BAKER TECHNOLOGY LIMITED

(Unique Entity No. 198100637D)
(Incorporated in the Republic of Singapore)

SUBSTANTIAL AND RELEVANT QUESTIONS FROM SHAREHOLDERS
ANNUAL GENERAL MEETING 28 APRIL 2025

The Board of Directors (the “Board”) of BAKER TECHNOLOGY LIMITED (the "Company”) would like to thank shareholders for submitting their questions in advance of the Company’s Annual General Meeting to be held on Monday, 28 April 2025 at 10.00 a.m.

The Board would like to inform shareholders that the responses to all substantial and relevant questions which have been submitted by shareholders are published in this announcement. The questions from shareholders have been reproduced in verbatim. However as some of the questions overlap, the Company has grouped some of the questions for ease of answering and reading.

Please refer to Appendix of this announcement for details.

By Order of the Board
Lim Mee Fun
Company Secretary
23 April 2025

APPENDIX

1. **Recent positive developments in the offshore support industry, such as improving charter rates and increased CAPEX, lead me to wonder what the management sees that differs from competitors. Unlike others in the industry, Baker Technologies—aside from the CH Offshore rights issue—has been conserving resources. I value the management's insight, especially as Baker Technologies is the only offshore support player that I know built a large resource even after its acquisition of a 55% stake in CH Offshore.**

   In your reply, I would appreciate if the management could comment in light of the following two quotes, which highlight both the cautious stance on CAPEX and the improving outlook for charter rates and utilisation in 2025:

   A) From management's response to a submitted question in AR2023:
   "As such, although we have a fair amount of cash on our balance sheet, to deploy capital into our business will require a number of favourable factors:
   • available and reasonable funding from the capital markets (e.g., banks, private market etc.)
   • firm market opportunities to ensure the ability to deploy any new build assets
   • reduction in fabrication costs or increase in charter hire rates to ensure reasonable payback periods
   • clarity in the Offshore Support Vessel sector in relation to what the fuel of the future is."

   B) From the Chairman's statement in AR2024:
   "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."

   Baker Technology has always adopted a conservative approach to resource allocation. This has enabled us to weather the cyclical nature of the sector as well as the black swan events that had and continue to impact the world at large. Such black swan events include Covid-19 and the subsequent fall-out which has been persistent i.e. the long period of lock-down, high interest rates, inflation etc all of which have caused the cost of items to rise in practically all sectors. Not one but two wars have caused uncertainty and volatility in the sector and in the Middle East and driven shipping costs higher. The ongoing global uncertainty surrounding President Trump's tariffs has seen oil prices swing wildly along with the stock markets and is leaving global economies expecting higher costs with potential recession looming. Nearer to home, the rising tensions between Petroliam Nasional Bhd and Petroleum Sarawak Bhd caused disruptions in a market that had earlier enjoyed higher charter hire rates and better utilisation for the first six to nine months of last year. Without a strong balance sheet, it would have exacerbated the impact on the Group (including the continued payment of dividends).

   Specifically in relation to CAPEX, companies within the offshore supply vessel ("OSV") sector have operated from the same paradigms for the last few years and continue to do so. New build vessels are certainly required as the number of vessels under 5 years old is rapidly dwindling. However all the points mentioned in our 2023 response continue to apply. Though interest rates have fallen, costs of material and equipment remain high. Local banks which suffered losses within this sector, and together with the negative image of financing oil and gas companies, have been limiting exposure to this sector. Therefore financing is harder to come by and the equity component required is higher. In the OSV sector, when vessels are on the charter, bunker is provided by the charterer. Therefore given the need to meet green sustainability requirements while also future proofing the vessels, given the lack of direction from end charterers, it is difficult to identify the fuel of the future that all charterers will provide. As such, though we have yet to purchase/build a new vessel, we need to ensure that we have the cash on our balance sheet to support such a new build as and when the opportunity arises.

2. **Is Falcon Energy Group's interest in CH Offshore available for purchase? Before the rights issue, Baker and Falcon jointly controlled 89% of CH Offshore.**

   We are unable to comment specifically. Based on public information, Falcon Energy Group ("FEG") is currently in the process of winding up and is under the control of liquidators from Deloitte & Touche LLP. In addition, Energian Pte. Ltd. ("Energian"), a subsidiary of FEG and direct shareholder of CH Offshore, is in liquidation and currently undergoing a creditors' voluntary winding up. Part of Energian's interest in CH Offshore has been pledged to CIMB Bank Berhad. Please see the recent announcement by CH Offshore in relation to the reduction in Energian's interest in CH Offshore.

3. **2HFY2024 revenue declined by $12.7 million compared to 1HFY2024, reportedly due to lower vessel utilisation. From what I can tell, the bulk of the drop came from liftboat operations. I would like to clarify:**

   a. **Did unfavourable market conditions drive the decline in liftboat revenue?**

      For clarity, the decline in liftboat revenue contributed to less than 50% of the reduction in revenue in 2H FY2024. The charterparty agreement for the liftboat, Blue Titanium, ended in November 2024 and the vessel sailed back to Singapore thereafter to undergo maintenance and repair. Since then, we have identified a number of opportunities for new charters for the liftboat. However, a large proportion of the charters are for work further afield where operational costs are much higher, charter rates are more competitive and the charters carry higher levels of risks. Given the importance of the liftboat's contribution to the Group's revenue, we are circumspect of the risks/considerations in relation to such charters. Such risks/considerations include:

      - Counterparty risk: Ability of our charterers to pay us on time
      - Mobilisation and Demobilisation costs: The cost of mobilisation and demobilisation to the area of operations is high and so only longer-term charters can justify such costs regardless of whether such costs are covered by the Group or the charterer

      We are using this time to complete the repair and maintenance work so that when the vessel goes on charter, we can minimize the downtime needed for repairs.

      The Group is focused on securing a profitable charter for the Blue Titanium with risk mitigation strategies in place to minimise the risks and maximise the returns.

   b. **The sub-50% utilisation rate for CH Offshore vessels appears particularly low, especially considering the limited number of new builds and the resulting extension in vessel economic life. Could management comment on this?**

      For clarity, the utilisation rate for CH Offshore vessels in FY2024 is higher than 50% as per CH Offshore's annual report. The factors contributing to the utilisation rate, amongst others, include the following:

      - Different geographical areas experience different cycles of supply and demand during the year depending on for example, seasonality, geopolitical issues, capital expenditure plans of major oil players leading to cycles of market activity. Examples of how such issues could impact utilisation include Saudi Aramco halting plans for oil production expansion thus suspending 30 rigs resulting in the suspension of many more vessels in the field which support these rigs. Such vessels would include anchor handlers, supply vessels, crew boats etc. These vessels would then be off-hired and look to be redeployed in other markets resulting in an increase in supply in other markets thus impacting rates. Closer to home, the tensions between Petroliam Nasional Bhd and Petroleum Sarawak Bhd also resulted in a number of rig cancellations/suspensions also leading to a larger number of supporting vessels to be cancelled. Given our focus on the Malaysia market in the first half of the year (due to higher utilisation rates and better opportunities), we (along with our competitors in the Malaysian market) were negatively impacted in the second half of the year.

- As mentioned in our FY2023 annual report, the Group suffered an impairment of US$3.1m in relation to one of our vessels which is the subject of legal proceedings against the charterer for unpaid charterhire and non-redelivery of the vessel. As per our latest announcement on (7 October 2024) in relation to the arbitration proceedings, CH Offshore continues to work with its legal advisors in relation to such proceedings and the recognition and enforcement of the awards. As such, this vessel had zero utilisation in FY2024 thus significantly negatively impacting the overall utilisation.

4. What is the current charter status of Blue Titanium?

Please see answer to Question 3a above.

5. Thank you for increasing this year dividend from S$0.015 to S$0.02 (33% increase). Last year earnings per share (EPS) growth over 60%. I understand that the cash value of BT is around S$0.60 which is more than the current stock price. Would the company increase its dividend so as to boost the shareholders return as well as potentially increasing its current share price.

At present, the Company will not increase its dividend further given market uncertainties and the need to remain flexible to take up investment and CAPEX opportunities.

6. Free Cash Flow for 2024 was S$33.5M, an increase of 28% over 2023. Total debt liability was minimal. Would Baker Technology explain how best to deploy its free cash flow to benefit investors?

A strong balance sheet is required to ride the volatility in the global markets caused by geopolitical tensions and US tariffs as well as to remain flexible to take up investment opportunities where attractive. Such opportunities could include (but is not limited to) investment in our subsidiary and new build projects. The Company is targeting long-term sustainable growth.

7. Is the company affected by the tariffs imposed by the US? If the company is affected by the tariffs, what is the company's plans to mitigate the tariffs?

At present, it is difficult to determine the specific and direct impact of US tariffs on the Company given the ongoing uncertainty in relation to the implementation of the tariffs as well as the potential measures that the Singapore Economic Resilience Taskforce might put in place to mitigate the impact. However the general expectation is that there will be global trade disruptions (impacting supply chains) with global economies slowing and the possibility of recession on the increase. This could therefore impact demand on oil and gas and thus impact the market negatively. We will continue to diversify our supply chain to minimise the impact on cost increases. We have to be prudent and maintain a strong balance sheet to meet these challenges head on.

8. Will the forecast of company's financial be impacted by the global trade uncertainties?

We are unable to provide forecasts. Please see answer to Question 7 above.