to corruption | 49-51 | Ethical Behaviour |
| | 205-2: | Communication and training about anti-corruption policies and procedures | 49-51 | |
| | 205-3: | Confirmed incidents of corruption and actions taken | 50 | |

| GRI Standard | Disclosure | | Page Reference and Response | Alignment to SGX Core ESG Metrics |
|---|---|---|---|---|
| GRI 201 Economic Performance (2016) | 201-2: | Financial implications and other risks and opportunities due to climate change | 31-35, 51 | |
| GRI 415 Public Policy (2016) | 415-1: | Political contributions | 50 | |

| Topic | Explaination |
|---|---|
| **GRI 11: Oil and Gas Sector 2021** | |
| Topic 11.3 Air emissions | None of our operations result in emissions of sulphur oxides, nitrogen oxides, particulate matter, volatile compounds, carbon monoxide and heavy metals. |
| Topic 11.4 Biodiversity | Our yards are located in specifically designated industrial areas and we fabricate equipment and vessels. Our operations do not involve any development of oil and gas assets and so our impact on biodiversity is limited. 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. |
| Topic 11.12 Forced labour and modern slavery | We operate in markets and with suppliers and customers in markets with high rates of enforcement of human rights. 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 | Our operations are in Singapore 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. Our shipyards are leased from Jurong Town Council. |
| Topic 11.17 Rights of indigenous peoples | Our operations are in Singapore where there are no indigenous people. |
| Topic 11.18 Conflict and security | Our operations are in Singapore and do not involve owning or operating oil and gas fields. Our yards are ISPS certified. |
| 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 not material. |
| Topic 11.22 Public policy | As a Singapore based public limited company with shipyards only in Singapore, our Group is governed by strict rules relating to public disclosure and policy. Further, our Anti-Bribery and Corruption Policy prevents contributions to political parties or persons. Consequently, this is not deemed a material topic. |

# CORPORATE GOVERNANCE REPORT

Baker Technology Limited (the "**Company**" or "**Baker Tech**") and its subsidiaries (collectively, the "**Group**") are committed to observing high standards of corporate governance and promoting corporate transparency, accountability and integrity to enhance long-term value for shareholders.

This report sets out the Company's corporate governance practices for the financial year ended 31 December 2024 ("**FY2024**"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**"). 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 are provided in the relevant paragraph of this report. The Company reviews its practices on ongoing basis, as and when required.

The Company recognises the importance of good corporate governance and of ongoing education and dialogue in the corporate governance space. To that end, the Company has sponsored a range of corporate governance events.

The Company has been placed on the SGX Fast Track programme since 2018. This programme was launched by Singapore Exchange Regulation ("**SGX RegCo**") in recognition of listed companies which have maintained a good corporate governance standing and compliance track record. Companies under this programme receive prioritised clearance on selected corporate action submissions to SGX RegCo.

The Company won the Best Risk Management Award in the market capitalisation under $300 million category at the Singapore Corporate Awards ("**SCA**") during FY2024. The SCA was launched in 2005 as the umbrella awards for exemplary corporate governance practices for listed companies in Singapore, jointly organised by Institute of Singapore Chartered Accountants, Singapore Institute of Directors ("**SID**") and The Business Times.

## (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 Company is headed by an effective Board which oversees the business affairs and performance of the Group. The Board also sets the Group's values and standards to ensure obligations to shareholders and other stakeholders are understood and met. Its primary functions include approving board policies, strategies and financial objectives of the Group and monitoring the performance of Management, considering sustainability issues as part of its strategy formulation, overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance and assuming responsibility for corporate governance with a view to achieving long-term success for the Group as well as to enhance the long-term value and returns to its shareholders. The Board delegates the formulation of business policies and day-to-day management to the Executive Directors.

### Provision 1.1 of the Code

In discharging their fiduciary duties, all Directors are expected to exercise objective judgement and make decisions in the best interest of the Group. A Director who is interested in a transaction or proposed transaction will declare his/her interest and abstain from deliberation and voting unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Directors facing conflicts of interest 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 Group Directors and employees to better understand the general principles relating to financial and non-financial conflicts of interest and in identifying, disclosing and managing conflict of interest situations. The Code of Conduct Policy and Procedures further serves 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 Group's interest and the promotion of transparency for the benefit of shareholders and ensures proper accountability within the Group. The Code of Conduct Policy and Procedures is available to the public via the Company's corporate website. In alignment with Section 156 of the Companies Act 1967, directors are required to disclose all directorships (irrespective if the companies are active or dormant as of the date of declaration), significant officer roles and memberships, as soon as is practicable.

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 has an orientation programme for newly appointed Directors where the Director will be briefed on the Group's industry, business operations, governance practices and expected duties of a director of a listed company. 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 SID 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.

There were no new Directors appointed during FY2024. Newly appointed Directors , if any, would receive an electronic induction pack containing information and documents relating to the Company's latest management accounts and analysis, annual report, governance policies and practices, board meeting calendar. They would be briefed by the Management separately on the Group's business activities, financial performance and key risk areas.

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, from time to time. 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 & Risk Management Committee ("**ARMC**") meetings, the external auditor will update the ARMC and the Board on new or revised accounting standards which are applicable to the Company or the Group.

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 FY2024.

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

## 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's performance towards achieving organisational goals;

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

(5) setting Group 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 strategy formulation;

(7) reviewing and approving corporate governance practices 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 in good faith and in the best interest of the Group to enhance the long-term value of the Group for its shareholders.

There is a formalised global 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 among others.

## Provision 1.4 of the Code

The Board is supported by three Board Committees, namely the ARMC, the NC and the Remuneration Committee ("**RC**"), each with its own specific terms of reference setting out the authority and duties of the Board Committees. All the terms of reference for the Board Committees are approved by the Board. 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

# CORPORATE GOVERNANCE REPORT

endorsements, the ultimate responsibility on all matters lies with the Board. The summary of the terms of reference of the respective Board Committees and other relevant information on the Board Committees can be found in the subsequent sections of this Corporate Governance Report.

### 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 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. The Company's Constitution provides for the convening of the Board and Board Committee meetings by way of telephonic, video conferencing or other similar means of communication.

The number of the Board and Board Committee meetings held and attended during FY2024 are set out as follows [(1)]:

| DIRECTORS | BOARD | | ARMC | | RC | | NC | |
|---|---|---|---|---|---|---|---|---|
| | 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 Lim Jun Xiong Steven [(2)] | 5 | 5 | 5 | 5[(5)] | 1 | 1* | 1 | 1* |
| Mr Chong Weng Hoe [(2)] | 5 | 5 | 5 | 5[(5)] | 1 | 1* | 1 | 1* |
| Mr Ajay Kumar Jain [(2)] | 5 | 5 | 5 | 5[(5)] | 1 | 1* | 1 | 1* |
| Ms Jeanette Chang | 5 | 5 | 5 | 5* | 1 | 1* | 1 | 1 |
| Dr Benety Chang | 5 | 5 | 5 | 5* | 1 | 1* | 1 | 1* |
| Mr Wong Meng Yeng [(3)] | 5 | 4 | 5 | 4[(5)] | 1 | 1 | 1 | 1 |
| Mr Tan Yang Guan | 5 | 5 | 5 | 5* | 1 | 1* | 1 | 1* |
| Mr Ang Miah Khiang [(4)] | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1* |
| Ms Han Sah Heok Vicky [(4)] | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 |

**Notes:**
(1) Refers to meetings held/attended while each Director was in office.
(2) Mr Lim Jun Xiong Steven, Mr Chong Weng Hoe & Mr Ajay Kumar Jain were appointed as members of ARMC, NC & RC on 1 March 2024. They attended meetings of board committees held prior to their respective appointment as invitees.
(3) Mr Wong Meng Yeng stepped down as a member of the ARMC and NC after the conclusion of the Annual General Meeting held on 26 April 2024 ("**AGM 2024**"). He attended ARMC meetings held after stepping down as an invitee.
(4) Mr Ang Miah Khiang and Ms Han Sah Heok Vicky retired immediately after the conclusion of AGM 2024.
(5) Attended as a mix of invitees and members.
* Attended as invitees.

### Provision 1.6 of the Code

Information and data are important to the Board's understanding and deliberation of the Group's business. Management's proposals to the Board and Board Committees for decisions provide background and explanatory information which include but are not limited to monthly management accounts and analysis, information on budgets, forecasts, cash flow projections and manpower statistics.

Prior to each meeting of the Board and Board Committees, Management will provide the Directors with the meeting agendas and the relevant materials relating to the matters to be discussed during the meetings, so as to facilitate an informed discussion. Board papers are, in general, distributed to the Directors at least seven days before the Board and Board Committee meetings so that the Directors have sufficient time to review them to formulate any questions they may have to allow the meetings to be more focused and efficient. As and when required, the Board would be briefed on prospective deals and potential developments at an early stage before formal board approval is sought. Whenever necessary, senior Management will be invited to attend the Board and ARMC meetings to answer queries from the Directors and members of the ARMC. The Directors have separate and independent access at all times to the Group's senior Management to address any enquiries or requests for additional information, if necessary.

If a Director is unable to attend a Board or Board Committee meeting, he/she will still receive all the papers and materials for discussion at that meeting. The relevant Director will 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.

Where a physical Board meeting is not possible, timely communication with members of the Board is effected through electronic means, which include electronic mail and teleconferencing. Alternatively, Management will arrange to personally meet and brief each Director before seeking the Board's approval on a particular issue.

From time to time, when necessary or required, Directors may engage beyond scheduled board meetings to deepen their understanding of the Group's operations and affairs. Such engagements, whether held individually or collectively, may involve discussions with other Board members, the Executive Director, the Chief Executive Officer ("**CEO**") and/or the Chief Financial Officer ("**CFO**").

### Provision 1.7 of the Code

The Board has separate and independent access to all levels of senior executives in the Group and the Company Secretary. The Company Secretary attends all Board meetings and her duties and responsibilities are clearly defined. The Company Secretary 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 minutes of all Board and Board Committee meetings are circulated by the Company Secretary to the respective Board and Board Committees. The appointment and removal of the Company Secretary are subject to the approval of the Board.

Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Directors, either individually or as a group, are entitled to take independent professional advice, where appropriate, with such expense borne by the Company.

## 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 has seven Directors comprising three Independent Directors, two Non-Executive Non-Independent Directors and two Executive Directors, namely:

| | |
|---|---|
| **Mr Lim Jun Xiong Steven** | Chairman, Independent Director |
| **Ms Jeanette Chang** | CEO, Executive Director |
| **Dr Benety Chang** | Executive Director |
| **Mr Tan Yang Guan** | Non-Executive Non-Independent Director |
| **Mr Wong Meng Yeng** | Non-Executive Non-Independent Director |
| **Mr Chong Weng Hoe** | Independent Director |
| **Mr Ajay Kumar Jain** | Independent Director |

### Provision 2.1, 2.2 & 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 business judgement in the best interests of the Group, is considered to be independent.

As announced by SGX RegCo in January 2023, the tenure of independent directors serving on the boards of issuers listed on the SGX-ST is capped at nine years.

As of the date of this report, none of the Independent Directors have served on the Board for more than nine years. The tenure of each Independent Director is monitored so that the process for Board renewal is commenced ahead of any Independent Director reaching the nine-year mark to facilitate a smooth transition and to ensure that the Board continues to have an appropriate balance of independence.

Following the nine-year cap imposed on the tenure of independent directors, the following Board renewal process took place in FY2024:

(i) Retirement of Mr Ang Miah Khiang and Ms Han Sah Heok Vicky at the conclusion of AGM 2024, having served on the Board for more than nine years; and

(ii) Re-designation of Mr Wong Meng Yeng from Independent Director to Non-Executive Non-Independent Director at the conclusion of AGM 2024; and

(iii) Change of Board Chair and Board Committees Chairs at the conclusion of AGM 2024 following the re-designation of Mr Wong Meng Yeng and the retirement of Mr Ang Miah Khiang and Ms Han Sah Heok Vicky as outlined above.

The NC determines on an annual basis, and as and when circumstances require, whether or not a Director is independent, taking into account the criteria given in the Listing Manual, the Code and guidelines pertaining to relationships. For the purpose of determining Directors' independence, every Independent Director has provided a declaration of their independence which is deliberated upon by the NC and the Board. After rigorous review and assessment, the NC is satisfied with the independence of the Independent Directors, namely Mr Lim Jun Xiong Steven, Mr Chong Weng Hoe and Mr Ajay Kumar Jain and concluded that all of them have at all times demonstrated independence in character and judgement in the best interests of the Company in the discharge of his/her director's duties and should therefore continue to be deemed Independent Directors. The NC is also satisfied that all the Independent Directors 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

# CORPORATE GOVERNANCE REPORT

Director's independent judgement. Mr Lim Jun Xiong Steven, Mr Chong Weng Hoe and Mr Ajay Kumar Jain did not take part in the review of their respective independence.

As at the date of this report, the Group is in compliance with Rule 210(5)(c) of the SGX Listing Manual with three Independent Directors (out of a total of seven Directors), thus providing a strong independent element on the Board, capable of open, constructive and robust debate on pertinent issues affecting the affairs and business of the Company and the Group. No individual or small group of individuals dominates the Board's decision-making process.

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.

### Provision 2.4 of the Code

The NC reviews the size and composition of the Board and Board Committees annually to ensure that the size of the Board is conducive to effective discussion and decision making and the Board has the appropriate number of Independent Directors. When there is a vacancy or a need for new appointments to the Board, the NC will select and recommend candidates based on their skills, experience, knowledge and diversity in terms of expertise. To ensure a smooth transition following (i) the retirements of Mr Ang Miah Khiang and Ms Han Sah Heok Vicky; and (ii) the re-designation of Mr Wong Meng Yeng's role to Non-Independent Non-Executive Director, both taking place after the conclusion of AGM 2024, the NC and Board made a strategic decision to increase the Board strength to nine members on a temporary basis. This decision reflected a commitment to maintain continuity and stability in governance during this period of change.

It also allowed for better integration of new members, ensuring that the Board maintained its effectiveness and diversity of perspectives throughout the transition process. Whilst acknowledging the contributions of all nine Directors during this interim period, the NC is of the view that the seven-member Board after AGM 2024 is well-balanced and appropriately sized for an effective governance framework that aligns with the evolving needs of the Group.

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 candidates of both genders 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. If it were the case that no Director on the Board is female, then within the course of a year, the NC will endeavour to appoint a female director to the Board. Currently one out of seven directors on the Board is female, which aligns with the Company's commitment to maintaining at least one female Director on the Board, underscoring the Group's dedication to gender diversity in terms of leadership structure.

One board member is from a racial minority group. The Board Diversity Policy does not set any specific target for ethnic diversity in the boardroom but the NC will work towards fostering and maintaining ethnic diversity within the board, where possible.

Although no specific targets have been set for boardroom age diversity, the Board currently comprises Directors spanning a wide age gap with ages ranging from 40s to 70s. This wide age gap among the Directors brings a rich diversity of perspectives and experiences allowing for more comprehensive oversight across various facets of the Group's operations (including risk management), contributing to the depth and breadth of the Board's expertise and decision-making and helps ensure that the Board's strategies remain relevant and responsive to evolving market conditions.

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 is of the view that its present size is appropriate, taking into account the nature and scope of the Group's operations. The present Board boasts a multifaceted composition, encompassing a wide range of core competencies such as in-depth expertise in the marine and offshore industry, proficiency in accounting, finance and banking, and a strong grasp of compliance and legal matters. Additionally, Board members bring substantial corporate organisation, operations and management experience, a keen understanding of regulatory requirements, and well-rounded knowledge of risk management and sustainability. This rich blend of skills and experiences significantly enhances the Board's capacity for effective decision-making, well-rounded governance, strategic and effective guidance and oversight for the Group.

The NC and the Board believe that geographical diversity is not necessarily a contributory factor for the Group's specific corporate structure and business model. Board members with international experience also bring global insights and perspectives regardless of their geographical origin.

The NC believes that there is an appropriate balance of industry knowledge, skills, background, experience, professional qualifications, age and gender on the Board, and is satisfied that the objectives of the Board Diversity Policy continue to be met. 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 are set out in the "Board of Directors" section on pages 19 to 21 and "Directors' Statement" section on pages 75 to 77 of this Annual Report.

### Provision 2.5 of the Code

The Independent Directors and Non-Executive Non-Independent Directors participate actively in the Board and Board Committees. They are encouraged to constructively challenge and help develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. To facilitate a more effective check on Management, they are encouraged to meet regularly and on an as need basis, without the presence of Management and any relevant feedback would be provided to the Board and/or Chairman, as appropriate. The Company also benefits from Management's access to its Directors, and vice versa, for guidance and exchange of views both within and outside the formal environment of the Board and Board Committee meetings.

In addition, the Independent Directors and Non-Executive Non-Independent Directors are free to request for further clarification and have independent access to the Management. If necessary, they may initiate meetings to address any specific matter involving any member of the Management.

## 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

There is a clear separation of roles and responsibilities of the Chairman and CEO to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

As at the date of this report, Mr Lim Jun Xiong Steven is the Chairman of the Board. Ms Jeanette Chang is the CEO of the Company. The Board Chairman and the CEO are not related to each other.

### Provision 3.2 of the Code

The Chairman provides leadership to the Board. He sets the meeting agenda in consultation with the CEO, promotes a culture of openness and debate at the Board as well as ensures effective communication with the shareholders. In addition, the Chairman encourages constructive relations within the Board and between the Board and Management to facilitate the effective contribution of Independent Directors and Non-Executive Non-Independent Directors in particular in order to promote high standards of corporate governance.

The CEO is responsible for the day-to-day management and business operations and execution of strategies and policies for value creation and to achieve the long-term sustainable growth of the Group, with the support of the Executive Director and the rest of the Management team.

### Provision 3.3 of the Code

Given that Mr Lim Jun Xiong Steven is an Independent Director, the position of Lead Independent Director is not required in line with the Code. As Independent Board Chairman, Mr Lim Jun Xiong Steven 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's responsibilities, as set out in its terms of reference approved by the Board, are to review and recommend candidates for appointment and Directors for re-appointment to the Board and the Board Committees, determine Directors' independence, evaluate performance of the Board as a whole, its Board Committees and the individual Directors, review of succession plans for Directors, in particular the appointments and resignations of the Chairman, CEO and Key Management Personnel and review Directors' training and continuous professional development programme.

All the Directors have fulfilled the requirement stipulated under SGX Listing Rule 720(7) to undergo training on sustainability matters as prescribed by SGX.

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

# CORPORATE GOVERNANCE REPORT

### Provision 4.2 of the Code

As at the date of this report, the NC comprises three Directors, majority of whom, including its Chairman, are Independent Directors. The members of the NC are Mr Chong Weng Hoe (Chairman of NC), Mr Lim Jun Xiong Steven and Ms Jeanette Chang. The NC maintains its view that the appointment of a Lead Independent Director would not be necessary given that the Chairman of the Board is an Independent Director.

### Provision 4.3 & 4.4 of the Code

The NC makes recommendations to the Board on all board appointments and re-appointments. The selection of suitable candidates is conducted through contacts and recommendations and where necessary, external consultants may be engaged at the Company's expense. In reviewing and recommending to the Board any new Director appointment, the NC considers the needs and requirements of the Board and evaluates the candidate's independence, competencies and suitability including age, gender, academic and professional qualifications, industry experience, number of other directorships, relevant experience as a director and ability and adequacy in carrying out required tasks. Candidates who are shortlisted after being interviewed by members of the NC are then assessed by the Board for approval and appointment.

The Constitution of the Company requires at least one-third of the Directors to retire from office by rotation, and all Directors shall retire from office at least once every three years. A retiring Director is eligible for re-election at the AGM. Any Director appointed to fill a casual vacancy or as an additional Director shall hold office until the next AGM at which he/she will be eligible for re-election. Each member of the NC shall abstain from deliberation in respect to his/her nomination as a Director.

The NC, with each NC member abstaining in respect of his own re-election, has recommended the nomination of Directors retiring under Article 110 of the Company's Constitution, namely Dr Benety Chang, Mr Tan Yang Guan and Mr Ajay Kumar Jain, for re-election at the forthcoming AGM. The Board has accepted the recommendations of the NC, and accordingly, Dr Benety Chang, Mr Tan Yang Guan and Mr Ajay Kumar Jain will be offering themselves for re-election. The details of Dr Benety Chang, Mr Tan Yang Guan and Mr Ajay Kumar Jain who will be seeking for re-election at the forthcoming AGM to be held on 28 April 2025 are set out on pages 149 to 157 of this Annual Report.

NC reviews each Director's contribution and performance (such as attendance, preparedness, participation and candour) annually, with reference to the results of the assessment of the performance of the individual Director by his/her peers and his/her tenure. NC makes recommendations to the Board for approval.

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 Rules of SGX-ST. The NC has reviewed the independence of the Directors and affirmed that Mr Lim Jun Xiong Steven, Mr Chong Weng Hoe and Mr Ajay Kumar Jain are independent and free from any relationship outlined in the Code, which may affect their independence. Each of the Independent Directors has also confirmed his/her independence.

### Provision 4.5 of the Code

The NC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards and have other principal commitments. As a guide, Directors should not have more than five listed company board representations. The internal guidelines are intended as a flexible advisory framework to guide views on effective time management and commitment, and as such are adaptable to the unique situations of each Director and circumstances and considerations of the Company. The NC recognises the diversity in the Directors' individual circumstances, including those with full-time vocations and various other responsibilities. In instances when a Director may exceed this guideline, the NC is committed to reviewing the specific circumstances resulting in such instances and if such Director is still deemed to be able to commit sufficient time to the Company and his/her experience and knowledge base are expected to contribute positively, then the NC will be flexible with such guideline, and ensure a balanced approach respecting the Director's existing commitments while upholding the high standards of governance and responsibility expected by the Company. The NC had reviewed and was satisfied that each Director has given sufficient time and attention to the affairs of the Company and has been able to discharge his/her duties as a Director of the Company.

In determining the ability of a Director to carry out his duties as a Director of the Company, the NC also takes into account the results of the assessment of the effectiveness of the individual Director and the respective Director's actual conduct on the Board.

There are currently no alternate Directors appointed to the Board.

All Directors to be re-elected have to be assessed and recommended by the NC before submission to the Board for approval. In recommending a Director for re-election to the Board, the NC takes into consideration the Directors' contribution and performance at formal meetings (such as attendance, preparedness, participation and candour) as well as in informal settings, such as informal discussions and interactions beyond the confines of the formal board meetings through the sharing of views, advice and experience to form a holistic understanding of each Director's impact and effectiveness.

**Key information regarding 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 LIM JUN XIONG STEVEN | 1 Dec 2023 | 26 Apr 2024 | **Present Directorship in Other Listed Companies:**<br>• Independent Director of Livingstone Health Holdings Limited<br>• Independent Director of Sinarmas Land Limited<br>• Independent Director of Riverstone Holdings Limited<br>• Independent Director of Cosmosteel Holdings Limited<br><br>**Other Present Principal Commitments:**<br>• Nil | • Emerging Towns & Cities Singapore Ltd.<br>• Mirach Energy Limited<br>• Keong Hong Holdings Limited<br>• Bund Center Investment Ltd |
| MS JEANETTE CHANG | 1 Sep 2013 | 26 Apr 2024 | **Present Directorship in Other Listed Companies:**<br>• Non-Executive Non-Independent Director of CH Offshore Ltd.<br><br>**Other Present Principal Commitments:**<br>• Nil | • Nil |
| DR BENETY CHANG | 5 May 2000 | 28 Apr 2023 | **Present Directorship in Other Listed Companies:**<br>• Executive Director of CH Offshore Ltd.<br><br>**Other Present Principal Commitments:**<br>• CEO of CH Offshore Ltd. | • Nil |
| MR TAN YANG GUAN | 5 May 2000 | 28 Apr 2023 | **Present Directorship in Other Listed Companies:**<br>• Nil<br><br>**Other Present Principal Commitments:**<br>• Nil | • Nil |
| MR WONG MENG YENG | 3 Jun 2010 | 26 Apr 2024 | **Present Directorship in Other Listed Companies:**<br>• Nil<br><br>**Other Present Principal Commitments:**<br>• Nil | • Multi-Chem Limited |
| MR AJAY KUMAR JAIN | 12 Jun 2023 | 26 Apr 2024 | **Present Directorship in Other Listed Companies:**<br>• Nil<br><br>**Other Present Principal Commitments:**<br>• Head - Corporate & Institutional Banking of Emirates NBD Bank, Singapore Branch | • Nil |
| MR CHONG WENG HOE | 1 Dec 2023 | 26 Apr 2024 | **Present Directorship in Other Listed Companies:**<br>• Independent Director of HC Surgical Specialists Limited<br>• Independent Director of ISEC Healthcare Ltd.<br>• Independent Director of Hong Fok Corporation Limited<br>• Independent Director of Bund Center Investment Ltd<br><br>**Other Present Principal Commitments:**<br>• Executive Vice President, Global Head of Service Line for EMC (Electromagnetic Compatibility) of TUV SUD Asia Pacific Pte Ltd (part-time) | • Singapore Paincare Holdings Limited<br>• Keong Hong Holdings Limited |

# CORPORATE GOVERNANCE REPORT

**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.**

### Provision 5.1 & 5.2 of the Code

The Company has in place a formal process for assessment of the effectiveness of the Board as a whole, and its Board Committees and each Director's contribution, including that of the Chairman, to the effectiveness of the Board. The NC's assessment of the Board's performance as a whole is conducted on an annual basis taking into account factors such as Board composition, conduct of meetings, corporate strategy and planning, risk management, measuring and monitoring performance, financial reporting and communication with shareholders.

The NC's assessment of the performance of the Board Committees is assisted by the self-assessment checklists completed by the ARMC, NC and RC.

The annual assessment of individual Directors by the NC considers, among others, each Director's commitment of time for meetings of the Board and Board Committees, participation, contribution and deliberation of issues at formal meetings as well as informal settings, such as informal discussions and interactions beyond the confines of the formal board meetings through the sharing of views, advice, and experience, knowledge and understanding of the major risk factors of the Company, interaction with fellow Directors, Management and other relevant parties and the Director's self-assessment. This evaluation process also serves to determine whether new members are required to be added to the Board or to seek the resignation of Directors.

The effectiveness of the Board Chairman is assessed by the NC Chair and member, namely Mr Chong Weng Hoe and Ms Jeanette Chang on attributes such as leadership, ethics and values, knowledge, interaction and communication skills.

The NC is of the view that the Board Chairman has been carrying out his role and duties as Chairman on the Board competently. Mr Lim Jun Xiong Steven had abstained from any discussion or voting in view of his role as Board Chairman. Areas of strength and recommendation, if any, for improvements will be identified by the NC and tabled to the Board for discussion and comment. Based on the NC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

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 has not engaged any external facilitator to conduct the performance evaluation of the Board, Board Committees and individual Directors. Where relevant and when the need arises, the NC will consider such an engagement.

## (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's principal responsibilities are set out in its terms of reference approved by the Board. These are to review and recommend a framework of remuneration for the Directors and Key Management Personnel and the specific remuneration packages including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits in kind of the Executive Directors and Key Management Personnel; and to ensure that the framework is competitive and sufficient to attract, retain and motivate the Directors to provide good stewardship of the Company and the Key Management Personnel to successfully manage the Company.

None of the RC members or Directors is involved in deliberations in respect of any remuneration, compensation or any form of benefit to be granted to him/her.

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

### Provision 6.2 of the Code

As at the date of this report, the RC comprises four Directors, a majority of whom are Independent Directors. As at the date of this report, the members of the RC are Mr Ajay Kumar Jain (Chairman of RC), Mr Lim Jun Xiong Steven, Mr Chong Weng Hoe and Mr Wong Meng Yeng.

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 Directors 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. For FY2024, no remuneration consultant was appointed to review the remuneration of Directors and Key Management Personnel.

## 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**

### Provision 7.1 & 7.3 of the Code

The Group's remuneration policy for Executive Directors and Key Management Personnel comprises a base/fixed salary, an allowance and a variable performance related bonus that is linked to the Company/Group and individual performance and designed to align the interests of the Executive Directors and Key Management Personnel with those of shareholders and other stakeholders to promote the long-term success of the Company. In setting remuneration packages, the Group takes into consideration the market and pay conditions within the industry as well as the Group's performance in the relevant financial year and individual performance. 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/or encouraging behaviour contrary to the Group's risk profile. These remuneration guidelines and considerations are designed to motivate the Executive Directors and Key Management Personnel to provide good stewardship of the Company and to successfully manage the Company over the long term.

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

The Executive Directors do not receive any Directors' fees. The RC reviews the remuneration of Executive 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 Company recognises the importance of motivating each employee towards the Group's long-term success and in this regard, Baker Technology Limited Employee Performance Share Plan ("**BTL EPSP**") will be proposed for shareholders' approval at the forthcoming AGM. BTL EPSP is designed to align the interests of the Group's employees with those of the shareholders, fostering a culture of shared success and long-term value creation. Details on BTL EPSP are set out in the Appendix B dated 11 April 2025.

### Provision 7.2 of the Code

Independent Directors and Non-Executive Non-Independent Director (save for Mr Tan Yang Guan) are paid Directors' fees which take into consideration the contribution, time and effort spent and responsibilities of these Directors. The Directors' fees comprise a basic fee and additional fees for appointment on Board Committees. The Independent Directors are not over-compensated to the extent that their independence may be compromised. Mr Tan Yang Guan is solely remunerated by way of consultancy fees for providing financial advice and overview to the Group.

The Directors' fee framework for FY2024 and FY2025:

| | FY2024 | FY2025 (Proposed) |
|---|---|---|
| Basic Fee for Board Members | $44,000 per annum | $44,000 per annum |
| Additional fee: | | |
| – Allowance for Board Chairman | 75.0% of Basic Fee | 75.0% of Basic Fee |
| – Audit & Risk Management Committee Chairman | 50.0% of Basic Fee | 50.0% of Basic Fee |
| – Audit & Risk Management Committee Members | 25.0% of Basic Fee | 25.0% of Basic Fee |
| – Remuneration/Nominating Committee Chairman | 25.0% of Basic Fee | 25.0% of Basic Fee |
| – Remuneration/Nominating Committee Members | 12.5% of Basic Fee | 12.5% of Basic Fee |

Shareholders' approval will be sought at the AGM of the Company on 28 April 2025 for the abovementioned payment of Directors' fees for FY2025.

Having reviewed and considered the variable components in the remuneration packages of the Executive Directors and Key Management Personnel, the RC is of the view that it is not necessary to institute contractual provisions to reclaim incentive components of remuneration from Executive Directors 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 Directors 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

The Directors' remuneration for FY2024 is set out below:

| NAME OF DIRECTOR | FEES ($) | SALARY, CPF & ALLOWANCE ($) | BONUS ($) | OTHER BENEFITS ($) | TOTAL ($) |
|---|---|---|---|---|---|
| Mr Lim Jun Xiong Steven | 92,328 | - | - | - | 92,328 |
| Ms Jeanette Chang [4] | - | 554,940 | 340,800 | 48,000[2] | 943,740 |
| Dr Benety Chang [4] | - | 654,870[3] | 391,200[3] | - | 1,046,070 |
| Mr Tan Yang Guan | - | - | - | 193,622[1] | 193,622 |
| Mr Wong Meng Yeng | 67,082 | - | - | - | 67,082 |
| Mr Ajay Kumar Jain | 61,537 | - | - | - | 61,537 |
| Mr Chong Weng Hoe | 66,135 | - | - | - | 66,135 |
| Mr Ang Miah Khiang [5] | 22,857 | - | - | - | 22,857 |
| Ms Han Sah Heok Vicky [5] | 22,857 | - | - | - | 22,857 |

**Notes:**
(1) This relates to consultancy fees paid by the Group.
(2) This relates to directors' fees paid by CH Offshore Ltd. ("**CHO**"), a subsidiary of the Company.
(3) This relates to Salary, CPF & Allowances and Bonus paid by the Company and CHO.
(4) Ms Jeanette Chang, the CEO and Executive Director, is the daughter of Dr Benety Chang (Executive Director of the Company).
(5) Mr Ang Miah Khiang and Ms Han Sah Heok Vicky retired at the 2024 AGM.

### Provisions 8.1(b) and 8.3 of the Code

The remuneration in FY2024 of Key Management Personnel (who are not Directors or the CEO) are set out below in bands of $250,000:

| NAME OF KEY MANAGEMENT PERSONNEL | DESIGNATION | SALARY, CPF & ALLOWANCE (%) | BONUS (%) | OTHER BENEFITS (%) |
|---|---|---|---|---|
| **$500,000 and up to $750,000** | | | | |
| MR TAN WEE LEE | Managing Director (Baker Engineering Pte. Ltd., Sea Deep Shipyard Pte. Ltd., Sea Hercules Cranes Pte. Ltd.) | 65 | 35 | - |
| MR TAN KIANG KHERNG | Chief Financial Officer (Baker Technology Limited) | 61 | 31 | 8[1] |
| **$250,000 and up to $500,000** | | | | |
| MR LIM TZE KERN KENNY | Managing Director (CHO Ship Management Pte. Ltd.) | 93 | 7 | - |

**Notes:**
(1) This relates to directors' fees paid by CHO, a subsidiary of the Company.

As at the date of this Corporate Governance Report, there were three Key Management Personnel in the Group. The aggregate remuneration paid to the three Key Management Personnel for FY2024 was $1,637,000.

There were no termination, retirement and post-employment benefits granted to any Director, the CEO and Key Management Personnel for FY2024.

The Board, on the recommendation of the RC, has considered Provision 8.1 of the Code in the context of the Group and after careful consideration, believes that the disclosures provided above are adequate in helping shareholders and stakeholders to understand how remuneration of Key Management Personnel are determined, and the distinct correlations between remuneration, performance, and value creation for Key Management Personnel who are not Directors. The Company believes that it may not be in the Group's best interest to disclose the remuneration of the Key Management Personnel to the level as recommended by the Code, given highly competitive hiring landscape and the need to retain the Group's essential talent pool.

### 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 $100,000 during FY2024. "Immediate family member" means spouse, child, adopted child, step-child, brother, sister and parent.

## (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 management of the Group's key risks to safeguard shareholders' interests and its assets.

The Board considers the nature and extent of the significant risks which the Company may take in achieving its strategic objectives and value creation. The ARMC has been tasked to assist the Board in the oversight of the risk management and internal control systems within the Group while the ownership of day-to-day management and monitoring of existing internal control systems is delegated to Management which comprise the Executive Directors and Key Management Personnel of the Group.

The ARMC, with the assistance of the internal auditor, reviews the adequacy and effectiveness of the Company's internal control systems, including financial, operational, compliance and information technology controls and risk management policies and systems (including but not limited to sustainability risks and sanctions-related risks) established by Management on an annual basis. In addition, the external auditor will highlight any material control weaknesses within the Group discovered in the course of the statutory audit. Such material internal control weaknesses noted by the internal and external auditors, and recommendations, if any, are reported to the ARMC.

# CORPORATE GOVERNANCE REPORT

In response to the evolving business environment, which continuously alters risks and opportunities, the Board proactively refreshes and strengthens the Group's risk management culture as and when required. Enhancement was made to the Group's risk governance framework during FY2023 by adopting the Enterprise Risk Management Framework & Policy ("**ERMFP**"), which is based on the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**") framework. The COSO framework, widely adopted by publicly traded companies around the world, is a system designed to establish robust internal controls. These controls are integrated into business processes to ensure resilient and adaptive risk management strategies in line with the dynamic nature of the Group's business landscape.

The ERMFP sets out the policies and processes relating to enterprise risk management throughout the Group for the identification, assessment, monitoring and reporting of significant risks (including but not limited to sustainability risks and sanctions-related risks). As part of the ERMFP, 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 ARMC on the risk registers on a half yearly basis. The half yearly review process ensures that the ERMFP matrix remains dynamic and responsive to both internal and external risk factors, thus maintaining its relevance and providing a comprehensive view of the Group's total risk landscape. Through these ongoing efforts, the Group effectively develops and implements targeted mitigation strategies that safeguard shareholder interests and protect the Group's assets. The ERMFP is complemented by the Group's system of internal controls, which includes the Code of Conduct Policy & Procedures, documented policies and procedures, proper segregation of duties, approval procedures and authorities as well as checks and balances built into the business processes.

While the offshore oil and gas industry may occasionally face sanction-related challenges, the Group has proactively adjusted its operations and strategic planning to address these considerations. It has robust due diligence processes to ensure all business activities are fully compliant with international trade laws and regulations. By carefully selecting its customer base and focusing on clients from politically stable countries, the Group minimises exposure to potential sanctions. Additionally, it maintains a diversified supply chain that is independent of suppliers or subcontractors from countries at risk of sanctions, further reducing any associated risks.

### Provision 9.2(a) and 9.2(b) of the Code

For the half year unaudited financial statements issued during FY2024, the Board provided a negative assurance confirmation to shareholders, confirming to the best of their knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

The Board has received written assurance from the CEO and the CFO 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 FY2024 give a true and fair view of the Group's operations and finances; and

(b) The internal controls (including material financial, operational, compliance and information technology controls) and risk management systems (including sustainability risks and any sanctions-related risks) are adequate and effective.

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 ERMFP, reviews carried out by the ARMC, the work performed by the internal and external auditors and assurance from Management, the Board, with the concurrence of the ARMC, is of the opinion that the Group's risk management systems and internal controls are adequate and effective to address financial, operational, compliance and information technology controls and risk management systems (including but not limited to sustainability risks and sanctions-related risks) within the current scope of the Group's business operations. The Board notes that no system of internal controls is capable of providing 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 position and performance with explanations for significant variances in financial performance provided. 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. Various risk mitigation measures have been implemented to ensure the strength of the Group's cybersecurity posture. These measures include, amongst others, conducting vulnerability assessments, managing privileged access, and cybersecurity awareness trainings for all employees. In addition, as part of IT policy, robust data back-up systems are put in place to ensure that the Group's critical data and information can be restored and accessed during a crisis.

The Group is committed to ensuring that proper internal controls and systems are in place to manage its tax risks, by aligning its tax strategy with corporate governance principles, in response to the risk-based approach adopted by many tax authorities including the Inland Revenue Authority of Singapore. A Tax Governance Policy was adopted in July 2023 to strengthen the Group's tax governance and risk management frameworks, which are also in line with global trends and the growing emphasis on ESG reporting.

**Audit & Risk Management Committee**

PRINCIPLE 10:

**The Board has an Audit & Risk Management Committee which discharges its duties objectively.**

**Provision 10.1 of the Code**

The ARMC carried out their duties in accordance with the terms of reference which include the following:

(i) review (a) half year and full year financial statements of the Group before submission to the Board for approval of publication via SGXNet; and (b) interim financial positions and performance of the Group;

(ii) review the significant financial reporting issues and judgements (including legal, regulatory and tax related matters that may have material impact on the financial statements), changes in accounting policies and standards and major risk areas so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

(iii) review the adequacy, effectiveness, scope and results of the external audit work, cost effectiveness of the audit, and the independence and objectivity of the external auditor taking into consideration the requirements under the Accountants Act 2004 of Singapore;

(iv) review the adequacy, effectiveness and independence of the internal auditor, the scope of the internal audit procedures, the results of the internal audit and monitor the responses to their findings to ensure that appropriate follow-up measures are taken;

(v) review the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance, information technology controls and risk management systems (including but not limited to sustainability-related risks and sanctions-related risks), such review can be carried out by the internal and/or external auditors;

(vi) recommend to the Board on the appointment and re-appointment of the external auditor and matters relating to the resignation or dismissal of the auditor;

(vii) review interested person transactions (if any) falling within the scope of the Listing Manual of the SGX-ST;

(viii) 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 whistleblowing policy and procedures for raising such concerns;

(ix) review the assurance from the CEO and the CFO on the financial records and financial statements;

(x) investigate any matter which falls within the ARMC'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;

(xi) undertake such other reviews and projects as may be requested by the Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the ARMC; and

(xii) 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.

The ARMC met five times during the year under review. Details of ARMC members and their attendance at meetings are provided on page 58. The external and internal auditors (if required), the CEO, the CFO and Company Secretary were also in attendance.

The ARMC has full access to and the cooperation of Management and reasonable resources to enable it to discharge its duties properly. It reviews the assistance given by the Company's officers to the external and internal auditors. The ARMC has unrestricted access to the external and internal auditors.

During the year, the ARMC reviewed the half year and full year results of FY2024, including the adequacy of disclosures as well as the key changes in accounting policies applied. In the review of the financial statements, the ARMC has discussed the Key Audit Matters with Management and the external auditor. The ARMC concurs with the basis and conclusions in the external auditor's report with respect to Key Audit Matters.

**Provision 10.2 of the Code**

As at the date of this report, the ARMC comprises Mr Lim Jun Xiong Steven, Mr Chong Weng Hoe and Mr Ajay Kumar Jain, all of whom are Independent Directors. The Chairman of the ARMC is Mr Lim Jun Xiong Steven.

# CORPORATE GOVERNANCE REPORT

Mr Lim Jun Xiong Steven is highly qualified to chair the ARMC. With 40 years in finance, including senior roles like CEO at SG Trust (Asia) and Managing Director at HSBC Private Bank, he brings a wealth of experience in financial governance. He is also an independent director for several listed companies in Singapore and holds respected credentials in the accounting and finance space. Mr Lim holds a Bachelor of Commerce in Accounting and Finance from the University of Newcastle, Australia, and is a Fellow member of CPA Australia and the Institute of Singapore Chartered Accountants, as well as a member of the Society of Trust and Estate Practitioners.

All members of the ARMC are appropriately qualified, with all members having the requisite financial management expertise and experience.

### Provision 10.3 of the Code

The ARMC does not have any member who is a former partner or Director of the Company's existing audit firm.

### Provision 10.4 of the Code

The Company's internal audit function is outsourced and for FY2024, was performed by Moore Risk Management Pte. Ltd. ("**MRM**"). MRM has access to all the Company's documents, records, properties and personnel, including access to the ARMC. MRM's primary line of reporting would be to the ARMC. The ARMC is satisfied that the Group's internal audit function was independent, effective and adequately resourced.

The internal audit function is independent of the activities it audits and has appropriate standing within the Group. MRM is an associate of international public accounting firm, Moore Stephens LLP. It meets the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditor and staffed by qualified and experienced personnel.

The ARMC reviews and approves the compensation of MRM and internal audit plan as well as reviews the scope and results of internal audit procedures issued by MRM.

During FY2024, MRM completed an internal audit review of the Group on key processes such as procurement & payment, invoicing, receipt & credit, IT general control & cyber security and inventory management. The findings and recommendations of MRM, Management's responses and Management's implementations have been reviewed and approved by the ARMC.

### Provision 10.5 of the Code

The ARMC had met with the Company's external and internal auditors once without the presence of Management during FY2024 to review any matter that might be raised privately. It also has full discretion to invite any Director, Key Management Personnel or any other person to attend its meetings.

The ARMC 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 of its external auditor. The ARMC, having reviewed the scope and value of non-audit services provided to the Group by Ernst & Young LLP ("**EY**") by taking into account of the requirements under the Accountants Act 2004 of Singapore, is satisfied that the nature and extent of such services has not prejudiced and effected their independence and objectivity. For details of fees paid/payable to the external auditor in respect of audit and non-audit services, please refer to Note 7 of the Notes to the Financial Statements on page 113.

In reviewing the nomination of EY for re-appointment as the Company's auditor for FY2024, the ARMC 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.

EY is an audit firm registered with the ACRA. The Company has complied with Rule 712 and 715 of the Listing Manual of the SGX-ST in relation to the appointment of auditor. Accordingly, the ARMC has recommended EY for re-appointment as statutory auditor at the forthcoming AGM.

### Whistleblowing Policy

The Company has in place a Whistleblowing Policy to promote the highest standard of work ethics and to eliminate unethical, illegal, corrupt and wasteful behavior and acts. The Whistleblowing Policy provides an independent feedback channel through which matters of concern about possible improprieties in matters of financial reporting, fraudulent behaviour and other matters may be raised by employees and any other persons directly to any ARMC member in confidence and in good faith without fear of reprisals.

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 ARMC ensures that independent investigations and any appropriate follow up actions are carried out. Details of the 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 Group recognises the importance of maintaining transparency and accountability to its shareholders. The Company endeavours to treat all shareholders fairly and equitably and the rights of all investors, including non-controlling shareholders are protected.

Shareholders are informed of any changes in the Group's business that are likely to materially affect the value of the Company's shares.

### 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 145 to 148 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 ARMC, 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. 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.

### 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.

The Group ensures that shareholders have the opportunity to participate effectively in and vote at general meetings. The relevant rules including the voting procedures are set out in the notice of general meetings. The links to SGX-ST's Guide to Investing and E-learning page have been included on the Company's website under "Investor Relations" with the aim of providing further assistance to shareholders in their investment activities.

# CORPORATE GOVERNANCE REPORT

### 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 were published on both the Company's website and SGXNet within a month of the general meetings.

### Provision 11.6 of the Code

The Company does not have a formal dividend policy. In its evaluation and recommendation of dividends, the Board will take into account the Company's operating performance, general financial condition, capital requirements, cash flow and other factors as the Directors may deem appropriate to ensure sustainable growth in the future.

The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend payout. For FY2024, the Board has recommended a final dividend of 2.0 cents per share which is subject to shareholders' approval at the forthcoming AGM of the Company.

## 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 does not practise selective disclosure. In line with continuing disclosure obligations of the Company pursuant to the Listing Rules and the Companies Act 1967 of Singapore, 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 basis. All material information including results announcements, are disclosed regularly and in a timely manner via SGXNet and the Company's website.

The Company's website at www.bakertech.com.sg is the key resource of information for shareholders. Among other things, it contains corporate announcements, media releases, financial results and annual reports. To serve the Company's investing community better, the Group has ensured that each of its subsidiaries has a standalone company website describing its unique company profile, activities and operations. The investing community can reach out to the Group via Contact Us pages on each website or via the dedicated investor relations email address found on the Group's media releases.

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. As part of our sustainability efforts, the Company will continue with electronic transmission of the Annual Report and related Appendices.

The Company's principal forum of dialogue with shareholders takes place at its general meetings. At these meetings, shareholders are given the opportunity to express their views and ask questions regarding the Company and the Group. The Directors, in particular the Chairman of the Board and Chairpersons of Board Committees and Management, are available to answer any questions or concerns regarding the Company.

The Company is committed to engaging its shareholders and the investing community and providing pertinent and accurate information about the Company in an effective, fair and timely manner. The Group has specifically entrusted its Executive Directors, CEO and the CFO 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, other than communicating with shareholders at the AGM, shareholders may raise questions to the Company through the Company's website.

## (E) MANAGING STAKEHOLDER RELATIONSHIPS

**Engagement with Stakeholders**

### 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.**

### Provision 13.1, 13.2 & 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 the Company's business and operations and those who similarly are 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 community and environment, customers, employees, suppliers and shareholders/investors.

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 24 to 55 of this Annual Report.

In line with the Board's commitment to maintain high ethical standards which are integral to its corporate identity and business, the Company has the following corporate policies in place:

(i) Code of Conduct Policy & Procedures

(ii) Anti-Bribery & Corruption Policy

(iii) Whistleblowing Policy

(iv) Personal Data Protection Policy

(v) Tax Governance Policy

(vi) Human Rights Statements

These policies are available on the Company's website.

## (F) DEALINGS IN SECURITIES

The Group has put in place a policy on dealings in the securities of the Company by the Directors, officers and employees of the Company and its subsidiaries. The Group issues reminders to Directors, officers and employees on the restrictions in dealings in shares of the Company during the period commencing one month before the announcement of each of the Company's half year and full year financial results, and ending on the date of the announcement of the relevant results. Directors and officers are also reminded not to trade in securities of the Company at any time while in possession of unpublished price and trade sensitive information and to refrain from dealing in the Company's securities on short-term considerations.

The Directors and Management are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

## (G) INTERESTED PERSON TRANSACTIONS

The Company monitors all its interested person transactions closely and all interested person transactions are subject to review by the ARMC.

There were no interested person transactions conducted during the year which exceeds $100,000 in value.

The Group does not have a general mandate from shareholders for interested person transactions.

## (H) MATERIAL CONTRACTS

Except as disclosed above and in the financial statements for FY2024, there were no material contracts of the Company and its subsidiaries involving the interests of the CEO, any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

## (I) MAJOR PROPERTIES

The Group holds the following properties in Singapore:

| LOCATION | DESCRIPTION | AREA (SQM) | TENURE |
|---|---|---|---|
| 6 Pioneer Sector 1<br>Singapore 628418 | A purpose-built shipyard complex with single-storey workshops, 3-storey office, stores, water frontage and paint blasting/open fabricating | 31,094 | Expiring on<br>31 December 2043 |
| 10 Jalan Samulun<br>Singapore 629124 | An existing custom-built premises with single-storey workshop, 3-storey office and water frontage | 10,430 | Expiring on<br>31 December 2025 |
| 12A Jalan Samulun<br>Singapore 629131 | An existing custom-built premises with single-storey workshop, 3-storey office and water frontage | 5,995 | Expiring on<br>31 May 2025 |

# FINANCIAL CONTENTS

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Baker Technology Limited (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 2024.

## OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the accompanying statements of financial positions, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

(b) 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.

## DIRECTORS

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

| | |
|---|---|
| Lim Jun Xiong Steven | (Chairman, Independent Director) |
| Jeanette Chang | (Chief Executive Officer, Executive Director) |
| Dr Benety Chang | (Executive Director) |
| Tan Yang Guan | (Non-Executive Non-Independent Director) |
| Wong Meng Yeng | (Non-Executive Non-Independent Director) |
| Ajay Kumar Jain | (Independent Director) |
| Chong Weng Hoe | (Independent Director) |

## 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.

## 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 Singapore 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:

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

## DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

| | Direct interest | | | Deemed interest | | |
|---|---|---|---|---|---|---|
| Name of director | At 1.1.2024 | At 31.12.2024 | At 21.1.2025 | At 1.1.2024 | At 31.12.2024 | At 21.1.2025 |
| **The Company** | | | | | | |
| **Baker Technology Limited** | | | | | | |
| ***Ordinary shares*** | | | | | | |
| Dr Benety Chang | 93,987,401 | 94,151,601 | 94,151,601 | 19,151,771 | 19,151,771 | 19,151,771 |
| Tan Yang Guan | 4,128,554 | 4,128,554 | 4,128,554 | – | – | – |
| **CH Offshore Ltd.** | | | | | | |
| ***Ordinary shares*** | | | | | | |
| Dr Benety Chang | – | – | – | 387,535,300 | 387,535,300 | 387,535,300 |

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.

## SHARE OPTIONS

As of the date of this statement, there is no share option scheme on unissued shares of the Company.

## AUDIT & RISK MANAGEMENT COMMITTEE

The Audit & Risk Management Committee (ARMC) carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditors' evaluation of the adequacy and effectiveness of the Group's system of internal controls and the assistance given by management to the external and internal auditors;
- Reviewed findings and recommendations of the internal and external auditors relating to the internal control systems of the Group and management responses and actions to correct any deficiencies;
- Reviewed the half-yearly and annual financial statements, result of the audit and the auditors' report on the annual financial statements of the Group and the Company before their submission to the board of directors;
- Reviewed the adequacy and effectiveness of the Group's material internal controls, relating to financial, operational, compliance and information technology controls and risk management (including but not limited to sustainability risks and sanctions-related risks);
- Met with the internal and external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARMC;

# DIRECTORS' STATEMENT

For the financial year ended 31 December 2024

**AUDIT & RISK MANAGEMENT COMMITTEE (CONT'D)**

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviewed the independence and objectivity of the external auditor and the nature and extent of non-audit services provided by the external auditor;
- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and results of the audit;
- Reported actions and minutes of the ARMC to the board of directors with such recommendations as the ARMC considered appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The ARMC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The ARMC has also conducted a review of interested person transactions.

The ARMC convened five meetings during the year with full attendance from all members. The ARMC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the ARMC are disclosed in the Report on Corporate Governance.

**AUDITOR**

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

Lim Jun Xiong Steven
Chairman

Jeanette Chang
Chief Executive Officer

Singapore
13 March 2025

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Baker Technology Limited (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 2024, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

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 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 2024 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.

#### Impairment assessment of vessels

As at 31 December 2024, the Group owned 6 vessels with an aggregate carrying value of $127,357,000. Due to volatility in the offshore vessel segment, there are 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. Further, in 2023, the Group's 54.98%-owned subsidiary, CH Offshore Ltd., commenced legal proceedings against the charterer of one of the vessels for unpaid charter hire and for redelivery of the vessel after the termination of the charterparty in April 2023. The accumulated impairment and update of the legal proceedings are set out in Note 10 to the consolidated financial statements. There was no additional impairment in 2024.

This area was significant to our audit as the carrying value of the vessels represented 43% of the Group's total assets as at 31 December 2024 and significant judgement and estimates were involved in determining the recoverable amount of the vessels.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024

**Key audit matters (cont'd)**

**Impairment assessment of vessels (cont'd)**

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, including performing sensitivity analysis on the key assumptions. In respect of the vessel involved in the ongoing legal proceedings, we reviewed the legal advice from the Group's external legal counsel, and evaluated the basis for management's key assumptions surrounding the expected timing of the resolution of the legal proceedings, repossession and redeployment of the vessel, and the related expenditures and loss exposures.

We also reviewed the adequacy of relevant disclosures set out in Notes 3 and 10 to the consolidated financial statements.

**Recoverability of trade receivables**

As at 31 December 2024, the carrying amount of the Group's trade receivables, net of allowance for expected credit losses (ECL) of $9,297,000 amounted to $11,264,000, which represented 8% 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 19 and Note 26(c) 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.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024

**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.

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2024

**Auditor's responsibilities for the audit of the financial statements (cont'd)**

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 Shekaran Krishnan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

13 March 2025

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

| | Note | Group 2024 $'000 | Group 2023 $'000 |
|---|---|---|---|
| **Revenue** | 5 | **92,019** | 91,415 |
| Cost of sales | | **(56,229)** | (63,371) |
| **Gross profit** | | **35,790** | 28,044 |
| Other income | 6 | **7,685** | 3,205 |
| Administrative expenses | | **(22,515)** | (21,133) |
| Finance cost | | **(901)** | (554) |
| Other expenses | 6 | **–** | (6,340) |
| **Profit before tax** | 7 | **20,059** | 3,222 |
| Income tax (expense)/credit | 8 | **(962)** | 350 |
| **Profit for the year** | | **19,097** | 3,572 |
| **Attributable to:** | | | |
| Owners of the Company | | **18,171** | 8,287 |
| Non-controlling interests | | **926** | (4,715) |
| | | **19,097** | 3,572 |
| **Other comprehensive income:** | | | |
| *Items that will not be reclassified subsequently to profit or loss:* | | | |
| Net fair value gain on equity instruments at fair value | | **50** | 440 |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Net fair value (loss)/gain on debt instruments at fair value | | **(10)** | 29 |
| Foreign currency translation | | **2,349** | (1,426) |
| **Other comprehensive loss for the year, net of tax** | | **2,389** | (957) |
| **Total comprehensive income for the year attributable to owners of the Company** | | **21,486** | 2,615 |
| **Attributable to:** | | | |
| Owners of the Company | | **19,758** | 7,779 |
| Non-controlling interests | | **1,728** | (5,164) |
| | | **21,486** | 2,615 |
| **Earnings per share attributable to owners of the Company** | | | |
| Basic and diluted (in cents) | 9 | **9.0** | 4.1 |

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

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

| | Note | Group 2024 $'000 | Group 2023 $'000 | Company 2024 $'000 | Company 2023 $'000 |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Property, plant and equipment | 10 | **130,578** | 134,048 | **2** | 3 |
| Right-of-use assets | 11 | **7,557** | 8,277 | **–** | – |
| Intangible assets | 12 | **–** | 258 | **–** | – |
| Investment in subsidiaries | 13 | **–** | – | **78,152** | 88,600 |
| Investment in associated companies | 14 | **–** | – | **–** | – |
| Investment securities | 16 | **13,007** | 7,691 | **13,007** | 7,691 |
| | | **151,142** | 150,274 | **91,161** | 96,294 |
| **Current assets** | | | | | |
| Contract assets | 5 | **775** | 2,476 | **–** | – |
| Investment securities | 16 | **2,586** | 2,729 | **2,586** | 2,729 |
| Inventories and work-in-progress | 18 | **7,177** | 6,761 | **–** | – |
| Trade and other receivables | 19 | **14,565** | 24,901 | **840** | 960 |
| Prepaid operating expenses | | **1,412** | 802 | **16** | 18 |
| Amounts due from subsidiaries | 20 | **–** | – | **61,580** | 74,913 |
| Loan to an associated company | 15 | **3,525** | 3,990 | **–** | – |
| Cash and short-term deposits | 21 | **111,997** | 87,521 | **90,023** | 72,984 |
| | | **142,037** | 129,180 | **155,045** | 151,604 |
| **Less: Current liabilities** | | | | | |
| Contract liabilities | 5 | **93** | 884 | **–** | – |
| Payables and accruals | 22 | **13,722** | 15,423 | **654** | 637 |
| Provision | | **450** | – | **–** | – |
| Loans and borrowings | 23 | **7,423** | 8,006 | **–** | – |
| Amounts due to subsidiaries | 20 | **–** | – | **4,191** | 7,416 |
| Income tax payable | | **1,642** | 1,551 | **36** | 36 |
| | | **23,330** | 25,864 | **4,881** | 8,089 |
| **Net current assets** | | **118,707** | 103,316 | **150,164** | 143,515 |
| **Non-current liabilities** | | | | | |
| Deferred tax liabilities | 17 | **471** | 1,028 | **–** | – |
| Loans and borrowings | 23 | **6,763** | 8,170 | **–** | – |
| Provision | 22 | **1,580** | 1,800 | **–** | – |
| | | **8,814** | 10,998 | **–** | – |
| **Net assets** | | **261,035** | 242,592 | **241,325** | 239,809 |
| **Equity attributable to owners of the Company** | | | | | |
| Share capital | 24 | **108,788** | 108,788 | **108,788** | 108,788 |
| Reserves | | **126,540** | 109,825 | **132,537** | 131,021 |
| | | **235,328** | 218,613 | **241,325** | 239,809 |
| Non-controlling interests | | **25,707** | 23,979 | **–** | – |
| **Total equity** | | **261,035** | 242,592 | **241,325** | 239,809 |

*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 2024

| Group | Share capital (Note 24) $'000 | Capital reserve[1] $'000 | Retained earnings $'000 | Fair value reserve $'000 | Foreign currency translation reserve $'000 | Total reserves $'000 | Non-controlling interests $'000 | Total equity $'000 |
|---|---|---|---|---|---|---|---|---|
| | Attributable to owners of the Company | | | | | | | |
| **2024** | | | | | | | | |
| **At 1 January 2024** | **108,788** | **2,344** | **108,320** | **1,338** | **(2,177)** | **109,825** | **23,979** | **242,592** |
| Profit for the year | **–** | **–** | **18,171** | **–** | **–** | **18,171** | **926** | **19,097** |
| Other comprehensive income | | | | | | | | |
| Net fair value changes on equity instruments at FVOCI | **–** | **–** | **–** | **50** | **–** | **50** | **–** | **50** |
| Net fair value changes on debt instruments at FVOCI | **–** | **–** | **–** | **(10)** | **–** | **(10)** | **–** | **(10)** |
| Foreign currency translation | **–** | **–** | **–** | **–** | **1,547** | **1,547** | **802** | **2,349** |
| Total comprehensive income for the year | **–** | **–** | **18,171** | **40** | **1,547** | **19,758** | **1,728** | **21,486** |
| Dividend on ordinary shares (Note 29) | **–** | **–** | **(3,043)** | **–** | **–** | **(3,043)** | **–** | **(3,043)** |
| **At 31 December 2024** | **108,788** | **2,344** | **123,448** | **1,378** | **(630)** | **126,540** | **25,707** | **261,035** |
| **2023** | | | | | | | | |
| **At 1 January 2023** | 108,788 | 2,344 | 102,062 | 869 | (1,200) | 104,075 | 29,143 | 242,006 |
| Profit for the year | – | – | 8,287 | – | – | 8,287 | (4,715) | 3,572 |
| Other comprehensive income | | | | | | | | |
| Net fair value changes on equity instruments at FVOCI | – | – | – | 440 | – | 440 | – | 440 |
| Net fair value changes on debt instruments at FVOCI | – | – | – | 29 | – | 29 | – | 29 |
| Foreign currency translation | – | – | – | – | (977) | (977) | (449) | (1,426) |
| Total comprehensive income for the year | – | – | 8,287 | 469 | (977) | 7,779 | (5,164) | 2,615 |
| Dividend on ordinary shares (Note 29) | – | – | (2,029) | – | – | (2,029) | – | (2,029) |
| **At 31 December 2023** | 108,788 | 2,344 | 108,320 | 1,338 | (2,177) | 109,825 | 23,979 | 242,592 |

*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 2024

| Company | Share capital (Note 24) | Capital reserve[1] | Retained earnings | Fair value reserve | Total reserves | Total equity |
|---|---|---|---|---|---|---|
| | Attributable to owners of the Company | | | | | |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **2024** | | | | | | |
| **At 1 January 2024** | **108,788** | **2,344** | **127,339** | **1,338** | **131,021** | **239,809** |
| Profit for the year | **–** | **–** | **4,519** | **–** | **4,519** | **4,519** |
| Other comprehensive income | | | | | | |
| Net fair value changes on equity instruments at FVOCI | **–** | **–** | **–** | **50** | **50** | **50** |
| Net fair value changes on debt instruments at FVOCI | **–** | **–** | **–** | **(10)** | **(10)** | **(10)** |
| Total comprehensive income for the year | **–** | **–** | **4,519** | **40** | **4,559** | **4,559** |
| Dividend on ordinary shares (Note 29) | **–** | **–** | **(3,043)** | **–** | **(3,043)** | **(3,043)** |
| **At 31 December 2024** | **108,788** | **2,344** | **128,815** | **1,378** | **132,537** | **241,325** |
| **2023** | | | | | | |
| **At 1 January 2023** | 108,788 | 2,344 | 122,800 | 869 | 126,013 | 234,801 |
| Profit for the year | – | – | 6,568 | – | 6,568 | 6,568 |
| Other comprehensive income | | | | | | |
| Net fair value changes on equity instruments at FVOCI | – | – | – | 440 | 440 | 440 |
| Net fair value changes on debt instruments at FVOCI | – | – | – | 29 | 29 | 29 |
| Total comprehensive income for the year | – | – | 6,568 | 469 | 7,037 | 7,037 |
| Dividend on ordinary shares (Note 29) | – | – | (2,029) | – | (2,029) | (2,029) |
| **At 31 December 2023** | 108,788 | 2,344 | 127,339 | 1,338 | 131,021 | 239,809 |

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

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

# CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2024

| | Note | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | | **20,059** | 3,222 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 10 | **12,797** | 12,650 |
| Depreciation of right-of-use assets | 11 | **1,021** | 1,141 |
| Amortisation of intangible assets | 12 | **258** | 259 |
| Gain on disposal of property, plant and equipment | | **(8)** | – |
| Inventories written down | 18 | **46** | 98 |
| Impairment loss on vessel | 6 | **–** | 4,160 |
| Allowance for expected credit losses | 19 | **940** | 1,476 |
| Interest income | 6 | **(3,529)** | (2,788) |
| Interest expense | | **901** | 554 |
| Unrealised foreign exchange (gain)/loss | | **(3,966)** | 1,509 |
| **Operating cash flows before working capital changes** | | **28,519** | 22,281 |
| Increase in inventories and work-in-progress | | **(462)** | (2,782) |
| Decrease in contract assets | | **1,701** | 4,346 |
| (Decrease)/increase in contract liabilities | | **(791)** | 308 |
| Decrease in trade and other receivables | | **8,637** | 2,299 |
| Increase in prepaid operating expenses | | **(610)** | (74) |
| Increase in payables and accruals | | **438** | 2,217 |
| **Cash flows from operations** | | **37,432** | 28,595 |
| Interest received | | **4,351** | 2,106 |
| Interest paid | | **(901)** | (554) |
| Income tax paid | | **(1,451)** | (555) |
| **Net cash flows from operating activities** | | **39,431** | 29,592 |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 10 | **(5,961)** | (3,458) |
| Proceeds from disposal of property, plant and equipment | | **20** | – |
| Proceeds from/(placement in) short-term deposit with terms more than three months, net | | **18,189** | (27,004) |
| Maturity of investment securities | | **6,080** | 3,870 |
| Purchase of investment securities | | **(10,976)** | (9,375) |
| Repayment from associates | | **582** | 578 |
| **Net cash flows generated from/(used in) investing activities** | | **7,934** | (35,389) |
| **Cash flows from financing activities** | | | |
| Repayment of borrowings | 23 | **(1,409)** | (1,271) |
| Payment of principal portion of lease liabilities | 23 | **(629)** | (956) |
| Dividend on ordinary shares | 29 | **(3,043)** | (2,029) |
| **Net cash flows used in financing activities** | | **(5,081)** | (4,256) |
| Net increase/(decrease) in cash and cash equivalents | | **42,284** | (10,053) |
| Effect of exchange rate changes on cash and cash equivalents | | **381** | (897) |
| Cash and cash equivalents at beginning of financial year | | **36,750** | 47,700 |
| **Cash and cash equivalents at end of financial year** | 21 | **79,415** | 36,750 |

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 1. CORPORATE INFORMATION

Baker Technology Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The consolidated financial statements of Baker Technology Limited and its subsidiaries (collectively, the "Group") for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 13 March 2025.

The registered office and principal place of business of the Company is at 10 Jalan Samulun, Singapore 629124.

The principal activities of the Company are investment holding and the provision of specialised marine offshore equipment and services for the oil and gas industry. The principal activities of the subsidiaries and associated companies are disclosed in Notes 13 and 14 to the financial statements respectively.

## 2. ACCOUNTING POLICIES

### *2.1 Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position 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 a historical cost basis, except as disclosed in the accounting policies below.

The consolidated financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'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 consolidated financial statements provide comparative information in respect of the previous period.

#### *(a) Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.1 Basis of preparation (cont'd)*

#### *(b) 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) 1-21 *The Effects of Changes in Foreign Exchange Rates:* Lack of Exchangeability | 1 January 2025 |
| Amendments to SFRS(I) 9 *Financial Instruments* and SFRS(I) 7 *Financial Instruments: Disclosures:* Amendments to the Classification and Measurement of Financial Instruments | 1 January 2026 |
| Annual Improvements to SFRS(I)s – Volume 11 | 1 January 2026 |
| Amendments to SFRS(I) 9 *Financial Instruments* and SFRS(I) 7 *Financial Instruments: Disclosures:* Contracts Referencing Nature-dependent Electricity | 1 January 2026 |
| SFRS(I) 18 *Presentation and Disclosure in Financial Statements* | 1 January 2027 |
| SFRS(I) 19 *Subsidiaries without Public Accountability: Disclosures* | 1 January 2027 |
| Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures:* Sales or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined |

The adoption of the standards above is not expected to have a material impact on the financial statements in the year of initial application.

### *2.2 Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. 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; and
- 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; and
- 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.2 Basis of consolidation (cont'd)*

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 interest 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.

### *2.3 Summary of accounting policies*

#### *(a) 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(a) Business combinations and goodwill (cont'd)*

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.

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 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 cash-generating unit (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.

#### *(b) Foreign currency*

The Group's consolidated financial statements are presented in Singapore 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.

##### *(i) Transactions and balances*

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currencies 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.

Differences arising on settlement or transaction 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 next 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 as 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).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(b) Foreign currency (cont'd)*

##### *(i) Transactions and balances (cont'd)*

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 recognizes 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.

##### *(ii) Group companies*

On consolidation, the assets and liabilities of foreign operations are translated into SGD 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 difference 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.

#### *(c) 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 decisions 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 recognise 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. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate' in the statement of profit or loss.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change 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 is 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(c) Associates (cont'd)*

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 profit of an associate' 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.

#### *(d) Property, plant and equipment*

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such 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. 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. The present value of the expected cost for the reinstatement of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

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

| | | |
|---|---|---|
| Leasehold land and buildings | – | remaining lease period (1 to 20 years) |
| Leasehold improvements | – | 5 to 7 years |
| Furniture and fittings | – | 5 years |
| Office equipment | – | 3 to 5 years |
| Motor vehicles | – | 4 to 5 years |
| Plant and equipment | – | 3 to 10 years |
| Vessels | – | 25 years |
| Dry–docking expenditure | – | 5 years |

The Group reviews the estimated residual values and expected 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. Furthermore, the Group considers climate-related matters, including physical and transition risks.

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. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

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

Dry-docking 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 each major inspection and overhaul is performed, its cost 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;

Any remaining carrying amount of the cost of the previous inspection is derecognised.

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

#### *(e) Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset 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. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

***Vessel design***

Vessel design is treated as intangible asset and initially capitalised at cost. Vessel design is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the useful life of 10 years.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

**2. ACCOUNTING POLICIES (CONT'D)**

***2.3 Summary of accounting policies (cont'd)***

***(f) 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, as follows:

- Leasehold land and buildings – remaining lease period

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 2.3(g).

***(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.

The Group's lease liabilities are included in loans and borrowings (Note 23).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(f) Leases (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.

#### *(g) 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 makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and 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 cash-generating unit 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. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(g) 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 the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The Group assesses where climate risks, including physical risks and transition risks could have significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts.

#### *(h) Financial instruments – initial recognition and subsequent measurement*

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.

##### *(i) 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).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(h) Financial instruments – initial recognition and subsequent measurement (cont'd)*

##### *(i) 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); or
- 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 rate (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, amounts due from subsidiaries, and cash and short-term deposits.

***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.

The Group's debt instruments at fair value through OCI includes corporate bonds under investment securities.

***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) 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.

The Group elected to classify irrevocably its non-listed equity investments under this category.

The Group's equity instruments at fair value through OCI includes unquoted equity securities under investment securities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(h) Financial instruments – initial recognition and subsequent measurement (cont'd)*

##### *(i) 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.

The Group has not designated any financial asset as at fair value through profit or loss.

**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 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 passthrough 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.

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(h) Financial instruments – initial recognition and subsequent measurement (cont'd)*

#### *(i) Financial assets (cont'd)*

**Impairment**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. 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 recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

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's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the investment category ('BBB-' or above) by S&P Global and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the S&P Global both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 90 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(h) Financial instruments – initial recognition and subsequent measurement (cont'd)*

#### *(ii) Financial liabilities*

**Initial recognition, measurement and presentation**

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 trade and other payables, amounts due to subsidiaries and loans 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; or
- 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.

This category generally applies to loans and borrowings (Note 23).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(h) Financial instruments – initial recognition and subsequent measurement (cont'd)*

##### *(ii) Financial liabilities (cont'd)*

**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.

##### *(iii) Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

#### *(i) Cash and short-term deposits*

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, 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.

#### *(j) Inventories*

Inventories, which are made up of mainly materials, bunkering stocks, component and spares are stated at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average method.
- Bunkering stocks: purchase costs on a first-in, first-out method.
- Work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(k) Provisions*

***General***

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.

***Provision for reinstatement***

The Group recognised a provision for reinstatement cost when there is obligation to restore the property, plant and equipment to its original condition upon termination of the contract leases. The reinstatement cost is estimated when modifications are performed on the properties, based on quotations from contractors and management's experience. The provision for reinstatement cost is reviewed annually and adjusted as appropriate.

#### *(l) Employee benefits*

***(i) Defined contribution plan***

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 a defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

***(ii) Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(m) Revenue from contracts with customers*

The Group is in the business of manufacturing and providing specialised marine offshore equipment, services (including chartering of vessels) for the offshore marine industry.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

##### *(i) Construction contracts*

Contract revenue is recognised over time by reference to the Group's progress towards completing the performance obligation in the contract. The measure of progress is determined based on the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract (output method).

For costs incurred in fulfilling the contract which are within the scope of another SFRS(I) (eg. Inventories), these shall be accounted for in accordance with those other SFRS(I). If these are not within the scope of another SFRS(I), the Group will recognise these as contract assets only if (a) these cost relate directly to a contract or an anticipated contract which the Group can specifically identify; (b) these cost generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (c) these costs are expected to be recovered. Otherwise, such costs are recognised as an expense immediately.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The customer is invoiced on a progressive payment schedule. If the value of the goods and services transferred by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the goods and services transferred, a contract liability is recognised.

##### *(ii) Sales of goods*

Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to the customers, generally on delivery of goods.

Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

##### *(iii) Rendering of services*

Revenue from rendering of services is recognised by reference to the stage of completion at the end of the reporting period. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(m) Revenue from contracts with customers (cont'd)*

##### *(iv) 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.

##### *(v) 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.

***Contract balances***

***Contract assets***

A contract asset is initially recognised for revenue earned from construction contracts because the receipt of consideration is conditional on successful completion of the construction. Upon completion of the construction and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment.

***Trade receivables***

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

***Contract liabilities***

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(n) Taxes*

***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 the profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income 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.

***Deferred tax***

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

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

– Where 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; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where 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.

Deferred tax assets are recognised for all deductible temporary differences, 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 taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 asset 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 reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(n) Taxes (cont'd)*

***Deferred tax (cont'd)***

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.

***Sales tax***

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.

#### *(o) 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.

The Group has chosen to present grants related to an expense item as other operating income in the statement of comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 2. ACCOUNTING POLICIES (CONT'D)

### *2.3 Summary of accounting policies (cont'd)*

#### *(p) Cash dividend*

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company.

#### *(q) Events after the reporting period*

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period. It will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

### *2.4 Climate-related matters*

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products and services.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. These are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. However, 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.

### *3.1 Judgements*

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

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

### *3.2 Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing 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 assumptions when they occur.

***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 or previously recognised impairment loss has reversed. In determining the impairment loss or reversal to be recorded for the Group's vessels, management has computed the value-in-use and considered the respective cash-generating units (CGU) of the Group in deriving the recoverable amount of the Group's vessels that are compared against their carrying amount.

Each vessel is defined as a CGU due to the contractual arrangements entered into with the respective charterparties.

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 discount rate of 12.00% per annum (2023: 12.00% per annum) which reflects the current market assessment of the time value of money and the risks specific to the Group.

The calculation of value in use for the Group's vessels is most sensitive to the following assumptions that are subject to estimation uncertainty:

- Gross margins
- Discount rate
- Daily charter rates and growth rates
- Expected vessel utilisation rates
- Drydocking expenditure and residual values
- For a vessel subject to legal proceedings (Note 10), the expected timing and probability of the resolution of the legal proceedings, the Group's repossession of the vessel and the expenditures and exposure to losses involved

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.

For 5 out of 6 of the Group's wholly owned vessels, no impairment loss or reversal was recognised for the financial years ended 31 December 2024 and 2023. For the remaining vessel that is subject to legal proceedings disclosed in Note 10, due to the unavailability of this vessel for chartering operations until completion of the legal proceedings and the additional incidental and maintenance expenditures required, the Group recognised an impairment loss of $4,160,000 in the financial year ended 31 December 2023 as the carrying amount of this vessel was in excess of its recoverable amount. No further impairment loss or reversal was recognised for the current financial year. The vessel is in the support of offshore oil and gas industry operating segment.

The recoverable amount of vessels is most sensitive to the forecasted charter rate and expected vessel utilisation rate used in the value in use model. If both the forecasted charter rate and vessel utilisation rate decrease by 5% (2023: 5%), an impairment loss of $6,502,000 (2023: $1,677,000) will need to be recognised. Additionally, for the vessel which is subject to legal proceedings, a significant change to the expected timing of the resolution of the legal proceedings and the Group's repossession of the vessel would affect its recoverable amount.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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

### *3.2 Estimates and assumptions (cont'd)*

***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 amounts of the Group's vessels at the end of the reporting period are disclosed in Note 10 of the financial statements.

***Allowance for expected credit losses of trade receivables***

The Group uses a provision matrix to calculate expected credit loss (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 ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The carrying amount of the Group's contract assets and trade receivables and information about the ECL are disclosed in Note 5, 19 and 26(c).

***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 amount and timing of future cash flows are estimated based on the forecasted performance of the subsidiaries. The carrying amounts of the Company's interests in subsidiaries at the reporting date are disclosed in Note 13.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 4. SEGMENT INFORMATION

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

(i) The marine offshore segment is essentially the Group's principal business activity as manufacturers and providers of specialised marine offshore equipment and services for the oil and gas industry. The Group's core business is in the design, construction, operating and chartering of mobile offshore units and offshore services vessels, along a wide range of critical equipment and components for the offshore marine industry.

(ii) The investments segment relates to the Group's investments in available-for-sale investments.

(iii) The corporate segment is involved in Group-level corporate services and treasury functions.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the following table, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments, if any, are on arm's length basis in a manner similar to transactions with third parties.

| | Marine offshore | | Investments | | Corporate | | Adjustments and eliminations | | Consolidated | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** | **2024** | **2023** |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| Revenue from external customers | **92,019** | 91,415 | **–** | – | **–** | – | **–** | – | **92,019** | 91,415 |
| Income/(expenses): | | | | | | | | | | |
| Depreciation and amortisation | **(14,075)** | (14,048) | **–** | – | **(1)** | (2) | **–** | – | **(14,076)** | (14,050) |
| Vessel impairment | **–** | (4,160) | **–** | – | **–** | – | **–** | – | **–** | (4,160) |
| Interest income | **65** | 219 | **336** | 251 | **3,128** | 2,318 | **–** | – | **3,529** | 2,788 |
| Finance cost | **(901)** | (554) | **–** | – | **–** | – | **–** | – | **(901)** | (554) |
| Inventories written down | **(46)** | (98) | **–** | – | **–** | – | **–** | – | **(46)** | (98) |
| Segment profit | **17,612** | 3,785 | **11,816** | 12,200 | **20,483** | 13,317 | **(29,852)** | (26,080) | **20,059** | 3,222 |
| Total assets | **186,370** | 194,757 | **63,041** | 57,845 | **90,881** | 73,965 | **(47,113)** | (47,113) | **293,179** | 279,454 |
| Total liabilities | **31,476** | 36,171 | **14** | 17 | **654** | 674 | **–** | – | **32,144** | 36,862 |
| Other disclosure: | | | | | | | | | | |
| Purchase of investment securities | **–** | – | **10,976** | 9,375 | **–** | – | **–** | – | **10,976** | 9,375 |
| Capital expenditure | **5,961** | 3,455 | **–** | – | **–** | 3 | **–** | – | **5,961** | 3,458 |

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

## 4. SEGMENT INFORMATION (CONT'D)

Geographical information

| | Group | | | |
|---|---|---|---|---|
| | Revenue | | Non-current assets | |
| | **2024** | **2023** | **2024** | **2023** |
| | $'000 | $'000 | $'000 | $'000 |
| Asia Pacific (excluding China and Singapore) | **63,530** | 63,151 | **54** | – |
| Africa | **7,181** | 8,216 | **–** | – |
| Europe | **3,929** | 3,900 | **–** | – |
| Singapore | **3,614** | 4,146 | **138,081** | 142,583 |
| Middle East | **13,546** | 11,088 | **–** | – |
| Americas | **110** | 875 | **–** | – |
| China | **109** | 39 | **–** | – |
| | **92,019** | 91,415 | **138,135** | 142,583 |

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

Information about a major customer

Revenue from one major customer amounted to approximately $33,335,000 (2023: $36,220,000), arising from the provision of specialised marine offshore equipment and services.

## 5. REVENUE

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Marine offshore revenue | **77,519** | 83,157 |
| Spare sales | **14,500** | 8,258 |
| | **92,019** | 91,415 |

**Timing of transfer of goods or services**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | At a point in time | Over time | At a point in time | Over time |
| | $'000 | $'000 | $'000 | $'000 |
| Asia Pacific (excluding China and Singapore) | **1,150** | **62,380** | 146 | 63,005 |
| Africa | **576** | **6,605** | 330 | 7,886 |
| Europe | **138** | **3,791** | 136 | 3,764 |
| Singapore | **1,284** | **2,330** | 1,097 | 3,049 |
| Middle East | **11,161** | **2,385** | 6,507 | 4,581 |
| Americas | **110** | **–** | 3 | 872 |
| China | **81** | **28** | 39 | – |
| | **14,500** | **77,519** | 8,258 | 83,157 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 5. REVENUE (CONT'D)

### Timing of transfer of goods or services (cont'd)

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.

Included in the marine offshore revenue are charter hire revenue amounting to $31,022,000 (2023: $33,784,000) and other ancillary charter hire revenue amounting to $37,002,000 (2023: $34,382,000).

Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

| | 31 December | | 1 January |
|---|---|---|---|
| | **2024** | **2023** | **2023** |
| | $'000 | $'000 | $'000 |
| Receivables from contracts with customers | **3,263** | 6,381 | 11,272 |
| Contract assets | **775** | 2,476 | 6,822 |
| Contract liabilities | **93** | 884 | 576 |

Contract assets relate to the Group's right to consideration for work completed but not yet billed at reporting date. They are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for the fabrication work for specialised marine offshore equipment.

Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract liabilities are explained as follows:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Revenue recognised that was included in the contract liabilities balance at the beginning of the year | **884** | 576 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 6. OTHER INCOME/(EXPENSES)

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Interest income from short term deposits and quoted corporate bonds | **3,529** | 2,788 |
| Other sundry income | **390** | 220 |
| Rental income | **–** | 18 |
| Grant income | **133** | 179 |
| Foreign exchange gain | **3,625** | – |
| Gain on disposal of property, plant and equipment | **8** | – |
| **Other income** | **7,685** | 3,205 |
| Foreign exchange loss | **–** | (2,180) |
| Impairment loss on vessel | **–** | (4,160) |
| **Other expenses** | **–** | (6,340) |

## 7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Depreciation of property, plant and equipment | **12,797** | 12,650 |
| Depreciation of right-of-use assets | **1,021** | 1,141 |
| Amortisation of intangible assets | **258** | 259 |
| Expense relating to leases of low-value assets | **41** | 25 |
| Inventories written down | **46** | 98 |
| Employee benefits expense (including executive directors): | | |
| – Salaries, wages, bonuses and other costs | **13,816** | 13,188 |
| – Contributions to defined contribution plans | **984** | 874 |
| Contract based crew | **7,448** | 6,851 |
| Audit fees paid/payable to auditors of the Company | **290** | 267 |
| Non-audit fees paid/payable to auditors of the Company | **68** | 82 |
| Legal and other professional fees | **969** | 877 |
| Allowance for expected credit losses | **940** | 1,476 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 8. INCOME TAX EXPENSE/(CREDIT)

### (a) *Major components of income tax expense/(credit)*

The major components of income tax expense/(credit) for the years ended 31 December are:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| **Statement of comprehensive income:** | | |
| *Current income tax:* | | |
| – Current income taxation | **1,810** | 1,414 |
| – (Over)/under provision in respect of prior years | **(268)** | 13 |
| | **1,542** | 1,427 |
| *Deferred income tax:* | | |
| – Over provision in respect of prior years | **(114)** | – |
| – Origination and reversal of temporary difference (Note 17) | **(466)** | (1,777) |
| Income tax expense/(credit) recognised in the statement of comprehensive income | **962** | (350) |

### (b) *Relationship between tax expense/(credit) and accounting profit*

A reconciliation between tax expense/(credit) and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December are as follows:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Profit before tax | **20,059** | 3,222 |
| Income tax expense at the applicable tax rate of 17% (2023: 17%) | **3,410** | 548 |
| Adjustments for tax effect of: | | |
| Effect of different tax rates of companies operating in different jurisdictions | **(4)** | 138 |
| Deferred tax assets not recognised | **930** | 692 |
| Utilisation of deferred tax benefits previously not recognised | **(1,193)** | (106) |
| Income not subject to tax[1] | **(3,084)** | (2,045) |
| Non-deductible expenses | **1,303** | 493 |
| (Over)/under provision in respect of prior years | **(382)** | 13 |
| Others, net | **(18)** | (83) |
| Income tax expense/(credit) recognised in profit or loss | **962** | (350) |

(1) This includes net income exempted under Section 13A and tax exemption under Section 43(6) of the Singapore Income Tax Act 1947.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 8. INCOME TAX EXPENSE/(CREDIT) (CONT'D)

### *(b) Relationship between tax expense/(credit) and accounting profit (cont'd)*

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately $17,894,000 (2023: $22,786,000) that are available for offset against future taxable profits of the relevant subsidiary 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.

## 9. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

As there were no share options and warrants granted, the basic and diluted earnings per share are the same.

Diluted earnings per share are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

| | 2024<br>$'000 | 2023<br>$'000 |
|---|---|---|
| Profit for the year attributable to owners of the Company used in the computation of basic and diluted earnings per ordinary share | **18,171** | 8,287 |

| | No. of shares | No. of shares |
|---|---|---|
| Weighted average number of ordinary shares for basic earnings per share computation | **202,877,948** | 202,877,948 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 10. PROPERTY, PLANT AND EQUIPMENT

| Group | Vessels | Dry-docking expenditure | Leasehold lands and buildings | Leasehold improvements | Furniture and fittings | Office equipment | Motor vehicles | Plant and equipment | Construction in progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Cost:** | | | | | | | | | | |
| At 1 January 2023 | 193,396 | 9,548 | 16,740 | 8,982 | 605 | 2,265 | 473 | 12,817 | 621 | 245,447 |
| Exchange differences | (2,846) | (177) | – | – | (3) | (2) | – | – | (12) | (3,040) |
| Additions | – | 2,369 | – | 4 | 11 | 62 | – | 187 | 825 | 3,458 |
| Disposal/write-off | – | (1,272) | – | – | (15) | (28) | – | (87) | – | (1,402) |
| Reclassification | 51 | 390 | – | – | – | – | – | – | (441) | – |
| At 31 December 2023 and 1 January 2024 | 190,601 | 10,858 | 16,740 | 8,986 | 598 | 2,297 | 473 | 12,917 | 993 | 244,463 |
| Exchange differences | 5,485 | 346 | – | – | 4 | 1 | – | – | 32 | 5,868 |
| Additions | – | – | – | – | 38 | 55 | 117 | 465 | 5,286 | 5,961 |
| Disposal/write-off | – | (2,228) | – | – | (31) | (947) | (97) | (19) | – | (3,322) |
| Reclassification | – | 4,695 | – | – | – | – | – | | (4,695) | – |
| At 31 December 2024 | **196,086** | **13,671** | **16,740** | **8,986** | **609** | **1,406** | **493** | **13,363** | **1,616** | **252,970** |
| **Accumulated depreciation:** | | | | | | | | | | |
| At 1 January 2023 | 43,230 | 6,065 | 14,280 | 8,759 | 540 | 1,970 | 388 | 12,422 | – | 87,654 |
| Exchange differences | (996) | (141) | – | – | (2) | (1) | – | – | – | (1,140) |
| Depreciation charge for the year | 9,598 | 1,585 | 932 | 122 | 37 | 130 | 33 | 213 | – | 12,650 |
| Disposal/write-off | – | (1,272) | – | – | (15) | (28) | – | (87) | – | (1,402) |
| At 31 December 2023 and 1 January 2024 | 51,832 | 6,237 | 15,212 | 8,881 | 560 | 2,071 | 421 | 12,548 | – | 97,762 |
| Exchange differences | 1,844 | 238 | – | – | 3 | 2 | – | – | – | 2,087 |
| Depreciation charge for the year | 9,131 | 2,290 | 931 | 43 | 27 | 129 | 49 | 197 | – | 12,797 |
| Disposal/write-off | – | (2,228) | – | – | (24) | (942) | (97) | (19) | – | (3,310) |
| At 31 December 2024 | **62,807** | **6,537** | **16,143** | **8,924** | **566** | **1,260** | **373** | **12,726** | **–** | **109,336** |
| **Accumulated impairment:** | | | | | | | | | | |
| At 1 January 2023 | 8,730 | – | – | – | – | – | – | – | – | 8,730 |
| Exchange difference | (237) | – | – | – | – | – | – | – | – | (237) |
| Impairment charge for the year | 4,160 | – | – | – | – | – | – | – | – | 4,160 |
| At 31 December 2023 and 1 January 2024 | 12,653 | – | – | – | – | – | – | – | – | 12,653 |
| Exchange difference | 403 | – | – | – | – | – | – | – | – | 403 |
| Impairment charge for the year | – | – | – | – | – | – | – | – | – | – |
| At 31 December 2024 | 13,056 | – | – | – | – | – | – | – | – | 13,056 |
| **Net carrying amount:** | | | | | | | | | | |
| At 31 December 2023 | 126,116 | 4,621 | 1,528 | 105 | 38 | 226 | 52 | 369 | 993 | 134,048 |
| At 31 December 2024 | **120,223** | **7,134** | **597** | **62** | **43** | **146** | **120** | **637** | **1,616** | **130,578** |

(a) The Group's leasehold lands and buildings are located at 6 Pioneer Sector 1, Singapore 628418, 10 Jalan Samulun, Singapore 629124 and 12A Jalan Samulun, Singapore 629131.

(b) A vessel with carrying value of $10,881,000 (2023: $12,240,000) is pledged to the bank as security for the Group's bank loans.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| Company | Office equipment $'000 |
|---|---|
| **Cost:** | |
| At 1 January 2023 | 70 |
| Additions | 3 |
| At 31 December 2023 and 1 January 2024 | 73 |
| Additions | – |
| At 31 December 2024 | **73** |
| **Accumulated depreciation:** | |
| At 1 January 2023 | 68 |
| Depreciation charge for the year | 2 |
| At 31 December 2023 and 1 January 2024 | 70 |
| Depreciation charge for the year | 1 |
| At 31 December 2024 | **71** |
| **Net carrying amount:** | |
| At 31 December 2023 | 3 |
| At 31 December 2024 | **2** |

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

In 2023 and 2024, the arbitral tribunal issued the following (collectively the "Arbitration Awards"):

- A final partial award in the amount of approximately US$1.6 million in relation to unpaid charter hire plus interest based on a standby hire rate;
- A final award in relation to an urgent mandatory injunction requiring the charterer to redeliver the vessel to CHO after the termination of the charterparty in April 2023;
- Dismissed the counterclaim filed by the charterer; and
- A final partial award of approximately US$1.25 million in relation to unpaid charter hire on a full rate including interest.

The decision of the arbitral tribunal in relation to the above final partial award are final and not subject to appeal.

Since then, CHO has been working with its legal counsel on the enforcement of the Arbitration Awards in the foreign jurisdiction in which the charterer is located. The Arbitration Awards are enforceable in this country as it is a party to the International Treaties on enforcement of arbitration awards, such as the Hague Convention and the New York Convention. The law in this country affords the right and provides for procedural rule for enforcement of such foreign judgments and awards. Due to the time taken to meet the administrative and procedural requirements of the foreign courts, the application was filed in December 2023.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

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

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

Based on advice from its legal counsel, CHO is confident that the Arbitration Awards will be enforceable. However, due to the unavailability of this vessel for chartering operations until completion of the legal proceedings, the Group had recorded an impairment charge of approximately $4,160,000 for the year ended 31 December 2023 (Note 3). No impairment loss or reversal was recognised for the year ended 31 December 2024.

## 11. RIGHT-OF-USE ASSETS

The Group has lease contracts for various leasehold lands and buildings used in its operations. Leases of leasehold lands and buildings generally have remaining lease terms of 2 and 20 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases of office equipment with lease terms of 12 months or less and with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and movements during the year:

| | Leasehold properties | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| At 1 January | **8,277** | 2,043 |
| Addition | **301** | 7,375 |
| Depreciation charge for the year | **(1,021)** | (1,141) |
| At 31 December | **7,557** | 8,277 |

Set out below are the carrying amounts of lease liabilities (included under loans and borrowings (Note 23) and the movements during the year:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| At 1 January | **7,925** | 1,756 |
| Addition | **48** | 7,125 |
| Accretion of interest | **458** | 79 |
| Payments | **(1,087)** | (1,035) |
| At 31 December | **7,344** | 7,925 |
| | | |
| Current | **581** | 629 |
| Non-current | **6,763** | 7,296 |
| | **7,344** | 7,925 |

The maturity analysis of lease liabilities is disclosed in Note 26(b).

## 11. RIGHT-OF-USE ASSETS (CONT'D)

The following are the amounts recognised in profit or loss:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Depreciation expense of right-of-use assets (Note 7) | **1,021** | 1,141 |
| Interest expense on lease liabilities | **458** | 79 |
| Expense relating to leases of low-value assets (Note 7) | **41** | 25 |
| Total amount recognised in profit or loss | **1,520** | 1,245 |

In the current financial year, the Group had total cash outflows for leases of $1,128,000 (2023: $1,060,000).

## 12. INTANGIBLE ASSETS

| Group | Vessel design |
|---|---|
| | $'000 |
| **Cost:** | |
| At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 | **2,561** |
| **Accumulated amortisation and impairment:** | |
| At 1 January 2023 | 2,044 |
| Amortisation charge for the year | 259 |
| At 31 December 2023 and 1 January 2024 | 2,303 |
| Amortisation charge for the year | 258 |
| At 31 December 2024 | **2,561** |
| **Net carrying amount:** | |
| At 31 December 2023 | 258 |
| At 31 December 2024 | – |

**Vessel design**

In 2014, the Group acquired a vessel design and commenced the construction of a vessel. The construction of the vessel was completed in 2017. The vessel design impairment assessment under SFRS(I) 36 *Impairment of Assets* is dependent on the recoverable amount of the vessel, which is computed to be higher than the carrying value. As such, no impairment loss was recorded.

Amortisation charge of $258,000 (2023: $259,000) has been included in the Group's consolidated statement of comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

## 13. INVESTMENT IN SUBSIDIARIES

| | Company | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Shares, at cost | **30,000** | 30,000 |
| Amounts due from subsidiaries* | **107,852** | 102,000 |
| Less: Allowance for impairment | **(59,700)** | (43,400) |
| | **78,152** | 88,600 |

* The 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 | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| At 1 January | **43,400** | 36,400 |
| Charge for the year | **16,300** | 7,000 |
| At 31 December | **59,700** | 43,400 |

### *(a) Composition of the Group*

The subsidiaries for the financial year ended 31 December are:-

| **Subsidiaries (Country of incorporation)** | **Principal activities (Place of business)** | **Percentage of equity held by the Group** | |
|---|---|---|---|
| | | **2024** | **2023** |
| | | % | % |
| (1) Sea Deep Shipyard Pte. Ltd. (Singapore) | Manufacturer and provider of specialised marine offshore equipment and services for the oil and gas industry (Singapore) | **100** | 100 |
| (1) Baker Engineering Pte. Ltd. (Singapore) | Design and fabrication of offshore and marine equipment (Singapore) | **100** | 100 |
| (1) BT Investment Pte. Ltd. (Singapore) | Investment holding (Singapore) | **100** | 100 |
| *Held through Sea Deep Shipyard Pte. Ltd.:* | | | |
| (1) Sea Hercules Cranes Pte. Ltd (formerly known as Interseas Shipping (Private) Limited) (Singapore) | Manufacturer and provider of specialised marine offshore equipment and services for the oil and gas industry (Singapore) | **100** | 100 |
| *Held through Baker Engineering Pte. Ltd.:* | | | |
| (1) BEL Design Pte. Ltd. (Singapore) | Design and engineering of offshore and marine vessels and equipment (Singapore) | **100** | 100 |

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

## 13. INVESTMENT IN SUBSIDIARIES (CONT'D)

### *(a) Composition of the Group (cont'd)*

| Subsidiaries (Country of incorporation) | Principal activities (Place of business) | Percentage of equity held by the Group 2024 % | 2023 % |
|---|---|---|---|
| *Held through BT Investment Pte. Ltd.:* | | | |
| (1) BT Titanium Pte. Ltd. (Singapore) | Provision of offshore marine logistics support services (Singapore) | **100** | 100 |
| (2) BT Offshore (B) Sdn Bhd (Brunei) | Provision of offshore marine logistics support services (Brunei) | **100** | 100 |
| (1) BT OSV 1 Pte. Ltd. (Singapore) | Ship owning and chartering (Singapore) | **100** | 100 |
| (1) BT Offshore Management Pte. Ltd. (Singapore) | Chartering of vessels and ship management services (Singapore) | **100** | 100 |
| (1) Interseas Pte. Ltd. (Singapore) | Dormant | **100** | 100 |
| (1) CH Offshore Ltd. (Singapore) | Investment holding and owning and chartering of vessels (Singapore) | **54.98** | 54.98 |
| *Held through BT Titanium Pte. Ltd.* | | | |
| (2) BT Offshore (Malaysia) Pte Ltd (Malaysia) | Provision of offshore marine logistic support services (Malaysia) | **100** | 100 |
| *Held through CH Offshore Ltd.:* | | | |
| (1) CHO Ship Management Pte. Ltd. (Singapore) | Ship management and investment holding (Singapore) | **54.98** | 54.98 |
| (1) Delaware Marine Pte Ltd (Singapore) | Investment holding (Singapore) | **54.98** | 54.98 |
| (1) Sea Glory Private Limited (Singapore) | Ship owning and chartering (Singapore) | **54.98** | 54.98 |
| (1) Garo Pte. Ltd. (Singapore) | Ship owning and chartering (Singapore) | **54.98** | 54.98 |
| (1) Offshore Gold Singapore Pte Ltd (Singapore) | Ship owning and chartering (Singapore) | **54.98** | 54.98 |
| (1) Pembrooke Marine Pte Ltd (Singapore) | Ship owning and chartering (Singapore) | **54.98** | 54.98 |
| (1) Venture Offshore Pte. Ltd. (Singapore) | Ship owning and chartering (Singapore) | **54.98** | 54.98 |
| (1) CHO Investment Pte. Ltd. (Singapore) | Ship owning and chartering (Singapore) | **54.98** | 54.98 |

## 13. INVESTMENT IN SUBSIDIARIES (CONT'D)

### *(a) Composition of the Group (cont'd)*

| Subsidiaries (Country of incorporation) | Principal activities (Place of business) | Percentage of equity held by the Group 2024 % | 2023 % |
|---|---|---|---|
| *Held through CHO Ship Management Pte. Ltd.:* | | | |
| (2)(3) High Majestic Sdn. Bhd. (Malaysia) | Ship owning and chartering (Malaysia) | **26.94** | 26.94 |
| *Held through Delaware Marine Pte Ltd:* | | | |
| (2) Pearl Marine Pte. Ltd. (Malaysia) | Ship owning and chartering (Malaysia) | **54.98** | 54.98 |
| *Held through CHO Investment Pte Ltd:* | | | |
| (2) Interseas Sdn. Bhd. (Malaysia) | Ship owning and chartering (Malaysia) | **15.94** | 15.94 |
| (2)(3) Sea Offshore Assets Sdn. Bhd. (Malaysia) | Trading, ship owning and chartering (Malaysia) | **26.94** | 26.94 |
| (2)(3) Green Ocean Assets Sdn. Bhd. (Malaysia) | Trading, ship owning and chartering (Malaysia) | **26.94** | – |
| *Held through Sea Offshore Assets Sdn. Bhd.* | | | |
| (2) Interseas Sdn. Bhd. (Malaysia) | Ship owning and chartering (Malaysia) | **13.74** | 13.74 |

(1) Audited by Ernst & Young LLP, Singapore
(2) Audited by member firms of Ernst & Young Global in the respective countries.
(3) High Majestic Sdn. Bhd. ("High Majestic") Sea Offshore Assets Sdn. Bhd. ("Sea Offshore Assets") and Green Ocean Assets Sdn. Bhd. ("Green Ocean Assets") are deemed to be a subsidiary as the Company has power to control the financial and operating policies of High Majestic, Sea Offshore Assets and Green Ocean Assets.

On 23 August 2023, Interseas Sdn. Bhd. issued 250,000 new shares at RM1 per share. The result of the share issuance had no impact on the Group's effective ownership interest in Interseas Sdn. Bhd.

On 18 January 2024, the Group incorporated a wholly-owned subsidiary, Green Ocean Assets Sdn. Bhd. ("Green Ocean Assets") in Malaysia. The investment in Green Ocean Assets amounted to RM1 (approximately US$0.22).

On 13 March 2024, Green Ocean Assets issued 99,999 new shares at RM1 per share. The result of the share issuance diluted the Group's effective ownership interest in Green Ocean Assets from 54.98% to 26.94%. The Group continues to have control over Green Ocean Assets due to the power to control the financial and operating policies of Green Ocean Assets by virtue of it having majority Directors on Green Ocean Assets' Board.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 13. INVESTMENT IN SUBSIDIARIES (CONT'D)

### *(b) Interest in subsidiaries with material non-controlling interest ("NCI")*

| Name of subsidiary | Principal place of business | Proportion ownership interest held by non-controlling interest | Profit/(loss) allocated to NCI during the reporting period $'000 | Accumulated NCI at the end of reporting period $'000 | Dividends paid to NCI $'000 |
|---|---|---|---|---|---|
| **31 December 2024:** | | | | | |
| CH Offshore Ltd. | **Singapore** | **45.02%** | **926** | **25,707** | **–** |
| **31 December 2023:** | | | | | |
| CH Offshore Ltd. | Singapore | 45.02% | (4,715) | 23,979 | – |

There are no significant restrictions on the Group's ability to use or access assets and settle liabilities of subsidiaries with material non-controlling interests.

### *(c) Summarised financial information about subsidiary with material NCI*

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

**Summarised statement of financial positions**

| | CH Offshore Ltd. | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Current assets | **20,592** | 19,454 |
| Non-current assets | **52,803** | 52,349 |
| Total assets | **73,395** | 71,803 |
| Current liabilities | **16,168** | 16,810 |
| Non-current liabilities | **638** | 1,901 |
| Total liabilities | **16,806** | 18,711 |
| Net assets | **56,589** | 53,092 |

**Summarised statement of comprehensive income**

| | CH Offshore Ltd. | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Revenue | **35,081** | 32,332 |
| Profit/(loss) before income tax | **2,211** | (11,884) |
| Income tax (expenses)/credit | **(449)** | 815 |
| Profit/(loss) after tax, representing total comprehensive income | **1,762** | (11,069) |

## 13. INVESTMENT IN SUBSIDIARIES (CONT'D)

### (c) *Summarised financial information about subsidiary with material NCI (cont'd)*

**Summarised cash flow information**

| | CH Offshore Ltd. | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Operating | **10,309** | 446 |
| Investing | **(4,644)** | (2,599) |
| Financing | **(1,388)** | (1,221) |
| Net increase/(decrease) in cash and cash equivalents | **4,277** | (3,374) |

## 14. INVESTMENT IN ASSOCIATED COMPANIES

The Group's material investments in associated companies are summarised below:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| PT Bahtera Nusantara Indonesia | **–** | – |
| Other associates | **–** | – |
| | **–** | – |

Details of the Group's associated companies at the end of the financial year are as follows:

| Name | Country of incorporation | Principal activities | Proportion (%) of ownership interest 2024 | 2023 |
|---|---|---|---|---|
| Held by CH Offshore Ltd. | | | | |
| Gemini Sprint Sdn. Bhd.[(a)] | Malaysia | Dormant | **–** | 26.94% |
| Held by Venture Offshore Pte. Ltd. | | | | |
| PT Bahtera Nusantara Indonesia[(b)] | Indonesia | Ship owning and chartering | **26.94%** | 26.94% |

(a) Audited by other CPA firms in Malaysia.
(b) Audited by other CPA firm in Indonesia.

Gemini Sprint Sdn. Bhd. has been liquidated pursuant to members' liquidation during 2024.

In accordance with the requirements of Rules 715 and 716 of the SGX-ST Listing Manual, the audit committee and the board of CH Offshore Ltd., having reviewed the appointment of different auditors for the Group's significant associate, are satisfied that these appointments would not compromise the standard and effectiveness of the audit of CH Offshore Ltd.

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 $110,000 (2023: $226,000).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 14. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

The summarised financial information in respect of PT Bahtera Nusantara Indonesia, based on its International Financial Reporting Standards ("IFRS") financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

**Summarised statement of financial position**

| | PT Bahtera Nusantara Indonesia | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Current assets | **2,736** | 4,570 |
| Non-current assets | **9,317** | 9,628 |
| Total assets | **12,053** | 14,198 |
| Current liabilities | **12,463** | 15,024 |
| Total liabilities | **12,463** | 15,024 |
| Net liabilities | **(410)** | (826) |
| Group's share of net assets, representing carrying amount of the investment | **–** | – |

**Summarised statement of comprehensive income**

| | PT Bahtera Nusantara Indonesia | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Revenue | **4,741** | 4,510 |
| Operating expenses | **(4,095)** | (4,102) |
| Other expenses | **(208)** | (404) |
| Other income | **56** | 3 |
| Profit before tax | **494** | 7 |
| Income tax expense | **(58)** | (71) |
| Profit/(loss) after tax | **436** | (64) |
| Group's share of results for the year | **–** | – |

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

## 15. LOAN TO AN ASSOCIATED COMPANY

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Loan to an associated company | **5,192** | 5,606 |
| Less: Allowance for impairment | **(1,667)** | (1,616) |
| | **3,525** | 3,990 |
| Movement in allowance account: | | |
| At 1 January | **1,616** | 1,647 |
| Exchange differences | **51** | (31) |
| At 31 December | **1,667** | 1,616 |

The loan to an associated company is unsecured, bears interest at 4.26% (2023: 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 2024 and 2023. During the year, the Group received $582,000 (2023: $578,000) from associated company.

## 16. INVESTMENT SECURITIES

***Financial instruments***

| | Group and Company | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| At fair value through other comprehensive income | | |
| – Corporate bonds (quoted) | **12,578** | 7,455 |
| – Unquoted equity securities | **3,015** | 2,965 |
| | **15,593** | 10,420 |
| **Net carrying amount** | | |
| Current | **2,586** | 2,729 |
| Non-current | **13,007** | 7,691 |
| | **15,593** | 10,420 |

Corporate bonds (quoted)

The Group's and Company's investment in quoted corporate bonds are denominated in USD. They bear interest at rates ranging from 0.55% to 6.34% (2023: 1.38% to 8.00%) per annum. The Group elected to measure these corporate bonds at FVOCI due to the Group's intention to hold these debt instruments to collect contractual cash flows and sell.

Unquoted equity securities

The Group's and Company's investment in unquoted securities are denominated in Euro. The unquoted equity securities relate to a minority stake in an investment fund company, which was incorporated in Luxembourg. The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 17. DEFERRED TAX

Deferred tax as at 31 December relates to the following:

| | Group | | | |
|---|---|---|---|---|
| | Consolidated statement of financial position | | Consolidated statement of comprehensive income | |
| | **2024** | **2023** | **2024** | **2023** |
| | $'000 | $'000 | $'000 | $'000 |
| Deferred tax liabilities: | | | | |
| Differences in depreciation for tax purposes | **(606)** | (1,774) | **(1,204)** | (1,777) |
| Unutilised capital allowance | **135** | – | **(133)** | – |
| Provisions | **–** | 746 | **757** | – |
| | **(471)** | (1,028) | | |
| Deferred tax expense | | | **(580)** | (1,777) |

The movements of deferred tax liabilities for the financial years are summarised as follows:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| At 1 January | **1,028** | 2,825 |
| Credit to profit or loss for the year | **(580)** | (1,777) |
| Exchange differences | **23** | (20) |
| At 31 December | **471** | 1,028 |

Tax consequence of proposed dividends

There are no income tax consequences attached to the dividends proposed by the Company to the shareholders but not recognised as a liability in the financial statements (Note 29).

## 18. INVENTORIES AND WORK-IN-PROGRESS

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| **Statement of financial position:** | | |
| Materials, components and spares | **6,621** | 5,817 |
| Bunkering stocks | **556** | 944 |
| | **7,177** | 6,761 |
| **Consolidated income statement:** | | |
| Inventories recognised as an expense in cost of sales | **8,242** | 5,932 |
| Inclusive of the following charge: | | |
| – Inventories written down | **46** | 98 |

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

## 19. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | $'000 | $'000 | $'000 | $'000 |
| Trade receivables – net | **11,264** | 22,486 | **–** | – |
| Deposits | **634** | 294 | **60** | 60 |
| GST recoverable | **440** | 422 | **–** | – |
| Amounts due from associated company (non-trade) | **502** | 357 | **–** | – |
| Income tax recoverable | **422** | 344 | **–** | – |
| Other receivables | **523** | 98 | **–** | – |
| Interest receivables | **780** | 900 | **780** | 900 |
| Total trade and other receivables (current) | **14,565** | 24,901 | **840** | 960 |
| Trade and other receivables (excluding GST recoverable and income tax recoverable) | **13,703** | 24,135 | **840** | 960 |
| Amount due from subsidiaries (Note 20) | **–** | – | **61,580** | 74,913 |
| Loan to associated company (Note 15) | **3,525** | 3,990 | **–** | – |
| Cash and short-term deposits (Note 21) | **111,997** | 87,521 | **90,023** | 72,984 |
| Total financial assets carried at amortised cost | **129,225** | 115,646 | **152,443** | 148,857 |

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

Amounts due from associated company is unsecured, interest-free and repayable on demand except for those disclosed in Note 15.

Trade receivables denominated in foreign currencies, other than the respective functional currencies of the Group entities at 31 December are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | $'000 | $'000 | $'000 | $'000 |
| United States Dollar | **3,105** | 3,957 | **–** | – |
| Malaysia Ringgit | **461** | 4,181 | **–** | – |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 19. TRADE AND OTHER RECEIVABLES (CONT'D)

Expected credit loss (ECL) of trade receivables and contract assets

The Group provides for lifetime ECL for all trade receivables and contract assets using a provision matrix. The basis of determination of loss allowance are disclosed in Note 26(c).

| | | Group | |
|---|---|---|---|
| | Gross amount | Loss allowance | Carrying amount |
| | $'000 | $'000 | $'000 |
| **2024** | | | |
| Current | **3,811** | **–** | **3,811** |
| < 3 months past due | **6,739** | **–** | **6,739** |
| 3 to 6 months past due | **1,842** | **(1,136)** | **706** |
| 6 to 12 months past due | **–** | **–** | **–** |
| >12 months past due | **8,169** | **(8,161)** | **8** |
| | **20,561** | **(9,297)** | **11,264** |
| Contract assets | **775** | **–** | **775** |
| | **21,336** | **–** | **12,039** |
| **2023** | | | |
| Current | | | |
| < 3 months past due | 14,271 | – | 14,271 |
| 3 to 6 months past due | 5,894 | – | 5,894 |
| 6 to 12 months past due | 1,882 | – | 1,882 |
| >12 months past due | 1,025 | (815) | 210 |
| | 7,499 | (7,270) | 229 |
| | 30,571 | (8,085) | 22,486 |
| Contract assets | 2,476 | – | 2,476 |
| | 33,047 | (8,085) | 24,962 |

The movement in allowance for expected credit losses of trade receivables and contract assets computed based on lifetime ECL are as follows:

| | Group Trade receivables | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Movement in allowance accounts: | | |
| At 1 January | **8,085** | 7,996 |
| Exchange differences | **272** | (167) |
| Charge for the year | **940** | 1,476 |
| Write-off | **–** | (1,220) |
| At 31 December | **9,297** | 8,085 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 20. AMOUNTS DUE FROM/(TO) SUBSIDIARIES

| | Company | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| Amount due from: | | |
| Non-trade receivables | **61,580** | 74,913 |
| Amount due to: | | |
| Non-trade payables | **4,191** | 7,416 |

The amounts due from subsidiaries are unsecured, either interest bearing at 4.30% (2023: 4.30%) or non-interest bearing and are repayable on demand.

The amounts due to subsidiaries are unsecured, non-interest bearing and are repayable on demand.

## 21. CASH AND SHORT-TERM DEPOSITS

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | $'000 | $'000 | $'000 | $'000 |
| Cash at banks and on hand | **26,512** | 24,961 | **6,578** | 11,743 |
| Short-term deposits | **85,485** | 62,560 | **83,445** | 61,241 |
| | **111,997** | 87,521 | **90,023** | 72,984 |
| Less: Short-term deposits with terms more than three months | **(32,582)** | (50,771) | **(32,582)** | (50,771) |
| Cash and cash equivalents in the consolidated cash flow statement | **79,415** | 36,750 | **57,441** | 22,213 |

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one week and six months depending on the immediate cash requirements of the Group and Company, and earn interests at the respective short-term deposit rates ranging from 2.00% to 6.00% (2023: 2.04% to 7.00%) per annum.

Cash and short-term deposits denominated in foreign currencies, other than the respective functional currencies of the Group entities at 31 December are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | $'000 | $'000 | $'000 | $'000 |
| United States Dollar | **46,771** | 50,667 | **44,220** | 47,244 |
| Euro | **208** | 239 | **14** | 14 |
| Malaysia Ringgit | **1,321** | 2,863 | **–** | – |
| Singapore Dollar | **2,292** | 1,248 | **–** | – |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 22. PAYABLES AND ACCRUALS

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | $'000 | $'000 | $'000 | $'000 |
| Trade payables | **6,228** | 7,198 | **–** | 1 |
| Trade accruals | **4,358** | 5,801 | **–** | – |
| Other payables | **3,136** | 2,424 | **654** | 636 |
| Total payables and accruals (current) | **13,722** | 15,423 | **654** | 637 |
| Provision (current) | **450** | – | **–** | – |
| Provision (non-current) | **1,580** | 1,800 | **–** | – |
| Total payables and accruals (current and non-current) | **15,752** | 17,223 | **654** | 637 |
| Total payables and accruals (excluding provision) | **13,722** | 15,423 | **654** | 637 |
| Amount due to subsidiaries (Note 20) | **–** | – | **4,191** | 7,416 |
| Loans and borrowings (Note 23) | **14,186** | 16,176 | **–** | – |
| Total financial liabilities carried at amortised cost | **27,908** | 31,599 | **4,845** | 8,053 |

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

Other payables mainly include accruals for payroll related expenses.

Provision relates to provision for reinstatement costs of leasehold lands and buildings. The provision was made based on the estimated cost of reinstating the leased premises when the leases expire, taking into consideration current market assessment of the time value of money.

Trade payables denominated in foreign currencies, other than the respective functional currencies of the Group entities at 31 December are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | $'000 | $'000 | $'000 | $'000 |
| United States Dollar | **383** | 1,270 | **–** | – |
| Euro | **60** | 265 | **–** | – |
| Malaysia Ringgit | **691** | 1,207 | **–** | – |
| Singapore Dollar | **1,698** | 788 | **–** | – |
| Brunei Dollar | **1,099** | 565 | **–** | – |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 23. LOANS AND BORROWINGS

| | Maturity | Group 2024 $'000 | Group 2023 $'000 |
|---|---|---|---|
| **Current:** | | | |
| Bank loan A | 2025 | **5,970** | 5,993 |
| Bank loan B | 2025 | **872** | 1,384 |
| Lease liabilities (Note 11) | 2025 | **581** | 629 |
| | | **7,423** | 8,006 |
| **Non-current:** | | | |
| Bank loan B | | **–** | 874 |
| Lease liabilities (Note 11) | 2026-2042 | **6,763** | 7,296 |
| | | **6,763** | 8,170 |
| | | **14,186** | 16,176 |

Bank loan A:

The bank loan is a secured revolving credit facility which bears effective interest rate of 6.41% (2023: 6.58%) per annum and is denominated in Singapore Dollars.

Bank loan B:

The bank loan is unsecured with a tenure of 60 months (2023: 60 months), bears interest at 3.00% (2023: 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:

| | 1.1.2024 $'000 | Proceeds $'000 | Repayment $'000 | Others $'000 | 31.12.2024 $'000 |
|---|---|---|---|---|---|
| Borrowings | | | | | |
| – Current | **7,377** | **–** | **(1,409)** | **874** | **6,842** |
| – Non-current | **874** | **–** | **–** | **(874)** | **–** |
| Lease liabilities | | | | | |
| – Current | **629** | **–** | **(629)** | **581** | **581** |
| – Non-current | **7,296** | **48** | **–** | **(581)** | **6,763** |
| Total liabilities from financing activities | **16,176** | **48** | **(2,038)** | **–** | **14,186** |

| | 1.1.2023 $'000 | Proceeds $'000 | Repayment $'000 | Others $'000 | 31.12.2023 $'000 |
|---|---|---|---|---|---|
| Borrowings | | | | | |
| – Current | 7,361 | – | (1,271) | 1,287 | 7,377 |
| – Non-current | 2,161 | – | – | (1,287) | 874 |
| Lease liabilities | | | | | |
| – Current | 956 | – | (956) | 629 | 629 |
| – Non-current | 800 | 7,125 | – | (629) | 7,296 |
| Total liabilities from financing activities | 11,278 | 7,125 | (2,227) | – | 16,176 |

The "Others" column includes the effect of reclassification of non-current portion of loans and borrowings to current due to the passage of time. The Group classifies interest paid as cash flows from operating activities.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 24. SHARE CAPITAL

| | Group and Company | | | |
|---|---|---|---|---|
| | 2024 | | 2023 | |
| | No. of shares | $'000 | No. of shares | $'000 |
| **Issued and fully paid:** | | | | |
| At 1 January and 31 December | **202,877,948** | **108,788** | 202,877,948 | 108,788 |

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

## 25. RELATED PARTY TRANSACTIONS

### (a) *Sales and purchase of goods and services*

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

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Consultancy service fee paid/payable to directors | **187** | 186 |
| Management and agency fee from associated companies | **64** | 64 |

### (b) *Compensation of key management personnel*

| | Group | |
|---|---|---|
| | 2024 | 2023 |
| | $'000 | $'000 |
| Directors' fee | **333** | 280 |
| Short-term employee benefits | **3,820** | 3,377 |
| | **4,153** | 3,657 |
| Comprise amounts paid/payable to | | |
| – Directors of the Company | **2,516** | 2,148 |
| – Other key management personnel | **1,637** | 1,509 |
| | **4,153** | 3,657 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 26. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds investments in debt and equity instruments.

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, credit risk and foreign currency risk. The Group does not speculate in the currency markets or hold or issue derivatives financial instruments. The Board reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The Group's policy on financial authority limit seeks to mitigate risks by setting out the threshold of approvals required for entry into contractual obligations and investments.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management is carried out under policies approved by the Board. The Board reviews and approves policies for managing each of these risks and they are summarised below.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risks for financial year 2024.

### *(a) 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 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 basis points lower/higher with all other variables held constant, the Group's profit before tax would have been $32,000 (2023: $35,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings.

### *(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 are 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 26. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### *(b) Liquidity risk (cont'd)*

**Analysis of financial instruments by remaining contractual maturities**

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

| Group | One year or less $'000 | One to five years $'000 | Total $'000 |
|---|---|---|---|
| **2024** | | | |
| **Financial assets:** | | | |
| Trade and other receivables (excluding GST recoverable and income tax recoverable) | **13,703** | **–** | **13,703** |
| Cash and short-term deposits | **111,997** | **–** | **111,997** |
| Loan to an associated company | **3,525** | **–** | **3,525** |
| Total undiscounted financial assets | **129,225** | **–** | **129,225** |
| **Financial liabilities:** | | | |
| Payable and accruals (excluding provision for reinstatement) | **13,722** | **–** | **13,722** |
| Loans and borrowings | **6,894** | **–** | **6,894** |
| Lease liabilities | **1,005** | **11,058** | **12,063** |
| Total undiscounted financial liabilities | **21,621** | **11,058** | **32,679** |
| Total net undiscounted financial assets/(liabilities) | **107,604** | **(11,058)** | **96,546** |
| **2023** | | | |
| **Financial assets:** | | | |
| Trade and other receivables (excluding GST recoverable and income tax recoverable) | 24,135 | – | 24,135 |
| Cash and short-term deposits | 87,521 | – | 87,521 |
| Loan to an associated company | 3,990 | – | 3,990 |
| Total undiscounted financial assets | 115,646 | – | 115,646 |
| **Financial liabilities:** | | | |
| Payable and accruals (excluding provision for reinstatement) | 15,423 | – | 15,423 |
| Loans and borrowings | 7,457 | 885 | 8,342 |
| Lease liabilities | 1,088 | 12,010 | 13,098 |
| Total undiscounted financial liabilities | 23,968 | 12,895 | 36,863 |
| Total net undiscounted financial assets/(liabilities) | 91,678 | (12,895) | 78,783 |

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 26. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (b) *Liquidity risk (cont'd)*

**Analysis of financial instruments by remaining contractual maturities (cont'd)**

| Company | 2024 One year or less $'000 | 2023 One year or less $'000 |
|---|---|---|
| **Financial assets:** | | |
| Trade and other receivables (excluding GST recoverable and income tax recoverable) | **840** | 960 |
| Amount due from subsidiaries | **61,580** | 74,913 |
| Cash and short-term deposits | **90,023** | 72,984 |
| Total undiscounted financial assets | **152,443** | 148,857 |
| **Financial liabilities:** | | |
| Payable and accruals (excluding deferred income) | **654** | 637 |
| Amount due to subsidiaries | **4,191** | 7,416 |
| Total undiscounted financial liabilities | **4,845** | 8,053 |
| Total net undiscounted financial assets | **147,598** | 140,804 |

### (c) *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 only transacts with creditworthy institutions.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

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 with days past due. Information regarding loss allowance movement of trade receivables is disclosed in Note 19.

## 26. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### *(c) Credit risk (cont'd)*

Concentration of credit risk

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

| | Group | | | |
|---|---|---|---|---|
| | **2024** | | **2023** | |
| | $'000 | % | $'000 | % |
| **By country** | | | | |
| Asia Pacific (excluding China and Singapore) | **5,490** | **49** | 14,283 | 64 |
| Middle East | **1,608** | **14** | 3,012 | 13 |
| Europe | **995** | **9** | 1,472 | 7 |
| Africa | **2,048** | **18** | 46 | – |
| Singapore | **1,107** | **10** | 3,563 | 16 |
| Americas | **16** | **–** | 75 | – |
| China | **–** | **–** | 35 | – |
| | **11,264** | **100** | 22,486 | 100 |

At the end of the reporting period, 61% (2023: 65%) of the Group's trade receivables were due from 2 (2023: 3) major customers located in Africa and Asia Pacific.

A nominal amount of $6,800,000 (2023: $6,590,000) was provided by the Company to banks, in relation to corporate guarantee for its subsidiaries' banking facilities.

### *(d) Foreign currency risk*

The Group has transactional currency exposures arising from sales or purchases that are denominated in currencies other than Singapore Dollars (SGD). The foreign currency in which these transactions are denominated are mainly US Dollars (USD). Approximately 99% (2023: 98%) of the Group's sales are denominated in foreign currencies whilst about 68% (2023: 47%) of costs are denominated in foreign currencies. The Group's trade receivable and trade payable balances that are denominated in foreign currencies at the end of the reporting period, as disclosed in Notes 19 and 22 respectively, have similar exposures.

The Group also holds cash and short-term deposits denominated in foreign currencies for working capital purposes. These balances at the end of the reporting period are disclosed in Note 21.

The Group and the Company's investment in quoted corporate bonds that are denominated in USD amount to approximately $12,577,000 (2023: $6,718,000).

To minimise foreign exchange risks, the Group practises natural hedging as much as possible. The Group also monitors movement in foreign exchange closely so as to capitalise on favourable exchange rates to convert excess foreign currencies back to SGD where possible.

The Group does not apply hedge accounting for such foreign currency denominated sales and purchases.

# NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

## 26. FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### (d) *Foreign currency risk (cont'd)*

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss net of tax to a reasonably possible change in the USD exchange rate against SGD, with all other variables held constant.

Sensitivity analysis for foreign currency risk (cont'd)

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| | **Net profit** | **Net profit** |
| USD / SGD – strengthened 3% (2023: 3%) | **+1,862** | +1,802 |
| – weakened 3% (2023: 3%) | **-1,862** | -1,802 |

## 27. FAIR VALUE MEASUREMENT

### (a) *Fair value hierarchy*

The Group categories fair value measurement using a fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

– Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

– Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

– Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### (b) *Assets and liabilities measured at fair value*

| | Group and Company | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| **Financial assets:** | | |
| *Equity and debt securities at fair value through other comprehensive income* | | |
| – Corporate bonds (quoted) (Level 1) | **12,578** | 7,455 |
| – Unquoted equity securities (Level 2) | **3,015** | 2,965 |
| | **15,593** | 10,420 |

Determination of fair value

*Quoted debt securities:* Fair value is determined directly by reference to their published market bid price at statement of financial position date.

*Unquoted equity securities:* Fair value is determined directly by reference to the audited net asset value of the investment fund company where the fair value of the portfolio investment is determined using a set of internationally recognised valuation methodologies.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

## 27. FAIR VALUE MEASUREMENT (CONT'D)

### (c) *Assets and liabilities by classes that are not measured at fair value and whose carrying amounts are reasonable approximation of fair value*

The carrying amounts of the trade and other receivables, cash and short-term deposits, loan to associated company, amounts due from/(to) subsidiaries, trade and other payables, and loans and borrowings are reasonable approximation of fair values, due to their short-term nature.

## 28. CAPITAL MANAGEMENT

The capital includes cash which are disclosed in Note 21.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating, healthy cash flows and loans and borrowings at an acceptable level in order to support its business and maximise shareholder value.

The Group is not subject to any externally imposed capital requirements.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 31 December 2023.

## 29. DIVIDEND

| | Group and Company | |
|---|---|---|
| | **2024** | **2023** |
| | $'000 | $'000 |
| **Declared and paid during the financial year:** | | |
| *Dividend on ordinary shares:* | | |
| – First and final tax exempt (one-tier) dividend for 2023: 1.5 cents (2022: 1.0 cent) per share | **3,043** | 2,029 |
| **Proposed but not recognised as a liability as at 31 December:** | | |
| *Dividend on ordinary shares, subject to shareholders' approval at the AGM:* | | |
| – First and final tax exempt (one-tier) dividend for 2024: 2.0 cents (2023: 1.5 cents) per share | **4,057** | 3,043 |

## 30. EVENTS AFTER THE REPORTING PERIOD

On 4 March 2025, the Group's 54.98%-owned subsidiary, CH Offshore Ltd. ("CHO"), announced a proposal to undertake a renounceable non-underwritten rights issue of up to 1,409,785,028 new ordinary shares in the capital of CHO (the "Rights Share(s)"), at an issue price of $0.01 for each Rights Share, on the basis of two Rights Shares for every one existing ordinary share in the capital of CHO. The proposed rights issue is subject to the approval of CHO's shareholders at an extraordinary general meeting.

In connection with the proposed rights issue by CHO, the Group has on 28 February 2025 given an irrevocable undertaking that it will (i) fully subscribe for its pro rata entitlement of Rights Shares in the capital of CHO for an amount of $7.75 million and (ii) up to an additional 15% of the Rights Shares in excess of its provisional allotments for the subscription amount of up to $2.11 million.

# STATISTICS OF SHAREHOLDINGS

as at 18 March 2025

## SHARE CAPITAL

| | | |
|---|---|---|
| Issued and Fully paid-up capital (including Treasury Shares) | : | $103,503,391.83 |
| Issued and Fully paid-up capital (excluding Treasury Shares) | : | $103,503,391.83 |
| Total Number of Issued & Paid Up Shares (including Treasury Shares) | : | 202,877,948 |
| Total Number of Issued & Paid Up Shares (excluding Treasury Shares) | : | 202,877,948 |
| Total Number/ Percentage of Treasury Shares | : | 0 (0.00%) |
| 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 | 182 | 4.91 | 2,065 | 0.00 |
| 100 – 1,000 | 732 | 19.76 | 352,808 | 0.17 |
| 1,001 – 10,000 | 2,095 | 56.54 | 9,538,344 | 4.70 |
| 10,001 – 1,000,000 | 686 | 18.52 | 33,606,085 | 16.57 |
| 1,000,001 AND ABOVE | 10 | 0.27 | 159,378,646 | 78.56 |
| **TOTAL** | **3,705** | **100.00** | **202,877,948** | **100.00** |

## TWENTY LARGEST SHAREHOLDERS

As shown in the Register of Members and Depository Register

| No. | Name | No. of Shares | % |
|---|---|---|---|
| 1 | DR BENETY CHANG | 94,151,601 | 46.41 |
| 2 | HO KIM LEE ADRIAN | 20,533,080 | 10.12 |
| 3 | DR HENG CHIN NGOR DORIS @ HENG LEE FUNG DORIS | 19,151,771 | 9.44 |
| 4 | DBS NOMINEES (PRIVATE) LIMITED | 7,826,690 | 3.86 |
| 5 | CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD. | 6,016,978 | 2.97 |
| 6 | TAN YANG GUAN | 4,128,554 | 2.03 |
| 7 | CHIAM TOON CHEW | 2,489,620 | 1.23 |
| 8 | PHILLIP SECURITIES PTE LTD | 2,025,712 | 1.00 |
| 9 | CITIBANK NOMINEES SINGAPORE PTE LTD | 1,879,240 | 0.93 |
| 10 | TOH ONG TIAM | 1,175,400 | 0.58 |
| 11 | UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED | 897,060 | 0.44 |
| 12 | UOB KAY HIAN PRIVATE LIMITED | 896,900 | 0.44 |
| 13 | DIANA SNG SIEW KHIM | 837,320 | 0.41 |
| 14 | ABN AMRO CLEARING BANK N.V. | 831,500 | 0.41 |
| 15 | OCBC SECURITIES PRIVATE LIMITED | 744,902 | 0.37 |
| 16 | OCBC NOMINEES SINGAPORE PRIVATE LIMITED | 735,001 | 0.36 |
| 17 | BOOI PANG HIN | 534,800 | 0.26 |
| 18 | LEE YAN TECK | 508,710 | 0.25 |
| 19 | SNG SIEW YU | 500,000 | 0.25 |
| 20 | YEAP CHEOW SOON | 427,100 | 0.21 |
| | **TOTAL** | **166,291,939** | **81.97** |

# STATISTICS OF SHAREHOLDINGS

as at 18 March 2025

**Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 18 March 2025:**

| | Direct Interest | | Deemed Interest | |
|---|---|---|---|---|
| | No. of Shares | % | No. of Shares | % |
| Dr Benety Chang[1] | 94,151,601 | 46.41 | 19,151,771 | 9.44 |
| Dr Doris Heng Chin Ngor[2] | 19,151,771 | 9.44 | 94,151,601 | 46.41 |
| Ho Kim Lee Adrian[3] | 21,101,980 | 10.40 | – | – |

**Notes:**

(1) Dr Benety Chang's deemed interests include 19,151,771 shares held by his wife, Dr Doris Heng Chin Ngor.

(2) Dr Doris Heng Chin Ngor's deemed interests include 94,151,601 shares held by her husband, Dr Benety Chang.

(3) Ho Kim Lee Adrian's direct interests include shares held both directly and through a financial institution.

## FREE FLOAT

Based on the information available to the Company as at 18 March 2025 and to the best knowledge of the Directors and the substantial shareholders of the Company, approximately 31.62% 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 Baker Technology Limited (the "**Company**") will be held at Republic of Singapore Yacht Club, Nautical Room, 52 West Coast Ferry Road, Singapore 126887 on Monday, 28 April 2025 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 2024 and the Auditors' Report thereon. **(Resolution 1)**

2 To declare a tax exempt (1-tier) final dividend of 2.0 cents per ordinary share for the financial year ended 31 December 2024. **(Resolution 2)**

3 To approve Directors' fees of up to $297,000 for the financial year ending 31 December 2025, to be paid quarterly in arrears. **(Resolution 3)**

4 To re-elect Mr Ajay Kumar Jain, being a Director who retires by rotation pursuant to Article 110 of the Constitution of the Company. **(Resolution 4)**

5 To re-elect Mr Tan Yang Guan, being a Director who retires by rotation pursuant to Article 110 of the Constitution of the Company. **(Resolution 5)**

6 To re-elect Dr Benety Chang, being a Director who retires by rotation pursuant to Article 110 of the Constitution of the Company. **(Resolution 6)**

7 To re-appoint Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

8 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:

9 "**Share Issue Mandate** **(Resolution 8)**

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;

# NOTICE OF ANNUAL GENERAL MEETING

(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;

Adjustments 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."

10 "**Proposed Adoption of the Baker Technology Limited Employee Performance Share Plan** **(Resolution 9)**

That:

(i) The employees' performance share plan to be known as the "Baker Technology Limited Employee Performance Share Plan" ("**BTL EPSP**"), the rules and details of which have been set out in Appendix B ("**Appendix B**") to the Annual Report, be and is hereby approved and adopted; and

(ii) The Directors be and are hereby authorised:

(a) to establish and administer the BTL EPSP;

(b) to modify and/or alter the BTL EPSP at any time and from time to time, provided that such modification and/or alteration is effected in accordance with the rules of the BTL EPSP;

(c) in accordance with section 161 of the Companies Act 1967, to grant awards ("**Awards**") in accordance with the rules of the BTL EPSP , and to allot and issue from time to time such number of new Shares in the capital of the Company as may be required pursuant to the vesting of such Awards, provided that the aggregate number of Shares which may be issued and/or transferred pursuant to the vesting of Awards on any date, when aggregated with the total number of Shares issued and/or transferred in respect of all Awards granted, and all options and awards granted under any other share-based incentive scheme(s) implemented by the Company and for the time being in force, shall not exceed 15% of the total number of Shares (excluding treasury shares and subsidiary holdings) from time to time;

# NOTICE OF ANNUAL GENERAL MEETING

(d) subject to the same being allowed by law, to apply any shares purchased or acquired under any share purchase mandate and to deliver such existing Shares (including any Shares held in treasury) towards the satisfaction of Awards granted under the BTL EPSP; and

(e) to complete and to do all such acts and things (including executing all such documents as may be required and to approve any amendments or modifications to any such documents) as they and/or he/she may consider necessary, desirable or expedient to give effect to this resolution."

11 "**Proposed Participation by Dr Benety Chang, a Controlling Shareholder, in the BTL EPSP** **(Resolution 10)**

That subject to and contingent upon the passing of Ordinary Resolution 9, the participation by Dr Benety Chang, a Controlling Shareholder, in the BTL EPSP be and is hereby approved."

12 "**Proposed Participation by Ms Jeanette Chang, an Associate of a Controlling Shareholder, in the BTL EPSP** **(Resolution 11)**

That subject to and contingent upon the passing of Ordinary Resolution 9, the participation by Ms Jeanette Chang, an Associate of a Controlling Shareholder in the BTL EPSP, be and is hereby approved."

14 "**Proposed Renewal of the Share Buyback Mandate** **(Resolution 12)**

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 A dated 11 April 2025 ("**Appendix A**"), in accordance with the terms of the Share Buyback Mandate set out in the Appendix A, 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
11 April 2025

# NOTICE OF ANNUAL GENERAL MEETING

**EXPLANATORY NOTES:**

| | |
|---|---|
| **Resolution 3** | The Ordinary Resolution 3, if passed, will authorise the Directors of the Company to pay Directors' fees to Independent Directors and Non-Executive Non-Independent Director for the year ending 31 December 2025 quarterly in arrears. |
| **Resolutions 4-6** | Detailed information pursuant to Rule 720(6) of the Listing Manual of SGX-ST on Mr Ajay Kumar Jain, Mr Tan Yang Guan and Dr Benety Chang can be found in the section titled "Directors Standing for Re-Election at the AGM" of the Annual Report. |
| **Resolution 8** | The Ordinary Resolution 8, if passed, will authorise the Directors of the Company from the date of the above AGM until the conclusion 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 9** | The Ordinary Resolution 9, if passed, will authorise the Directors of the Company to grant Awards and to allot and issue or deliver Shares in the capital of the Company pursuant to the vesting of Awards in accordance with the rules of the BTL EPSP as set out in the Appendix B as well as the provisions set forth in the Companies Act 1967 and the Listing Rules of SGX-ST. The information relating to the adoption of the BTL EPSP is set out in Appendix B enclosed together with the Annual Report. |
| **Resolutions 10-11** | Please refer to the Appendix B to the Annual Report for details on the rationale and justification for the participation of Dr Benety Chang and Ms Jeanette Chang in the BTL EPSP. |
| **Resolution 12** | The Ordinary Resolution 12, if passed, will authorise the Directors of the Company from the date of this AGM until the next AGM or the latest date it must be held by law, the completion of the full share repurchase mandate, or the revocation or amendment of this mandate by shareholders in a general meeting 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 A.<br><br>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 2024, are set out in greater detail in the Appendix A. |

# NOTICE OF ANNUAL GENERAL MEETING

**NOTES:**

1. The AGM will be held, in a wholly physical format, at Republic of Singapore Yacht Club, Nautical Room, 52 West Coast Ferry Road, Singapore 126887 on Monday, 28 April 2025 at 10.00 a.m. **There will be no option for shareholders to participate virtually**.

2(a). The Annual Report, Appendices dated 11 April 2025 (in relation to the proposed renewal of the share buyback mandate and adoption of the BTL EPSP), 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.bakertech.com.sg/investor-relations/2025-2**
**https://www.bakertech.com.sg/investor-relations/annual-report**
**https://www.bakertech.com.sg/investor-relations/circulars**

Printed copies of the Annual Report and Appendices will **not** be sent to shareholders by post.

2(b). The Request Form for shareholders to request for a printed copy of the Annual Report and/or the Appendices will be despatched to shareholders together with the Notice of AGM and Proxy Form. Requests for a printed copy of the Annual Report and/or the Appendices should be made by submitting the Request Form to the Company in the following manner:

(i) if submitted by post, be sent to the office of the Company at 10 Jalan Samulun Singapore 629124; or

(ii) if submitted electronically, be submitted via email to the Company at **investor_relations@bakertech.com.sg**.

3. (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 proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.

(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 proxy form 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 proxy form.

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 proxy form, 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 by 15 April 2025 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.

4. A proxy need not be a member of the Company.

5. 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 10 Jalan Samulun Singapore 629124; or

(b) if submitted electronically, be submitted via email to the Company at **investor_relations@bakertech.com.sg**

in either case not less than 72 hours before the time appointed for the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

6. Submission of questions in advance of the AGM

Shareholders may submit questions related to the proposed resolutions to be tabled for approval at the AGM in the following manner:

(a) by email via **investor_relations@bakertech.com.sg**; or

(b) in hard copy by sending by post to the Company's registered office at 10 Jalan Samulun Singapore 629124.

All questions submitted must be accompanied with the following information:

(a) the shareholder's full name;

(b) the shareholder's identification/UEN/registration number;

(c) the manner in which the shareholder holds shares in the Company (e.g. via CDP, CPF, SRS and/or Scrip); and

(d) contact number & email address

for verification purposes, failing which, the submission will be treated as invalid.

Deadline for submitting questions: All questions must be submitted by 10.00 a.m. on 18 April 2025. ("**Submission Deadline**").

The Company will respond to substantial and relevant questions by 8.30 a.m. on 23 April 2025, and post them on the Company's website at **https://www.bakertech.com.sg/investor-relations/2025-2** as well as on the SGX website at https://www.sgx.com/securities/company-announcements. Substantially similar questions received will be consolidated and consequently, not all questions may be individually addressed. Questions submitted by shareholders after Submission Deadline will be addressed at the AGM.

7. Minutes of AGM

The minutes of the AGM will be published on the SGXNET and the Company's website within one month after the date of 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.

# NOTICE OF ANNUAL GENERAL MEETING

**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** | **AJAY KUMAR JAIN** |
| **Date of Appointment** | 12 June 2023 |
| **Date of last Re-Election** | 26 April 2024 |
| **Age** | 56 |
| **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 Nominating Committee's recommendation on Mr Ajay Kumar Jain's re-election after taking into consideration of Mr Ajay Kumar Jain's backgrounds, qualifications, experiences, independence and contribution as an Independent Director of the Company as well as the size, composition and diversity of skillsets on the Board and his time commitment, and is satisfied that Mr Ajay Kumar Jain will continue to contribute meaningfully to the Board. |
| **Whether the appointment is executive, and if so, the area of responsibility** | Non-Executive |
| **Job Title** | Independent Director<br>Remuneration Committee Chairman<br>Audit & Risk Management Committee Member |
| **Professional qualifications** | Postgraduate Certificate in Sustainable Business, University of Cambridge, United Kingdom<br>Chartered Accountant, ACA, The Institute of Chartered Accountants of India<br>B Sc (Physics, Chemistry, Mathematics), Punjabi University, India |
| **Working experience and occupation(s) during the past 10 years** | 8 June 2023 – Present:<br>Head – Corporate & Institutional Banking, Emirates NBD Bank, Singapore Branch<br><br>February 2021 – March 2022:<br>Managing Director, Sustainable Trade Finance, Transaction Banking Sales, Standard Chartered Bank<br>Managing Director, Head – Global Subsidiaries Asia (Corporate, Commercial & Institutional Banking), Standard Chartered Bank<br><br>February 2015 – January 2021:<br>Managing Director, Deputy Global Head Global Subsidiaries (Corporate, Commercial & Institutional Banking), Standard Chartered Bank<br><br>March 2013 – February 2015:<br>Managing Director, Regional Head – Global Subsidiaries ASEAN (Corporate, Commercial & Institutional Banking), Standard Chartered Bank |

# DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

| | |
|---|---|
| **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)** | No |
| **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:<br>Blue Horizon Consulting LLP<br><br>Past Principal Commitments:<br>Full time employment at Standard Chartered Bank |
| **Other Principal Commitments including Directorships – Present** | Present Directorship/ Partnership:<br>None<br><br>Present Principal Commitments:<br>Head – Corporate & Institutional Banking, Emirates NBD Bank, Singapore Branch |

| | | |
|---|---|---|
| (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 filed 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 |

# DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

| | | |
|---|---|---|
| (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 |
| (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 | No |
| | (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No |
| | (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 | No |
| | (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** | **DR BENETY CHANG** |
| **Date of Appointment** | 5 May 2000 |
| **Date of last Re-Election** | 28 April 2023 |
| **Age** | 77 |
| **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 Nominating Committee's recommendation on Dr Benety Chang's re-election after taking into consideration of Dr Benety Chang's contribution and performance as an Executive Director of the Company and the size, composition and diversity of skillsets on the Board, and is satisfied that Dr Benety Chang will continue to contribute meaningfully to the Board. |
| **Whether the appointment is executive, and if so, the area of responsibility** | Executive |
| **Job Title** | Executive Director |
| **Professional qualifications** | Dr Chang holds a MBBS degree from the University of Singapore |
| **Working experience and occupation(s) during the past 10 years** | 2018 – Present : CEO/Executive Director, CH Offshore Ltd.<br>2019 – Present : Executive Director, Baker Technology Limited<br>2000 – 2018 : CEO/Executive Director, Baker Technology Limited<br>1998 – 2012 : CEO, PPL Shipyard Pte Ltd |
| **Shareholding interest in the listed issuer and its subsidiaries** | Direct interest : 94,151,601 ordinary shares in the capital of the Company<br>Deemed interest : 19,151,771 ordinary shares in the capital of the Company |
| **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** | Father of Ms Jeanette Chang (CEO & Executive Director of the Company) & spouse of Dr Doris Heng Chin Ngor (Substantial Shareholder of the Company) |
| **Conflict of interest (including any competing business)** | No |
| **Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer** | Yes |

# DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

| | |
|---|---|
| **Other Principal Commitments including Directorships – Past (for the last 5 years)** | Past Directorship:<br>Nil<br><br>Past Principal Commitments:<br>Nil |
| **Other Principal Commitments including Directorships – Present** | Present Directorship:<br>CH Offshore Ltd.<br>Baker Engineering Pte. Ltd.<br>Bel Design Pte. Ltd.<br>BT Investment Pte. Ltd.<br>Sea Hercules Cranes Pte. Ltd.<br>Sea Deep Shipyard Pte. Ltd.<br>CHO Ship Management Pte. Ltd.<br>Delaware Marine Pte Ltd<br>Garo Pte. Ltd.<br>Offshore Gold Shipping Pte. Ltd.<br>Pembrooke Marine Pte Ltd<br>Sea Glory Private Limited<br>Venture Offshore Pte. Ltd.<br><br>Present Principal Commitments:<br>CEO of CH Offshore Ltd. |

| | | |
|---|---|---|
| (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 filed 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 |

# DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

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|---|---|---|
| (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 |
| (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 | No |
| | (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No |
| | (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 | No |
| | (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 YANG GUAN** |
| **Date of Appointment** | 5 May 2000 |
| **Date of last Re-Election** | 28 April 2023 |
| **Age** | 71 |
| **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 Nominating Committee's recommendation on Mr Tan Yang Guan's re-election after taking into consideration of Mr Tan Yang Guan's contribution and performance as a Non-Executive Non-Independent Director of the Company and the size, composition and diversity of skillsets on the Board, and is satisfied that Mr Tan Yang Guan will continue to contribute meaningfully to the Board. |
| **Whether the appointment is executive, and if so, the area of responsibility** | Non-Executive |
| **Job Title** | Non-Executive Non-Independent Director |
| **Professional qualifications** | The Association of Chartered Certified Accountants (United Kingdom)<br>The Institute of Singapore Chartered Accountants (Singapore) |
| **Working experience and occupation(s) during the past 10 years** | Mr Tan Yang Guan has over 30 years experiences in the oil and gas industry, having held the position of Finance Director of PPL Shipyard Pte. Ltd. from 1997 to 2012. |
| **Shareholding interest in the listed issuer and its subsidiaries** | Direct Interest: 4,128,554 ordinary shares in the capital of the Company |
| **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)** | No |
| **Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer** | Yes |

# DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

| | |
|---|---|
| **Other Principal Commitments including Directorships – Past (for the last 5 years)** | Past Directorship:<br>IPEC Pte Ltd (liquidated in 2020)<br><br>Past Principal Commitments:<br>Nil |
| **Other Principal Commitments including Directorships – Present** | Present Directorship:<br>Baker Engineering Pte. Ltd.<br>BT Investment Pte. Ltd.<br>Sea Deep Shipyard Pte. Ltd.<br>Middlebury Pte Ltd<br><br>Present Principal Commitments:<br>Nil |

| | | |
|---|---|---|
| (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 filed 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 |

# DIRECTORS STANDING FOR RE-ELECTION AT THE ANNUAL GENERAL MEETING

| | | |
|---|---|---|
| (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 |
| (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 | No |
| | (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No |
| | (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 | No |
| | (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 |

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# BAKER TECHNOLOGY LIMITED

(UEN. 198100637D)
(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. **There will be no option for shareholders to participate virtually.**
2. **Printed copies of the Notice of AGM and this proxy form will be sent to shareholders by post.** These documents will be published on the Company's website at the URL https://www.bakertech.com.sg/investor-relations/2025-2 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 15 April 2025.
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/Co. Reg. No.)

of ________________________________________ (Address),

being a *member/members of **BAKER TECHNOLOGY LIMITED** (the "**Company**"), hereby appoint

| Name | Address | NRIC/ Passport No. | Proportion of Shareholdings | |
|---|---|---|---|---|
| | | | No. of Shares | % |
| | | | | |

and/or (delete as appropriate)

| Name | Address | NRIC/ Passport No. | Proportion of Shareholdings | |
|---|---|---|---|---|
| | | | No. of Shares | % |
| | | | | |

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 **Republic of Singapore Yacht Club, Nautical Room, 52 West Coast Ferry Road, Singapore 126887 on Monday, 28 April 2025 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 year ended 31 December 2024 | | | |
| 2. | Approval of Final Dividend for the year ended 31 December 2024 | | | |
| 3. | Approval of Directors' fees for the year ending 31 December 2025 | | | |
| 4. | Re-election of Mr Ajay Kumar Jain as a Director | | | |
| 5. | Re-election of Mr Tan Yang Guan as a Director | | | |
| 6. | Re-election of Dr Benety Chang as a Director | | | |
| 7. | Re-appointment of Ernst & Young LLP as Auditor | | | |
| | **SPECIAL BUSINESS** | | | |
| 8. | Authority to allot and issue new shares and/or convertible securities | | | |
| 9. | Adoption of the BTL EPSP and authority to grant awards | | | |
| 10. | Participation by Dr Benety Chang, a Controlling Shareholder, in the BTL EPSP | | | |
| 11. | Participation by Ms Jeanette Chang, an Associate of a Controlling Shareholder, in the BTL EPSP | | | |
| 12. | Renewal of Share Buyback Mandate | | | |

Dated this ____________ day of ____________ 2025

| Total number of Ordinary Shares Held | |
|---|---|
| (a) CDP Register | |
| (b) 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 proxy form 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 proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.

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 proxy form 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 proxy form.

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 proxy form, 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 a proxy(ies) must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company at 10 Jalan Samulun Singapore 629124; or

   (b) if submitted electronically, be submitted via email to the Company at **investor_relations@bakertech.com.sg**

   in either case not less than 72 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 11 April 2025.

**Baker Technology Limited**
Unique Entity No.: 198100637D
10 Jalan Samulun
Singapore 629124
Tel: (65) 6262 1380
Fax: (65) 6262 2108
Website: www.bakertech.com.sg