



Exploring Horizons,
Anchored in Excellence

Annual Report 2023

CH Offshore Ltd.

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Vision

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

Mission

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

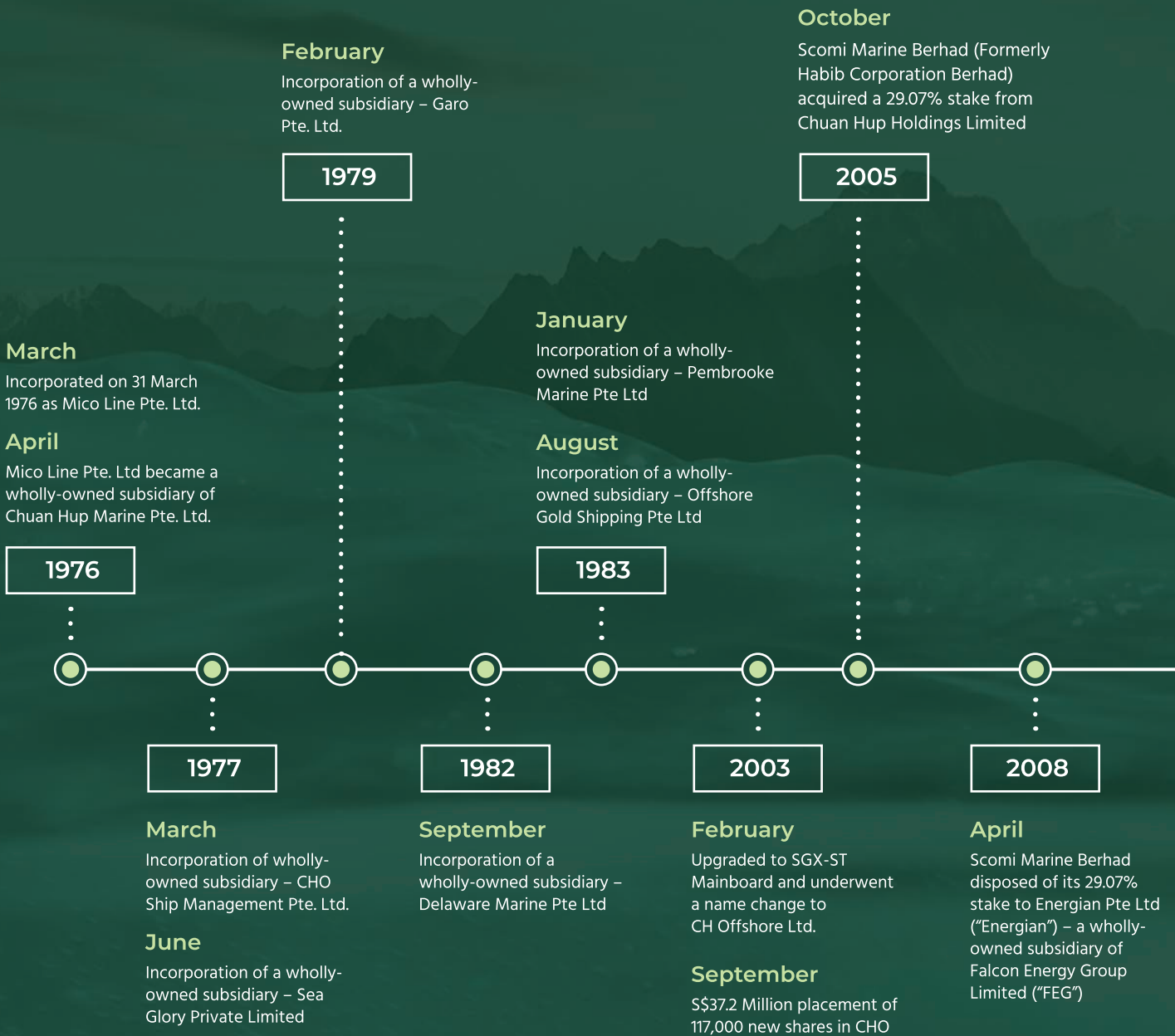
CH Offshore Ltd. (“CHO”, the “Company”), together with its subsidiaries (the “Group”), is a leading provider of offshore marine assets and services, focused on the oil and gas sector.

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

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

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

Key Milestones



July

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

2009

February

FEG, through Energian, increased its stake in CHO to 86.71% via a voluntary unconditional cash offer CHO became an indirect subsidiary of FEG

2015

August

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

2013

March – April

Energian sold a 21.83% stake to SZ Offshore Investment Pte. Ltd. High Majestic Sdn. Bhd. became an indirect subsidiary of CHO

2017

July

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

2018

September

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

December

Awarded Certification of Participation in the Singapore Environmental Achievement Awards 2018

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

June

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

July

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

2022

July

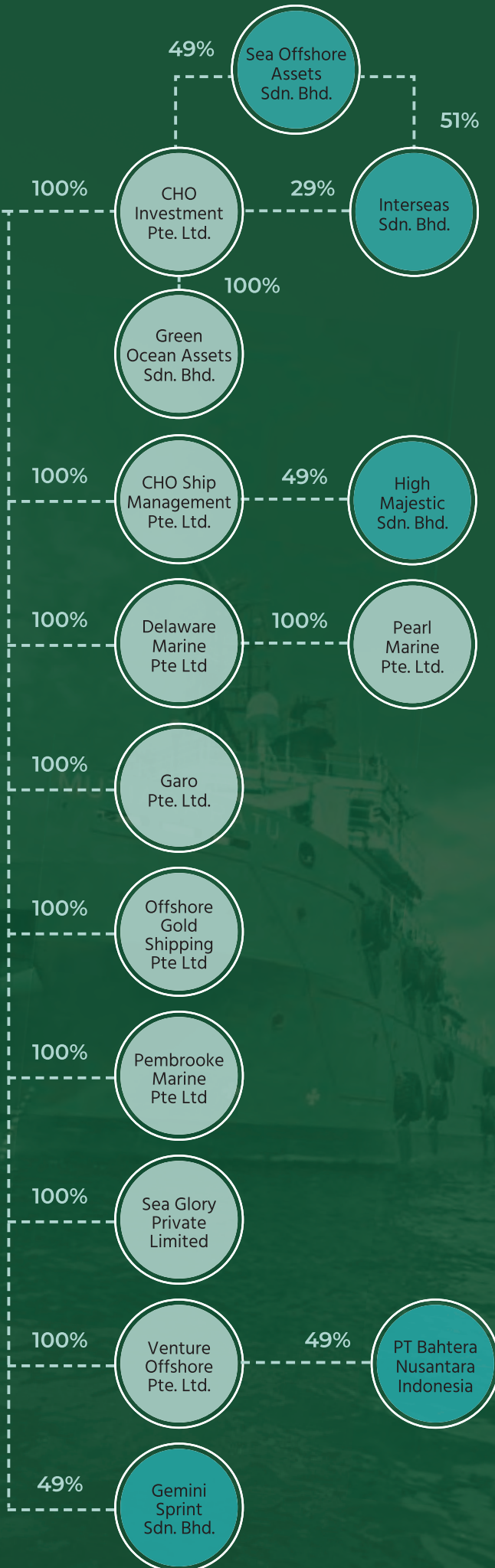
Incorporation of a wholly-owned subsidiary – Interseas Sdn. Bhd.

2021

Corporate Structure



CH OFFSHORE LTD.



Board Of Directors

Chairman

Mr Thia Peng Heok George (Independent)

Executive

Dr Benety Chang (Chief Executive Officer)

Non-Executive

Ms Jeanette Chang

Mr Tan Kiang Kherng

Mr Tan Pong Tyea

Mr Tan Kian Huay (Independent)

Mr Ahmad Nizam Bin Abbas (Independent)

Mr Tham Chee Soon (Independent)

Mr Lee Gee Aik (Independent)

Audit Committee

Mr Thia Peng Heok George (Chairman)

Mr Tan Kian Huay

Ms Jeanette Chang

Mr Ahmad Nizam Bin Abbas

Mr Tham Chee Soon

Mr Lee Gee Aik

Nominating Committee

Mr Tan Kian Huay (Chairman)

Dr Benety Chang

Mr Thia Peng Heok George

Mr Ahmad Nizam Bin Abbas

Mr Lee Gee Aik

Remuneration Committee

Mr Thia Peng Heok George (Chairman)

Mr Tan Kian Huay

Ms Jeanette Chang

Mr Ahmad Nizam Bin Abbas

Mr Tham Chee Soon

Company Secretary

Ms Lim Mee Fun

Registered Office

12A Jalan Samulun

Singapore 629131

Tel: (65) 6410 9018

Fax: (65) 6862 2336

Email: investors@choffshore.com.sg

Website: www.choffshore.com.sg

Share Registrar

In.Corp Corporate Services Pte. Ltd.

30 Cecil Street

#19-08 Prudential Tower

Singapore 049712

Auditor

Ernst & Young LLP

Public Accountants & Certified Public Accountants

One Raffles Quay

North Tower, Level 18

Singapore 048583

Audit Partner-In-Charge

Mr Shekaran Krishnan

(appointed since financial year ended 31 December 2023)

Principal Banker

United Overseas Bank Limited

Our Fleet



Peridot
2010

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

Main Propulsion 2 x Wartsila,
Total 12,240 BHP

Bollard Pull
152.2 MT continuous
158.8 MT maximum

Dynamic Positioning
System Class 2



**Intan Ratu
(Ex-Aquamarine)**
2010

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

Main Propulsion 2 x Wartsila, Total
12,240 BHP

Bollard Pull
152.0 MT continuous
157.7 MT maximum

Dynamic Positioning
System Class 2



Coral*
2008

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

Main Propulsion 2 x Wartsila,
Total 12,240 BHP

Bollard Pull
157.2 MT continuous
162.0 MT maximum

Dynamic Positioning
System Class 2



Mutiara Ratu (Ex-Langery)
2008

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

Main Propulsion 2 x Wartsila,
Total 12,240 BHP

Bollard Pull
151.8 MT continuous
155.1 MT maximum

Dynamic Positioning
System Class 2



M Luisa (Ex-Turquoise)
2008

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

Main Propulsion 2 x Wartsila,
Total 12,240 BHP

Bollard Pull
151.8 MT continuous
155.1 MT maximum

Dynamic Positioning
System Class 2



**Atlantic Conqueror
(Ex-Batu Ghoa)**
2008

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

Main Propulsion 2 x Wartsila,
Total 12,240 BHP

Bollard Pull
153.6 MT continuous
159.2 MT maximum

Dynamic Positioning
System Class 2

** co-owned*

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2023 US\$'000	2022 US\$'000	Changes %	Explanatory Notes
Revenue	24,094	18,599	29.5%	Gross loss for 2023 mainly due to lower utilisation rate from owned vessels and higher bunker costs and crew costs but offset by higher revenue from third party chartered-in vessels
Cost of sales	(20,087)	(11,652)	72.4%	
Gross profit before direct depreciation	4,007	6,947	-42.3%	
Direct depreciation	(4,724)	(4,643)	1.7%	
Gross (loss)/profit	(717)	2,304	NM	
Other income	260	413	-37.0%	Decrease due mainly to lower vessel insurance claim and government grants but offset by higher interest income
Allowance for expected credit losses on trade receivables, net	(1,100)	(3,250)	-66.2%	Additional provision in FY2023 for expected credit losses of \$1.5m but offset by writeback of expected credit losses of \$0.4m
Impairment loss on vessel	(3,100)	-	NM	Decrease in recoverable amount of vessel due to vessel not available to generate revenue
Other expenses	(606)	(291)	108.2%	Increase due to higher exchange losses
Administrative expenses	(3,239)	(2,877)	12.6%	Increase due to higher payroll and higher professional fees
Loss from operations	(8,502)	(3,701)	129.7%	
Finance costs	(354)	(291)	21.6%	Increase due to higher interest rates in 2023
Loss before income tax and results of associated companies	(8,856)	(3,992)	121.8%	
Share of results of associated companies	-	-	-	No further share of losses from associate due to capping of the loss in FY2019
Loss before income tax	(8,856)	(3,992)	121.8%	
Income tax credit	607	661	-8.2%	
Loss after income tax	(8,249)	(3,331)	147.6%	
Attributable to:				
Shareholders of the company	(8,613)	(3,330)	158.6%	
Non-controlling interests	364	(1)	NM	Due to higher profitability from partially-owned subsidiaries
Total comprehensive income for the period	(8,249)	(3,331)	147.6%	

NM: Not meaningful

STATEMENT OF FINANCIAL POSITION

	2023 US\$'000	2022 US\$'000	Changes %	Explanatory Notes
Current assets				
Cash and cash equivalents	4,726	7,322	-35.5%	Decrease mainly due to lower cash generated from operating activities and dry docking of vessels
Trade and other receivables	6,021	5,224	15.3%	Increase due to more customers from third-party chartered in vessels
Inventories	716	739	-3.1%	
Loan to associated company	3,027	3,458	-12.5%	Decrease due to repayment from associated company
Prepayments	270	269	0.4%	
Total current assets	14,760	17,012	-13.2%	
Non-current assets				
Associated companies	-	-	-	
Fixed assets	39,719	45,194	-12.1%	Decrease mainly due to depreciation charge and impairment loss of a vessel but offset by dry docking cost of vessels
Total non-current assets	39,719	45,194	-12.1%	
Total assets	54,479	62,206	-12.4%	
Current liabilities				
Trade and other payables	6,448	4,473	44.2%	Increase due to more suppliers from third-party chartered in vessels
Borrowings	5,597	5,481	2.1%	Decrease in total borrowings due to repayment of bank loan
Income tax payable	709	19	NM	Due to the transfer of vessels to partially-owned subsidiaries
Total current liabilities	12,754	9,973	27.9%	
Non-current liabilities				
Borrowings	663	1,609	-58.8%	Decrease in total borrowings due to repayment of bank loan
Deferred taxation	780	2,104	-62.9%	Due to reversal of deferred tax assets
Total non-current liabilities	1,443	3,713	-61.1%	
Capital and reserves				
Issued capital	55,379	55,379	-	
Treasury shares	(46)	(46)	-	
Accumulated losses	(15,441)	(6,828)	126.1%	Increase due to net loss for the year
	39,892	48,505	-17.8%	
Non-controlling interests	390	15	NM	Due to higher profitability from its partially-owned subsidiaries
Total Equity	40,282	48,520	-17.0%	
Total liabilities and equity	54,479	62,206	-12.4%	

STATEMENT OF CASH FLOWS

	2023 US\$'000	2022 US\$'000	Changes %	Explanatory Notes
Cash generated from operating activities	332	1,961	-83.1%	Decrease due to reduced owned vessel operation during the year
Cash (used in)/generated from investing activities	(1,937)	573	NM	Mainly dry docking cost of vessels in 2023
Cash used in financing activities	(910)	(2,102)	-56.7%	Due to lower net repayment of bank loans in 2023
Net (decrease)/increase in cash and cash equivalents	(2,515)	432	NM	
Cash and cash equivalents at beginning of year	7,322	6,931	5.6%	
Effect of exchange rate changes on cash and cash equivalents	(81)	(41)	97.6%	
Cash and cash equivalents at end of year	4,726	7,322	-35.5%	

NM: Not meaningful

Five-Year Financial Highlights

CH Offshore Ltd.

	FY2023 US\$'000	FY2022 US\$'000	FY2021 US\$'000	FY2020 US\$'000	FY2019 US\$'000
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Revenue	24,094	18,599	15,520	18,918	20,956
Gross (loss)/profit	(717)	2,304	(634)	(1,692)	317
Loss before income tax	(8,856)	(3,992)	(5,369)	(19,778)	(13,896)
Loss after income tax	(8,249)	(3,331)	(4,954)	(19,427)	(14,062)
Gross (loss)/profit margin	-3.0%	12.4%	-4.1%	-8.9%	1.5%
Loss before income tax margin	-36.8%	-21.5%	-34.6%	-104.5%	-66.3%
Loss after income tax margin	-34.2%	-17.9%	-31.9%	-102.7%	-67.1%
STATEMENTS OF FINANCIAL POSITION					
Current assets	14,760	17,012	19,039	16,288	23,147
Non-current assets	39,719	45,194	49,580	60,848	76,272
Total assets	54,479	62,206	68,619	77,136	99,419
Current liabilities	12,754	9,973	11,131	13,276	16,813
Non-current liabilities	1,443	3,713	5,623	7,041	6,360
Total liabilities	14,197	13,686	16,754	20,317	23,173
Net current assets	2,006	7,039	7,908	3,012	6,334
Non-controlling interests	390	15	-	5	118
Shareholders' equity	39,892	48,505	51,865	56,814	76,128
PER SHARE DATA					
Earnings Per Share (US\$ cents):					
Basic & Fully diluted	(1.22)	(0.47)	(0.70)	(2.74)	(2.01)
Net Asset Value Per Share (US\$ cents)	5.66	6.88	7.36	8.06	10.80
Dividends Per Share (US\$ cents)	-	-	-	-	-

Five-Year Performance Review

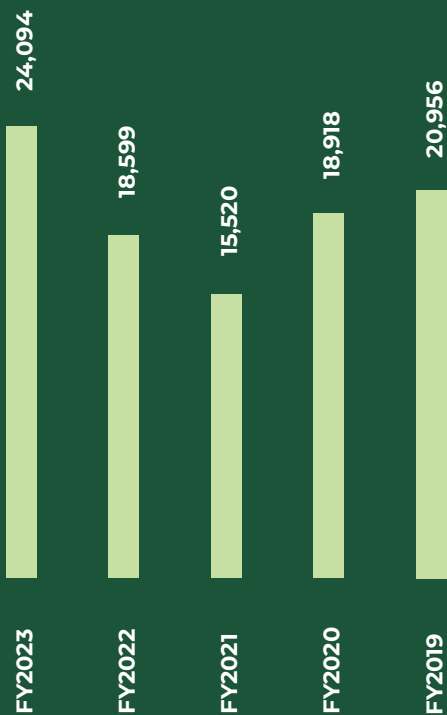
LOSS PER SHARE
(US\$ CENTS)



**NET ASSETS VALUE PER SHARE (US\$ CENTS)
AND SHAREHOLDERS' EQUITY (US\$'000)**



REVENUE
(US\$'000)

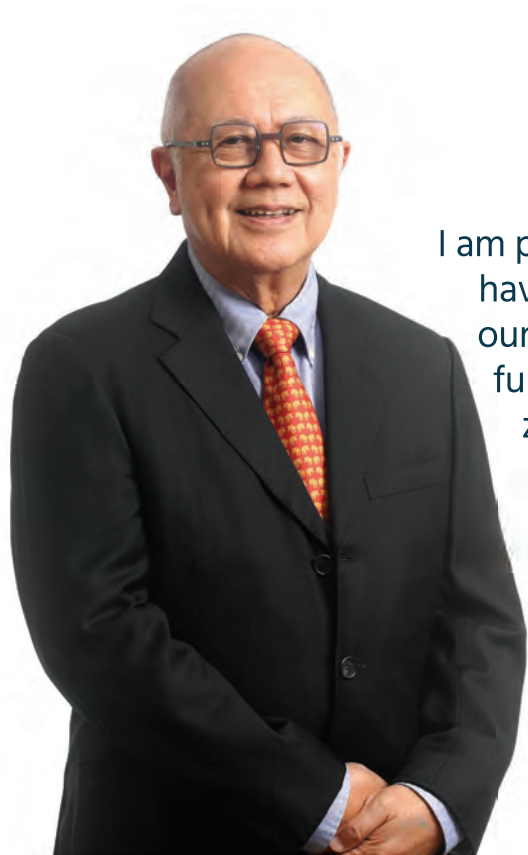


LOSS AFTER INCOME TAX
(US\$'000)



Chairman's Message

CH Offshore Ltd.



“As part of our “Do No Harm” mindset, I am pleased to share that we have consistently achieved our zero-fatality target and further to that, achieved a zero-reportable incident rate in FY2023.”

Mr Thia Peng Heok George
Board Chairman,
Independent Director

Dear Shareholders,

On behalf of the Board of Directors (“Board”), I am pleased to present the Annual Report of CH Offshore Ltd. (“CHO” or the “Company”) and its subsidiaries (collectively, the “Group”) for the financial year ended 31 December 2023 (“FY2023”).

2023 was a year of starts and stops with geopolitical events causing the greatest volatility. The continuation of the Ukraine – Russia war from 2022 and the incursion of Israel leading to the Israel – Hamas war and related attacks on maritime shipping in the Red Sea have created much uncertainty and tension in the Middle East with direct impact on the oil and gas market. The weaker than expected recovery in China, together with the high interest rates and inflationary environment has resulted in a slower global economy. Oil prices traded mainly rangebound

between \$71.84 and \$96.55 per barrel for Brent Crude Oil. The increase in price mainly occurring in 3Q2023 was spurred by Saudi Arabia volunteering to cut production to accompany expected decreases in global oil demand. OPEC+ further announced in November 2023 that they have agreed to extend the cuts into the first quarter of 2024.

Although the inflationary environment has improved from 2022, interest rates are still expected to remain high into 2024, further driving inflation lower to target levels. On the other hand, higher inflation levels may be supported by the negative impact on global supply chains caused by the Red Sea attacks – shipping diversions have increased sailing times by 30% to 50% thereby also increasing shipping costs (further exacerbated by higher insurance costs).

The offshore sector experienced an upswing during 2023 with the supply and demand imbalance for offshore support vessels (“OSV”) narrowing due to increasing demand in the oil and gas sector and offshore wind sector. As such, the market saw improving vessel day rates and utilisation across the overall OSV market with some sectors improving more than others. However new building activity still remains low as charter hire rates have not sufficiently picked up enough, owners are not able to easily fund the upfront equity, interest rates are high and lenders are averse to the sector.

Financial Performance Review Outlook

The Group incurred a net loss of \$8.25 million in FY2023 vs a net loss of \$3.33 million in FY2022. The higher losses in FY2023 was mainly due to higher gross losses in FY2023, impairment loss on vessel but partially offset by lower provisions of expected credit losses.

Group revenue increased by 29.5% from US\$18.60 million in FY2022 to \$24.09 million in FY2023. The increase was due to higher revenue generated from third-party chartered vessels but offset by a decrease in utilisation rate from 74% for FY2022 to 44% for FY2023 for CHO-owned vessels as certain vessels, one of which is related to the arbitration proceedings, were offhired during the year.

Operating expenses in FY2023 of \$20.09 million was higher than FY2022 of \$11.65 million due to higher operating costs when CHO-owned vessels were not utilised and higher charter fees in line with the higher revenue from third-party chartered vessels. Direct depreciation in FY2023 of \$4.72 million was slightly higher than that in FY2022.

Corporate overheads and other administrative expenses increased by 12.6% from \$2.88 million in FY2022 to \$3.24 million in FY2023 mainly due to the higher payroll and higher professional fees. Other expenses increased by 31.6% from \$3.93 million in FY2022 to \$5.17 million in FY2023 mainly due to the impairment loss of \$3.10 million but

¹Fearnley Offshore Supply, *The Offshore Report, Summary 2023 Offshore Support and Specialized Vessels 15 January 2024*

offset by lower expected credit loss on trade receivables.

Cash and cash equivalents decreased from \$7.32 million as at 31 December 2022 to \$4.73 million as at 31 December 2023 mainly due to lower cash generated from operating activities, lower repayment of loan from associate and incurrence of higher drydocking costs of vessels but partially offset by lower repayment of bank loan.

2024 is expected to be sluggish with lower economic growth as inflation remains stubborn and interest rates stay higher for longer. Interest rates are strongly anticipated to be cut, though the timing and rate of cuts varies across different economies. Due to OPEC+'s commitment to reduce production in early 2024, oil prices may be supported for a period of time after which if non-OPEC countries increase world oil supply, beyond oil demand growth, oil prices could face downward pressure. However, expectations could change rapidly as developments in the Middle East and other geopolitical tensions potentially disrupt global flows.

Oil companies are starting to announce deployment of the cash on their balance sheet with increased exploration and production capital expenditure plans. In Asia, Petronas, as part of its three-year outlook, announced plans for more than 45 upstream projects and a number of decommissioning plans. These plans would drive up the demand for a wide range of offshore assets including rigs and offshore vessels. In tandem with the lack of new builds over the last few years, 2024 should be a year where the market could see continued rising charter hire rates and utilisation and corresponding vessel valuations.

To stay nimble in seizing opportunities while mitigating risks, we continue to focus on cost-effective operations to make better use of our capital while building on our revenue base as we capitalise on our strengths and core competencies.

Sustainability

We continued on our sustainability journey entering our second year of

disclosing our Scope 3 emissions (as defined by the Greenhouse Gas Protocol Corporate Standard). On 26 June 2023, the International Sustainability Standards Board launched the S1 and S2 standards for sustainability disclosure aimed at capital market participants. 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-rated risks and opportunities. If the recommendations by the Sustainability Reporting Advisory Committee (in Singapore) are adopted, then from FY2025 onwards, we would prepare our sustainability report in line with S1 and S2.

In this era of global boiling, we embrace the need to improve the energy efficiency of operations as well as the use of low-carbon alternative energy sources as better technology is developed and becomes operationally and economically viable. We have to work closely with charterers and clients on the greener way forward so that we can better manage and mitigate climate transition risks.

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

Our employees (both onshore and offshore) are our most valuable assets and therefore ensuring a conducive environment for employees to be nurtured, trained and developed in a fair and inclusive way is critical to building a cohesive team. Our annual team building trip and social gatherings/celebrations help build closer relationships. As part of our "Do No Harm" mindset, I am pleased to share

that we have consistently achieved our zero-fatality target and further to that, achieved a zero-reportable incident rate in FY2023. We also believe in supporting the community and the society that we operate in and as such have made a number of donations to various charities with a particular focus on youth.

Corporate governance is a key focal point for us and our clients. We strongly believe that good corporate governance practices is crucial to gaining the trust and support of our clients to develop long term relationships for a sustainable business and mitigate legal and regulatory risks. We are committed to improving our corporate governance practices and encourage our stakeholders to journey with us.

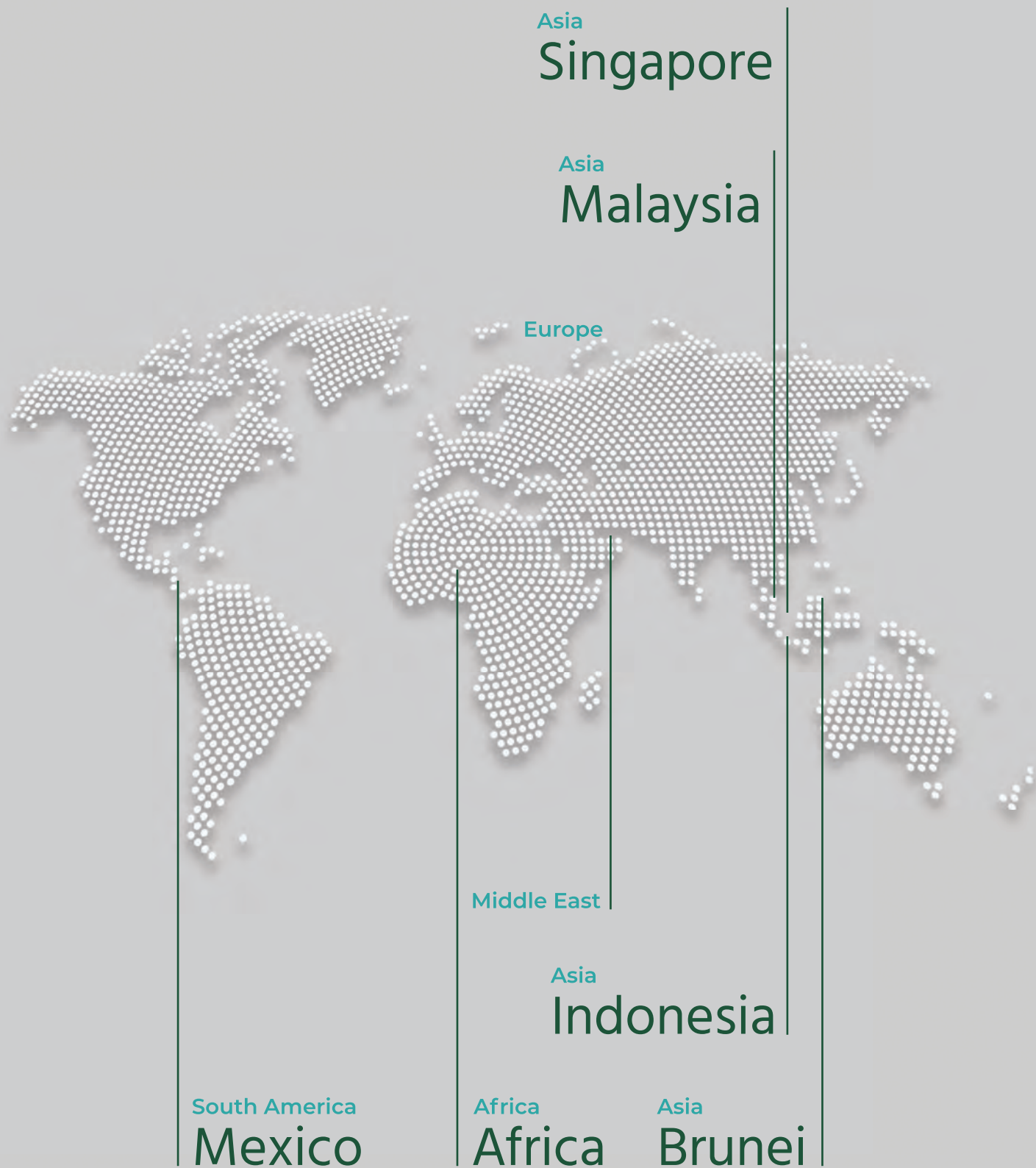
In Appreciation

We are delighted to welcome Mr Tham Chee Soon who joined us as an Independent Director in July 2023 and Mr Lee Gee Aik who also joined us as an Independent Director in February 2024. We look forward to their contributions from their respective fields and experience. Mr Tan Pong Tyea and Mr Tan Kian Huay, who are stepping down after the conclusion of the forthcoming Annual General Meeting, we would like to record our appreciation to both gentlemen for their dedicated service and counsel during their past terms.

On behalf of my fellow Board members, I would like to show my appreciation to our management and employees for their dedication, continuous support and winning mindset. My appreciation also extends to our shareholders, valued customers, suppliers and other stakeholders who have stood steadfast by us through challenging times. In closing, I wish to extend my heartfelt thanks to my fellow Directors for their valuable input and guiding light through the year.

I look forward to the challenges and opportunities ahead as we build on our strategy to create long term-sustainable value for our stakeholders.

Geographical Presence



Board of Directors



Mr Thia Peng Heok George
Board Chairman, Independent Director

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

Mr Thia was last re-elected as Director on 21 April 2023.

Mr Thia is a Chartered Accountant (Singapore) and practised as an accountant with Cooper Brothers and Co. (now known as PricewaterhouseCoopers). He has more than 35 years of experience in merchant banking and financial services including being Managing Director at Morgan Grenfell, Merrill Lynch International, Sun Hung Kai Securities and Lum Chang Securities. He was also an Executive Director and Partner of Kay Hian (now UOB Kay Hian Securities).

Mr Thia was the Executive Chairman of two publicly listed companies and had served as an Independent Director and the Chairman of Audit Committees of several listed companies in Singapore, Malaysia and Indonesia. He was a consultant to the SGX on the training of regulation officers and rendered advice on the development and launch of the alternative board, SGX Catalist. Mr Thia is currently an independent director of Yoma Strategic Holdings Limited, and is involved as a board member and trustee at the National Cancer Centre, Singapore.

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



Dr Benety Chang
CEO and Executive Director

Dr Benety Chang is an Executive Director and CEO of CHO. He was appointed as Non-Executive Director on 27 August 2018 and subsequently re-designated to Executive Director and CEO on 1 September 2018. He was also appointed as a Nominating Committee member on 8 October 2018. Dr Chang was last re-elected as Director on 23 April 2021. 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 an Executive Director of Baker Technology Limited ("Baker Tech"), which is the ultimate holding company of CHO.

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

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

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



Mr Tan Kian Huay
Independent Director

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

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

Mr Tan holds a Professional Diploma in Building and a Bachelor of Arts from Beijing Normal University. He is currently a fellow and was a former 2nd Vice President of the Society of Project Managers and also a former President of the Singapore Institute of Building.



Mr Ahmad Nizam Bin Abbas
Independent Director

Mr Ahmad Nizam Bin Abbas is an Independent Director of CHO. He was appointed to this position on 14 May 2021. He is also a member of the Audit, Nominating and Remuneration Committees. Mr Nizam was last re-elected as Director on 22 April 2022.

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

Mr Nizam is a member of the Panel of Advisors, Youth Court; Maintenance of Parents' Tribunal, Singapore; Public Guardian Advisory Committee, Singapore; Citizenship Committee of Inquiry, Singapore; Mandatory Aftercare Advisory Committee, Singapore and Pro-Bono Expert Panel, Singapore Management University. He is also currently a District Councillor with Central Singapore Community Development Council.

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

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



Mr Tham Chee Soon
Independent Director

Mr Tham Chee Soon was appointed as Independent Director on 13 July 2023. He is also a member of the Audit and Remuneration Committees. Mr Tham is due to retire at the forthcoming AGM and will be seeking re-election as Director at the AGM.

Mr Tham is the Founder/Director of iCFO Advisors Pte. Ltd. He spent 31 years at Ernst & Young before taking early retirement as an Audit Partner of Ernst & Young, Singapore in June 2018.

Mr Tham also holds various positions in non-profit entities, i.e. Board Member and Chairman of Audit & Governance Committee of the Bone Marrow Donor Programme, Independent Director of The TENG Ensemble Ltd as well as Audit Committee Member of Dover Park Hospice.

Mr Tham holds a Bachelor's degree in Accountancy from the National University of Singapore. He is also a Fellow, Chartered Accountant (Singapore), a Licensed Insolvency Practitioner, a Certified Public Accountant (US and Australia), and a CFA Charterholder.



Mr Lee Gee Aik
Independent Director

Mr Lee Gee Aik was appointed as the Independent Director on 1 February 2024. He is also a member of the Audit and Nominating Committees. Mr Lee is due to retire at the forthcoming AGM and will be seeking re-election as Director at the AGM.

Mr Lee is currently the CFO of AlphaRock Family Office Pte Ltd., a multi-family office with a capital market services licence and a director of AlphaRock Signet VCC.

Mr Lee is an accountant with many years of experience in public accounting, finance and taxation having been with both KPMG Singapore and USA and as a practising public accountant in Singapore. He also has hospitality industry experience working for a leading chain of hotels in Asia. Mr Lee qualified as a Chartered Certified Accountant with the Association of Chartered Certified Accountants, United Kingdom. He also obtained a Master of Business Administration from Henley Management College, United Kingdom. He is currently a Fellow with the Association of Chartered Certified Accountants, United Kingdom and the Institute of Singapore Chartered Accountants. He presently also serves as an independent director on the board of Anchun International Holdings Ltd. Uni-Asia Group Limited and SHS Holdings Limited, and a non-independent non-executive director of Astaka Holdings Limited.

Board of Directors



Ms Jeanette Chang
Non-Executive
Non-Independent Director

Ms Jeanette Chang is a Non-Executive Non-Independent Director of CHO. She was appointed to this position on 27 August 2018. Ms Chang was last re-elected as Director on 23 April 2021. Ms Chang is also a member of the Audit and Remuneration Committees. Ms Chang is due to retire by rotation at the forthcoming AGM and will be seeking re-election as Director at the AGM.

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

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



Mr Tan Kiang Kherng
Non-Executive
Non-Independent Director

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

Mr Tan was last re-elected as Director on 21 April 2023.

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

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



Mr Tan Pong Tyea
Non-Executive
Non-Independent Director

Mr Tan Pong Tyea is a Non-Executive Non-Independent Director of CHO. He was initially appointed as Non-Executive Chairman on 1 June 2010 and subsequently re-designated to Executive Chairman on 22 October 2015. He relinquished his position as Executive Chairman on 8 August 2018 and remained as an Executive Director.

On 1 September 2018, Mr Tan was redesignated to Non-Executive Non-Independent Director and subsequently ceased to be a Nominating Committee member on 8 October 2018. Mr Tan was last re-elected as Director on 22 April 2022.

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

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

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

Key Executives



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 and Commercial in February 2019 and was appointed as General Manager of CHOSM on 16 September 2020. He was subsequently promoted to Managing Director of CHOSM on 5 February 2021.

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

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



Lee Mun Keat
 Financial Controller

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

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

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

Sustainability Report

Board Sustainability Statement

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

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

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

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

About the Report

This Sustainability Report covers the sustainability performance of the Group for the financial year ended 31 December 2023 in line with the Group's financial reporting year. This report presents the Group's sustainability strategy focused on four key pillars (Economic, Environmental, Social and Governance) and provides an overview of our management approach and maps the Group's progress on its ongoing sustainability journey.

This report has been prepared with reference to the Global Reporting Initiative ("GRI") Standards and the relevant GRI 11 Oil and Gas sector standard. The GRI Standards were selected as our main reporting framework as they are globally recognised and relevant for all our stakeholder groups. The GRI Content Index can be found on pages 42 to 45 of this Annual Report. The Sustainability Report also takes into account the inclusion of the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") and the Singapore Exchange-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide.

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

Although external assurance has not been sought, an internal review of our sustainability reporting processes was conducted by our Internal Auditor, MS Risk Management Pte. Ltd. on a cycle basis, as part of the internal audit plan.

Due to expiry of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings) and restrictions imposed by our Constitution, we are unable to adopt electronic transmission of our Annual Report 2023 and accompanying documents. However, with the update of our Constitution (subject to Shareholders' approval during the AGM as a special business item), going forward from Annual Report 2024, we would be able to embrace electronic transmission of almost all AGM related documents. We sincerely hope that Shareholders will support our sustainability efforts towards environmental conservation and to reduce cost and increase operational conservation by embracing electronic communications. We also welcome constructive feedback and suggestions from our stakeholders on ways to improve our sustainability efforts at investors@choffshore.com.sg



KEY PERFORMANCE INDICATORS FOR FY2023

Employment Types

(as at 31 December 2023)

100%

Full Time Employees in our Corporate Office & for our Crew



Gender Diversity of Our Employees

(as at 31 December 2023)

Corporate Office:

41% Male

59% Female

Crew:

99% Male

1% Female

GHG Emissions Intensity of our operations

0.49

tCO₂e/running hour in FY2023

Lost Time Injury ("LTI")

LTI Free Days

554

(period covering 26 June 2022 until 31 December 2023)

Employees New Hire (Corporate Office)

0%

of new hires below 30 years old

75%

of new hires between 30 & 50 years

25%

of new hires more than 50 years old

Employees New Hire (Crew)[^]

13%

of new hires below 30 years old

70%

of new hires between 30 & 50 years

17%

of new hires more than 50 years old






[^] Employees new hire for crew refers to the unique individuals who first joined the Company in FY2023 as one employee may have several rotations (temporary contracts) with the Company.

Stakeholders

GRI 2-29

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

STAKEHOLDERS	METHOD AND FREQUENCY OF ENGAGEMENT	TOPICS OF CONCERN	OUR RESPONSE
Employees 	<ul style="list-style-type: none"> Regular "Safety Alerts and Marine Circulars" email to vessel crew Regular health and wellness talks and promotions to corporate employees (e.g., complimentary health checks) Town halls/regular staff meetings Trainings Internship programme 	<ul style="list-style-type: none"> Vision, strategy and direction Productivity Collaboration Staff welfare/benefit Staff health/wellness Training and development Career and personal development Health, safety and environment 	<p>We remain committed to attracting top talent and investing in the development of our people. We adopt merit-based recruitment practices and emphasise diversity and inclusiveness. To demonstrate our commitment to our employees, we have given our Employers' Pledge of Fair Employment Practices to TAFEP. We also encourage our employees to maintain and upkeep their physical and mental health. We are committed to the next generation and provide internship opportunities to students to develop their interest in our sector</p>
Shareholders and Investing Community 	<ul style="list-style-type: none"> Annual reports General meetings SGX announcements Company website 	<ul style="list-style-type: none"> Business strategy and direction Financial performance Corporate governance Dividend pay-out 	<p>Shareholders play an important role in the financing, governance and control aspects of our Company. To develop confidence and trust in our Group, we aim to provide timely and accurate disclosure of the Group's business developments and financials via SGX announcements, our company website and annual report. We seek to address Shareholders' queries in accordance with the prevailing regulations</p>

STAKEHOLDERS	METHOD AND FREQUENCY OF ENGAGEMENT	TOPICS OF CONCERN	OUR RESPONSE
<p>Customer and Business Partners</p> 	<ul style="list-style-type: none"> • Customer satisfaction surveys • Feedback channels such as email, phone calls and teleconferences • Face-to-face meetings • Company website 	<ul style="list-style-type: none"> • Customer satisfaction • Contract management • Operational performance, quality and responsiveness • Health, Safety, Security, Environment (“HSE”) Excellence 	<p>Customer satisfaction is crucial to the success of our business. We strive to provide our customers with safe, superior, reliable and cost effective marine services. We also strive for continuous improvements to better our service delivery</p>
<p>Suppliers and Contractors</p> 	<ul style="list-style-type: none"> • Perform assessment and continuous monitoring of key suppliers and contractors • Regular meetings, teleconference and emails • Health, Safety and Environment (“HSE”) Questionnaire for key contractors 	<ul style="list-style-type: none"> • Product and service quality, price reliability and suitability to minimise downtime • Timely supply of products and services • Suppliers’ credit terms • Compliance with CHO’s Procurement Policy and ethical business practices • HSE Excellence 	<p>We strive to establish strong, long-term and reliable relationships with our suppliers and contractors and have established robust policies governing supplier selection with a focus on capability, quality, financial stability and business ethics. We do not favour any suppliers. All regular suppliers are reviewed for their fit and ability on a yearly basis by way of an Annual Contractor Audit. The audit ensures that our appointed contractors are in full compliance with our HSE requirements</p>
<p>Government and Regulators</p> 	<ul style="list-style-type: none"> • Industry networking functions • Inspections and audits • Meetings, teleconference and emails • Grants 	<ul style="list-style-type: none"> • Compliance with rules and regulations • Sharing of industry best practice • Environmental compliance • Funding and support 	<p>Governments shape operating environments. Political factors, policies and regulations can affect how businesses are run and also create opportunities for companies. We track topics of concern for governments and regulators to ensure that we are equipped to meet government requirements wherever we operate</p>
<p>Local Communities</p> 	<ul style="list-style-type: none"> • Meetings • Community outreach initiatives • Donations 	<ul style="list-style-type: none"> • Volunteer programmes • Community investment • Clean environment 	<p>We engage with community leaders and non-profit organisations to reach out and render support to those in need</p>

MATERIALITY ASSESSMENT

GRI 3-1, 3-2

In 2016, we conducted our first materiality assessment and identified key issues that were important to CHO and our stakeholders. On an annual basis, the Group reviews its material topics to account for changes in the impacts (both positive and negative) on stakeholders. In line with this, since FY2022, the Group has 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 adopted with reference to the GRI Universal Standards 2021.

Materiality methodology:

IDENTIFY: Identify material topics through peer benchmarking and sector standard. Material topics should influence assessments and decisions of stakeholders and reflect the Group’s significant economic, environmental, social and governance impacts

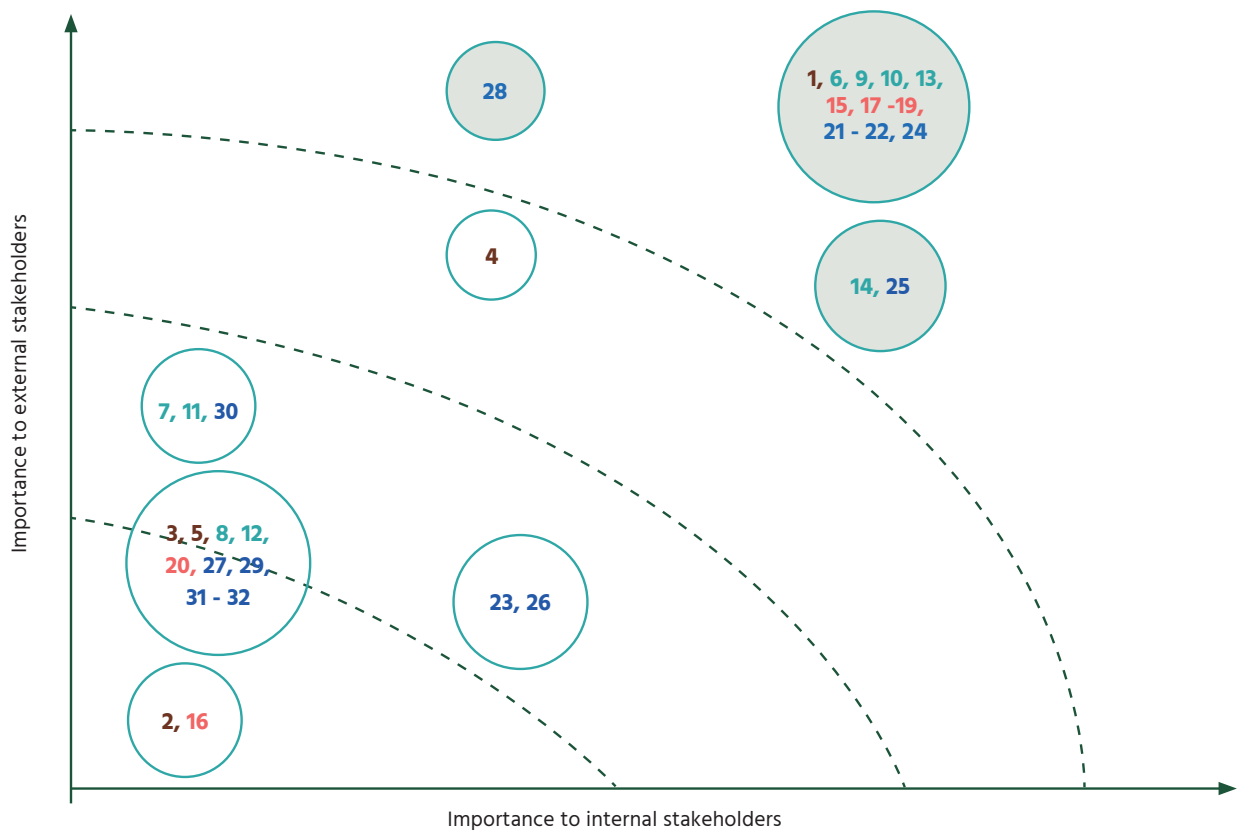
PRIORITISE: Prioritise the material topics based on decisions of stakeholders, legal/regulatory aspects affecting the Group directly or indirectly and our sustainability goals

VALIDATE: Material topics which have been prioritised are internally validated by management and the Board

REVIEW AND ASSESS: Material topics are reviewed annually by the management and the Board to ensure that they are current and relevant to the business



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



Legend:

ECONOMIC

- 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 & data protection
- 18. Whistleblowing
- 19. Risk Management
- 20. Public Policy

ENVIRONMENTAL

- 6. Energy
- 7. Water & 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 & 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	<ul style="list-style-type: none"> Economic performance 	201-1 to 201-4
Environment	Environmental Sustainability	<ul style="list-style-type: none"> Task Force on Climate-Related Financial Disclosures Energy Emissions Waste 	302-1 to 302-5 305-1 to 305-7 306-1 to 306-5
Social	People Focus	<ul style="list-style-type: none"> Employment Training and Education Diversity, Equal Opportunity and Non-discrimination 	401-1 to 401-3 404-1 to 404-3 405-1 to 405-2, 406-1
	Total Workplace Safety & Health	<ul style="list-style-type: none"> Occupational Health & Safety 	403-1 to 403-7, 403-9 to 403-10
	Community Engagement	<ul style="list-style-type: none"> Local Communities 	
Governance	Responsible Business	<ul style="list-style-type: none"> Anti-corruption Code of Conduct Whistleblowing Human Rights Risk Management 	205-1 to 205-3, 415-1 2-15 2-16, 2-25, 2-26 2-23 201-2, 205-1
	Data Security	<ul style="list-style-type: none"> 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 2023 as indicated below:

Chairman’s message	Page 11
Financial Review	Page 07
Five-Year Financial Highlights	Page 09
Risk Management	Page 26, 41
Compensation, Benefits and Engagement	Page 36
Financial Contents	Page 66

In FY2023, the Group received a total of S\$41,000 in financial assistance from the Singapore government comprising of SkillsFuture Enterprise, Enterprise Singapore, Maritime Cluster Fund and IRAS, as well as government regulated leave benefits (including childcare leave and maternity leave).



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 TCFD. The four key pillars as recommended by TCFD are discussed below.

Governance

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

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

Strategy

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

offering clients better emission tracking systems and energy management plans and broadening our product offering and sector focus. Over the next few years, we plan to evaluate the resilience of our Group's business strategy against climate-related transaction scenarios consistent with increased climate-related risks.

Risk Management

GRI 201-2

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

In addition to managing climate-related risks and opportunities under the ERM Framework, for the vessels that we manage, we comply with a number of ABS class certificates and environmental plans including International Air, Oil and Sewage Pollution Prevention Certificates, International Energy Efficiency Certificates, Garbage and Ballast Water Management Plans, Ship Energy Efficiency Management Plan amongst others. These plans are very similar to those found under ISO 14001.

To keep up with the rigorous requirements of oil majors and charterers, the Group's main operating subsidiary, CHO Ship Management Pte. Ltd., was successfully certified to the following ISO Management Systems in FY2023:

- 1) ISO 50001 : 2018 (Energy Management System)
- 2) ISO 45001 : 2018 (Occupational Health and Safety Management)
- 3) ISO 14001 : 2015 (Environmental Management System)

The first Management Review meeting was held in December 2022 after ISO awareness training was provided to management and heads of departments. Additional training focused on sustainability (e.g. climate related issues and productivity solutions including Industry 4.0) will help integrate sustainability into our culture and mindset and thus address climate related risks and opportunities more holistically.

Metrics and Targets

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

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

Compliance with Laws and Regulations

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

Given the nature of our business of owning and chartering of vessels and the provision of marine support services for the offshore oil and gas industry, CHO takes extra care to ensure that we are in compliance with all applicable regulations (including environmental regulations). Marine transportation is one of the most highly regulated industries in the world. Ships and their crew undergo comprehensive inspections by classification societies, port state control (“PSC”) and customer

vetting. A PSC inspection is the inspection of a vessel while in port or anchorage to verify that the condition of the vessel, as well as its machinery and equipment, follow international regulations, and that the vessel is manned and operated in compliance with these regulations. In FY2023, CHO reported a PSC deficiency ratio of 5[^].

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

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

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



REGULATION	AIM AND ENTRY INTO FORCE	WHAT WE HAVE DONE
IMO BALLAST WATER MANAGEMENT CONVENTION	<p>Sets standards for proper management of ballast water and sediments to prevent the spread of harmful marine species</p> <p>Entry into force: 8 September 2017</p>	<p>Our vessels are already compliant with the basic level (D1) of the IMO Ballast Water Management Convention</p> <p>Most of our vessels are either in compliant with level D2 of the IMO Ballast Water Management Convention or have converted to permanent closed loop system. The last vessel which is in compliant with the basic level (D1) is scheduled to have the ballast water management system installed in March 2024</p>
IMO 2020 ENHANCED GLOBAL SULPHUR LIMIT (MARPOL ANNEX VI, REGULATION 14)	<p>Enhances existing limits for sulphur content in marine fuel to reduce emissions of sulphur oxides and other pollutants</p> <p>Entry into force: 1 January 2020</p>	<p>Our vessels use marine gas oil (“MGO”) with sulphur content of equal or less than 0.5% m/m, which is within the ISO 8217 2017 standard and complies with the Interim spec ISO PAS 23263 from September 2019 and IMO 2020</p>
MARITIME CYBER RISK MANAGEMENT IN SAFETY MANAGEMENT SYSTEM (ANNEX 10, RESOLUTION MSC. 428 (98)) (ADOPTED ON 16 JUNE 2017)	<p>Encourages administrators to ensure that cyber risks are appropriately addressed in safety management systems no later than the first annual verification of the Company’s Document of Compliance after 1 January 2021</p> <p>Entry into force: 1 January 2021</p>	<p>An accredited 3rd party conducted Cyber Security Awareness training for our onshore and offshore personnel in March 2022</p>
AMENDMENTS TO SULPHUR CONTENT DEFINITION AND SAMPLING (MARPOL ANNEX VI, REGULATION 2)	<p>Amendments to Regulation 2 ‘Definitions’ to include new definitions for “Sulphur content of fuel oil”, “Low-flashpoint fuel”, “MARPOL delivered sample”, “In-use sample”, and “On board sample”</p> <p>Fuel oil sampling and testing - amendments to Regulation 14 ‘Sulphur oxides (SO_x) and particulate matter’</p> <p>Appendix I amendments to the International Air Pollution Prevention certificate</p> <p>Appendix VI on the Fuel verification procedure for MARPOL Annex VI fuel oil samples</p> <p>Entry into force: 1 April 2022</p>	<p>We have updated our documentation to comply with the amendments</p>

REGULATION	AIM AND ENTRY INTO FORCE	WHAT WE HAVE DONE
CONTROL OF HARMFUL ANTIFOULING SYSTEMS ON SHIPS (AFS CONVENTION)	To include controls on biocide cybutryne. Ships shall not apply or re-apply antifouling systems containing this substance Entry into force: 1 January 2023	Our vessels will comply with the control of Harmful Anti-fouling Systems on Ship
NEW SOLAS CHAPTER XV: SAFETY MEASURES FOR SHIPS CARRYING INDUSTRIAL PERSONNEL (RESOLUTION MSC. 521(106))	This new chapter of the SOLAS Convention establishes a standard for the construction, equipment and operation of ships carrying industrial personnel, in order to protect the lives and health of the personnel on board, as well as the environment. SOLAS Chapter XV applies to cargo ships and high-speed cargo craft of 500 gross tonnage and upwards on international voyages and which carry more than 12 industrial personnel. It will also apply to ships below 500 gross tonnage which will transport a large number of industrial personnel either within the confines of a particular coastal State or between a base port and an offshore installation outside territorial waters. Entry into force: 1 July 2024	For all our vessels under Industrial Personnel (“IP”) Code, we will apply to Flag to adopt Statement of Fact (“SOF”) compliance and subsequently for full compliance during the next Intermediate Survey or Special Survey/Next Class renewal.

Energy & Emissions

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

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

In 2020, Singapore enhanced its 2030 Nationally Determined Contribution (“NDC”) to peak emissions at 65 MtCo₂e around 2030 and under its 2050 Long-term Low-Emissions Development Strategy (“LEDS”), aims to halve emissions from its peak to 33 MtCo₂e 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 MtCo₂e 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 CO₂-equivalent (tCO₂e) annually and applies to all sectors without exemption) at S\$5 per tonne of greenhouse gas emissions. In the 2022 Singapore budget, it was announced that the carbon tax would be raised to \$25 per tonne in 2024 and 2025, and \$45 per tonne in 2026 and 2027, with a view to reaching \$50 to \$80 per tonne by 2030. CHO does not operate any taxable facilities and is therefore not subject to the carbon tax regime. As a SGX listed company, CHO has to comply with SGX’s mandatory climate-related reporting requirements which was put in place at the start of 2022. The Group is supportive of the stance that the Singapore Government has taken in relation to sustainability issues and is committed to doing its part to contribute to achieving the goals and objectives as set by the country.

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

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

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

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

- Regular maintenance of vessels, including propeller polishing sludge removal and cleaning of the hull to improve vessel performance
- Use of environmentally friendly anti-fouling hull paint (compliant to IMO AFS / CONF 26) to prevent barnacle growth

- On a daily basis, monitor and ensure that all operating vessels are sailing with optimised trim and draft
- Use of fuel flow meters, where possible, to find the most efficient speed for our vessels
- Choice of vessels with flexible use of engine configurations to minimise fuel consumption when idling
- Use of low sulphur fuel

The Group’s energy usage comes predominantly from direct sources of energy in the form of MGO consumed during vessel operations. In FY2023, the total energy consumed was 650,148 GJ which is approximately 24% more than what was consumed in FY2022. The higher total energy consumed reflects the larger number of vessels operated in FY2023 (7 vessels) as compared to FY2022 (4 vessels). The increase in the number of vessels is a result of our third-party ship management efforts. On a total energy per running hour basis, our vessel operations were more efficient in 2023 as we used 6.51GJ/running hour vs 8.45GJ/running hour for 2022.

As a result of the increase in total energy consumed, our Scope 1 Greenhouse Gas (“GHG”) emissions increased by the same amount ie approximately 24%. However, the GHG emissions intensity of our operations was 0.49 tCO₂e/running hour in 2023 which is an approximately 22% decrease from 0.63 tCO₂e/running hour in 2022.

Energy consumption by vessels (non-renewable sources)

	1 Jan – 31 Dec 2021 (FY2021)	1 Jan – 31 Dec 2022 (FY2022)	1 Jan – 31 Dec 2023 (FY2023)
Marine Gas Oil (MGO) (tonnes)	16,095	12,311	15,226
Total running hours	96,729	62,200	99,799
MGO per running hour (MT/hr)	0.17	0.20	0.15
Energy consumed (GJ)**	687,236	525,688	650,148
Energy consumed per running hour (GJ/hr)	7.10	8.45	6.51

** Energy consumed is calculated based on lower calorific value of Marine Gas Oil which is assumed to be 42.7 GJ/tonne of fuel.

Source: Amendments to the 2014 Guidelines on the Method of Calculation of the Attained Energy Efficiency Design Index (EEDI) for New Ships (Resolution MEPC. 245(66), as amended by Resolution MEPC. 263(68))

Scope 1 GHG Emissions

	1 Jan – 31 Dec 2021 (FY2021)	1 Jan – 31 Dec 2022 (FY2022)	1 Jan – 31 Dec 2023 (FY2023)
Total running hours	96,729	62,200	99,799
Total CO ₂ e (tonnes) ¹	51,470*	39,371*	48,693
GHG emissions intensity (tCO ₂ e per running hour)	0.53	0.63	0.49
NO _x (tonnes) ¹	322	246	305
SO _x (tonnes) ¹	17	13	16

Note 1: Emission factor of 3.198tCO₂e/t for CO₂, 20.01kgNO_x/t for NO_x, and 1.054 kgSO_x/t for SO_x for marine gas oil were obtained from the Norwegian Emission Inventory 2016 (Documentation of methodologies for estimating emissions of greenhouse gases and long-range transboundary air pollutants.)

* Corrected for rounding error

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

CHO strives to play our part in being environmentally responsible and reduce our GHG emissions. We are investing heavily in a number of technical solutions to meet or exceed the new regulations, finding innovative solutions and continuously improving our environmental performance. We have implemented a number of operational measures to further reduce our CO₂ emissions to meet expected new regulations, including those to be adopted by the IMO. We track and analyse energy consumption on vessels via best practice methods in order to improve energy efficiency and reduce both fuel consumption and CO₂ emissions.

Our environmental policy is reflected in the Ship Energy Efficiency Management Plan which ensures that all marine operations for CHO's owned and managed fleet are conducted as efficiently, safely and reliably as possible. In addition to CO₂, the vessel fuel combustion process also produces Nitrogen Oxides (NO_x) and Sulphur Oxides (SO_x) emissions which are a function of the fuel type, engine age and class. In line with the

2020 Global Sulphur Cap, CHO vessels only use MGO which is considered a clean fuel because it has sulphur content below 0.5% m/m.

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

Apart from Scope 1 emissions, the Group also tracks emissions outside the Group, covering two categories initiated in 2022, ie business air travel and employee commuting by company-hired third-party transportation. The Group's emission outside the Group for FY2023 increased significantly from 39.06tCO₂ in the previous year to 234.43tCO₂. This sharp increase in air travel for the Group was a result of:

- 1) an increase in the number of vessels managed by the Group from 4 vessels in FY2022 to 7 vessels in FY2023 resulting in an increased number of crew flights;
- 2) Charterers and IMO (SOLAS) regulations which permitted virtual inspections during the pandemic have now reverted to requiring physical visits and inspections by the vessel management team; and
- 3) Face to face business meetings, collaborations, conventions and networking events have returned and are likely to increase as businesses make up for lost time.

Scope 3 GHG Emissions

	FY2022	FY2023
Group's emission outside the Group (business air travel, employee commuting)	39.06tCO ₂	234.43tCO ₂

We are committed to do our part to combat climate change and look to reduce our energy intensity by optimising our operations and processes, exploring alternative fuel sources and adopting increased energy efficient vessel designs for new vessels during vessel renewal. The biggest contributor to any reduction in emissions would be the adoption of alternative low-carbon fuels and a means to increase energy efficiency in an operationally and economically viable way. However, because our emissions (and emissions intensity) are reliant on our clients' ability to provide us with alternative energy and the activity that is required by our clients when we are on charter. As such, it is difficult for us to have climate (specifically emissions and energy) related targets.

More importantly, while the technology is still nascent and there is little concurrence amongst offshore vessel charterers to support the use of alternative fuels, reduction in emission factors year on year would not be significant.

WASTE MANAGEMENT AND DISPOSAL GRI 306-1 to 306-5

We are conscious that waste is generated from our operations and any mishandling in disposal may harm the environment. As such, we adopt the responsible waste management hierarchy starting with Reduce, Reuse and Recycle. We see

waste reduction as a potential source of cost savings to our business. Onboard our vessels, we actively monitor our waste disposal metrics. Every vessel has a vessel specific Garbage Management Plan ("GMP") which enforces responsible waste disposal for all our vessels.

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

In FY2023, we disposed of approximately 17% more waste as compared to FY2022 due to a larger fleet that the group manages in FY2023.

Onshore, we have supported various reuse and/or recycling programmes in Singapore by collecting paper, textile, rubber shoes and E-waste from employees and work processes for donation and contribution to reuse and recycle causes. We are also promoting recycling within the office by providing recycling bins in each office and on each floor, sending regular reminders regarding reusing and recycling and educating employees on how to recycle and the benefits of recycling. In FY2023, we recycled 2,928kg (183 cartons) of paper products that were previously placed in storage. The paper was recycled into tissue or toilet papers.

Hazardous and Non-Hazardous Waste Generated

Types of Waste	1 Jan – 31 Dec 2022 (FY2022)	1 Jan – 31 Dec 2023 (FY2023)
Hazardous (E.g. Used oil, plastics, operational waste)	385.5m ³	969.0m ³
Non-hazardous (E.g. Food waste, domestic waste)	890.8m ³	527.5m ³
Electronic waste	2.5m ³	1.8m ³
Total waste disposed	1,278.7m ³	1,498.4m ³

E-waste

In March 2018, the amendments to MARPOL Annex V regarding the addition of E-waste as a new garbage category as well as a new Garbage Record Book format came into force. E-waste encapsulates electrical and electronic equipment including all components, sub-assemblies and consumables. These can be hazardous to the environment if discarded improperly. Following the integration of these amendments, all of our vessels updated their GMP to include the proper disposal of E-waste. New Garbage Record Books have been introduced to replace the older versions on board to appropriately record E-waste disposals. Onshore, we did not recycle any E-waste in FY2023.

Sewage Treatment

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

Spills

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

- i) **Effective risk management:** By identifying safety critical equipment where the potential for risk of impact from spills is highest, based on the type of equipment and chemicals used.
- ii) **Tracking:** We track spills across our operations and report key trends to management and operations teams to help identify the cause of spills and how they can be prevented. We continually work to better understand spill trends by improving spill reporting and analysis where possible.
- iii) **Awareness:** Before a job begins, we identify and avoid potential spill hazards. We also work to raise spill prevention awareness among staff, crew and contractors to prevent or reduce the number, size and extent of spills that occur in our operations.

When spills do occur, they are reported and cleaned up with the goal of achieving no lasting impact on the environment.

Managing our facilities and work practices to avoid spills, and having an effective response if they occur, is important to our local communities, employees and our business. Our target is to have zero significant spills which we achieved in FY2023. We aim to continue achieving this target in the following year.

PEOPLE FOCUS

Employment

GRI 401-1 to 401-3

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

During the course of 2023, CHO only had full-time employees. All full-time employees (both permanent and contract based) receive the same benefits.

In 2023, a total of 3 interns from the Higher Nitec ITE were attached to the Company for a period of 20 weeks each. During the internship period, the students were rotated through various departments and performed different job functions to experience a real-life working environment and had the opportunity to put to use the learnings and skillsets that they had accumulated during the course of their academic learning.

During the course of FY2023, the Group had 16 female corporate employees who were entitled to maternity leave. The Group also had 13 male corporate employees who were entitled to paternity leave. Of the entitled employees, only 1 employee took maternity leave. The female employee initiated her maternity leave in FY2022 and had only used up her entitlement on 27 October 2023. However, she returned to work in January 2023.

Parental Leave Rates

Description	FY2022	FY2023
Return to work rate	100	100
Retention rate	NA	100

Diversity, Equal Opportunity and Non-Discrimination

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

We embrace diversity and inclusion, aim to attract and retain the best people to work with us, develop their talents and abilities, and most importantly, ensure their safety and well-being. CHO embraces diversity and equal opportunities in various aspects of our business including our hiring policy and remuneration. We believe that diversity brings a combination of experiences, ideas and out-of-box thinking that helps us solve business problems with a broader perspective. In FY2022, we put in place a formal board diversity policy reflecting our commitment to diversity, our targets and our processes and procedures to support Board diversity. From 2018 until mid 2023, we maintained at least a 14% female representation on our Board. However, as we enter a period of board renewal, our female representation has dropped slightly to 12.5% as at 31 December 2023.

Fair Employment

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

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

Gender Diversity

As at 31 December 2023, amongst the 27 employees within the corporate office, 11 are male and 16 are female. However, given

the nature of the work and the lifestyle onboard the vessels, the sector in general tends to have a predominantly male crew and our Company is no different, with 121 male crew and 1 female crew as at 31 December 2023. We are supportive of having female crew members and do not discriminate against them.

Cultural Diversity

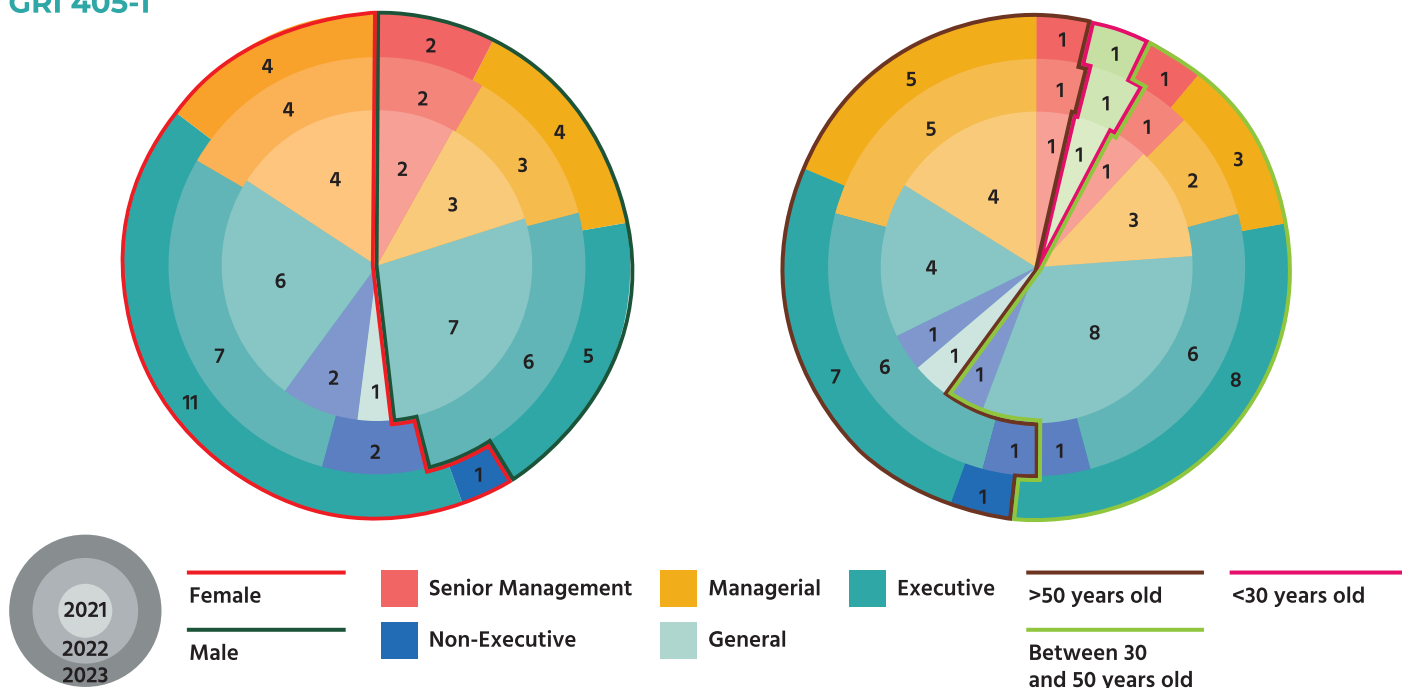
In CHO, we celebrate cultural diversity. We believe that part of our strength in being able to create solutions that address the needs of our customers, regardless of geography, lies in our pool of talent that comes from all over the world – our employees represent 15 different nationalities. In previous years, we organised celebrations such as Chinese Lunar New Year, Hari Raya Puasa and Christmas get-togethers. In FY2023, not only were we able to resume our annual Christmas and Chinese New Year Luncheon, we were also able to resume our annual team building event. The staff journeyed up to Malacca, Malaysia for a 3 day, 2 night team building offsite in 3Q2023.

Age Diversity

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

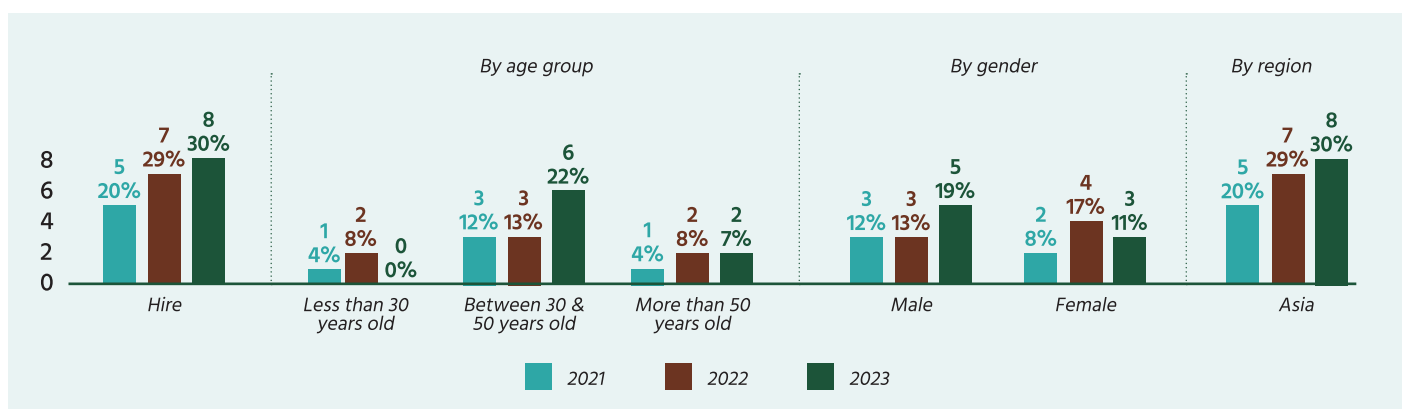
In line with the "promote age-friendly workplaces" programme, we provide free health screening for all our employees together with other health talks.

Group Diversity GRI 405-1

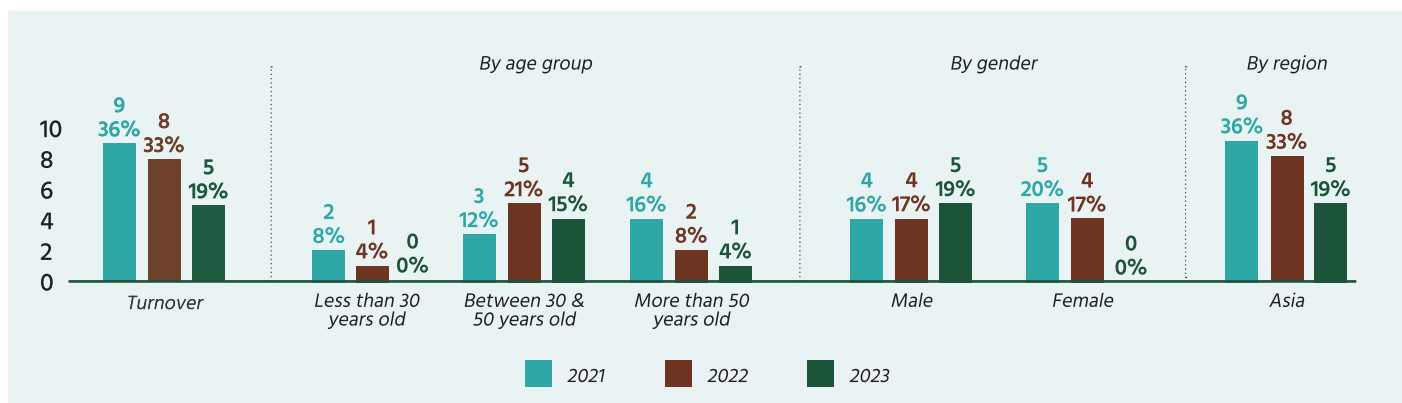


Numbers within the pie chart represents the number of employees within each category

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



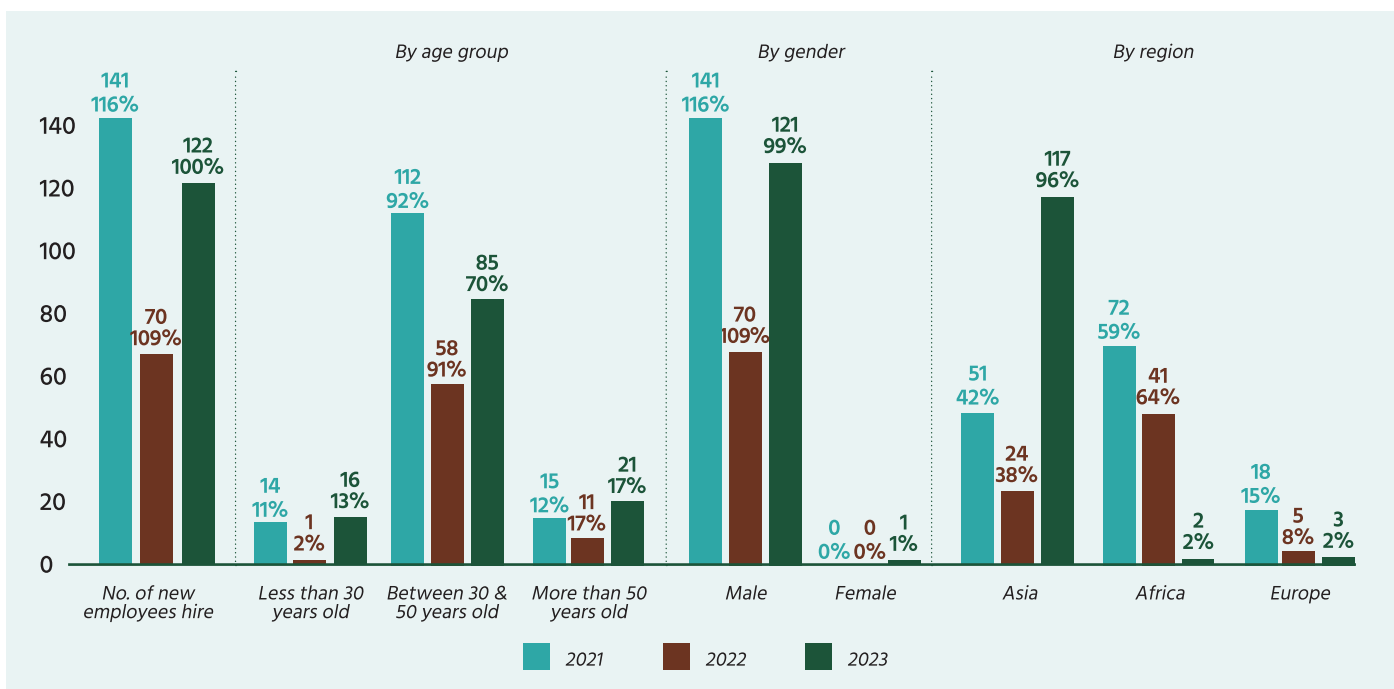
Total number and rate (%)^ of employee turnover (Corporate Office)



^ Percentages are calculated based on total employee number (Corporate Office), as at 31 December 2023
 All of our new hires in our Corporate Office in Singapore are from Asia (Singapore, Malaysia and the Philippines)
 Due to rounding, percentages presented may not reflect the absolute figures

Crew

Total number* and rate (%)^ of new employees hire in 2023 (Crew)



^ Percentages are calculated based on total employee numbers (crew), as at 31 December 2023

* The number of new employee hires for crew refers to the number of unique individuals who first joined the company in FY2023 as one employee may have several rotations (temporary contracts)

Due to rounding, percentages presented may not reflect the absolute figures

Compensation, Benefits & Engagement GRI 201-3, 401-3

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

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

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

and help address concerns where possible.

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

A health screening is the first step to safeguarding the health of our employees. Early detection and timely intervention pave the way for early treatment and can reduce future complications and treatment cost. With the support of healthcare professionals from Minmed, CHO organised a complimentary health screening at the office on 23 October 2023 which was attended by 20 employees. Each employee was later provided with an individual health report and a private follow-up teleconsult review with a doctor. Medical recommendations (if any) were provided to employees.

In line with the Singapore Child Development Co-Savings Act which is put in place to encourage family building (including financial support), the Group’s adoption of the Employment Act also entitles eligible employees to parental leave in the

form of paid maternity, paternity and childcare leave. We support our employees in taking parental leave to promote family values and mental health.

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

Training & Development

GRI 404-1 to 404-3

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

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

Training courses (both in-person and virtual) attended by the employees in the corporate office in FY2023 include:

External Training

1. Company Security Officer Training
2. Designated Person Ashore (DPA) training
3. Superintendent Training
4. Dynamic Positioning (Basic)
5. Navigation Audit
6. ISO 50001, ISO 45001 & ISO 14000 Awareness Training
7. CSO/SSO Refresher Training
8. Internal Auditor Training for ISO Management System - ISO 50001, ISO 45001, ISO 14001
9. SGX Group GRI Sustainability Reporting Learning Series Updates on the Revised GRI Universal Standards.
10. All About Data - Data Discovery, Data Privacy and Security
11. BOSIET (Basic Offshore Safety induction & Emergency Training and Travel Safety by Boat
12. (CA-EBS) Compressed air Emergency Breathing System
13. PDP Seminar, Anonymisation Workshop for DPOs in SMEs: Ensuring Privacy and Security

14. Pilot Workshop on EGS Data Collection and Reporting
15. 44th Shared Awareness Meeting
16. SGX Group-GRI GHG emissions inventory and management workshop
17. Internal Auditor ISM-ISPS-MLC For shipping companies
18. DP Induction (Basic) Course / DP Vessel Maintainer
19. OSJ Conference Asia, Singapore
20. Exploration of ISSB : An Afternoon with Jonathan Abrey from IFRS
21. Develop Human Resource Policy Framework (SFW HR)
22. EY Financial Reporting Update (FRU) 2023

Internal Training

1. Corporate Governance Training:
 - a) General understanding of PDPA
 - b) Anti-Bribery & Corruption Policy
 - c) Code of Conduct Policy
 - d) Whistleblowing Policy
 - e) Gift & Hospitality Policy
2. Enterprise Resource Planning and Vessel Management
3. Online Cyber Security
4. New Staff Orientation by HR Department
5. Security and Safety Orientation by Senior Security Officer/ PFSO and HSE Officer

In FY2023, our corporate office employees attended an average of 35 hours of training per person as compared to 13[#] hours in FY2022. The spike in training hours per person was contributed largely by the training provided for employees in relation to our newly adopted Enterprise Resource Planning and Vessel Management System. Our employees participated in both virtual and physical training sessions and seminars. In addition to the formal academic training, we have also encouraged employees to participate in webinars. These webinar sessions have not been included in the training hours above. In the same year, our crew attended an average of 22 hours per person as compared to 33 hours in FY2022. The decrease in training hours was a result of the higher-than-normal training that our crew had undergone in FY2022 immediately after the lifting of COVID-19 related Safe Management Measures imposed by the governments and regulators in the countries where our vessels operate.

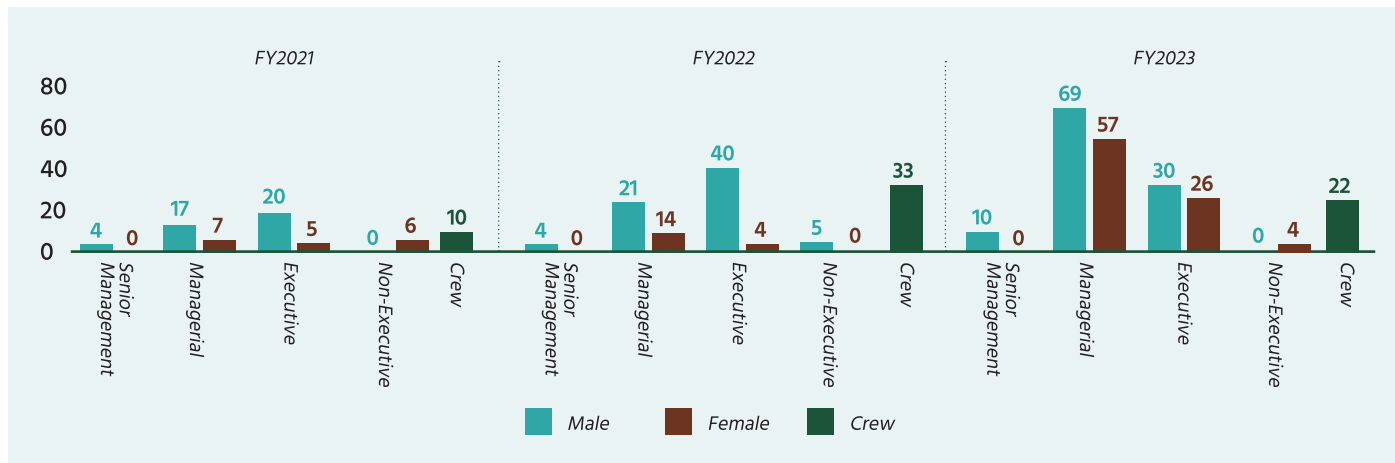
[#] Restated in FY2023 for consistent reporting

Total Workplace Safety & Health

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

Given the nature of our operations especially onboard vessels, health and safety is of utmost importance to us. CHO is committed to providing a safe operational environment for our offshore and onshore employees, customers and partners and aims to ensure that appropriate control measures are in place

Hours of training per employee category



to mitigate any safety risks posed to stakeholders and assets. In the second half of 2022, the WSH Council issued an Approved Code of Conduct (“ACOP”) in relation to Chief Executives’ and Board of Directors’ Workplace Safety and Health duties with a specific focus on four guiding principles. The systems and processes we had in place prior to the issuance of the ACOP already address the bulk of the measures indicated in the ACOP and since then, we have included further initiatives to address some of the measures more explicitly.

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

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

The Group’s main operating subsidiary, CHO Ship Management is certified to the following ISO Management Systems in FY2023.

- 1) ISO 50001 : 2018 (Energy Management System)
- 2) ISO 45001: 2018 (Occupational Health and Safety Management)
- 3) ISO 14001 : 2015 (Environmental Management System)

STOP Work Authority (“SWA”)

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

Safety Alerts and Marine Circulars

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

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

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

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

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

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Work-related injury statistics

	FY2021	FY2022	FY2023
No. of Days (in year)	365	365	365
Man-Hours	495,855	450,520	507,684
Fatalities	0	0	0
High Consequence Injuries	0	1	0
Lost Time Injury ¹	1	1	0
Recordable Injury ²	1	1	0
Fatality Frequency Rate	0.00	0.00	0.00
High Consequence Injury Frequency Rate	0.00	2.22	0.00
Lost Time Injury Frequency Rate (LTIFR)	2.02	2.22	0.00
Total Recordable Injury Frequency Rate (TRIFR)	2.02	2.22	0.00

¹ Lost time injury incidents include high consequence injuries

² Recordable injuries include fatalities, lost time injuries, restricted work injuries and medical treatment injuries

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

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

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

Community Engagement

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

Donations to Charities

Continuing the worthy cause from last year, CHO supported four charities in 2023 focused on the younger generation, notably:

1. Singapore Children's Society
2. Limitless.sg
3. Samaritans of Singapore Limited
4. Club Rainbow (Singapore)

CHO strongly believes in giving back to the community and corporate donation is one of the many wholesome channels that allows the Company to do its part for the larger society. Two of the charities which we supported have a focus on mental health issues faced by people, especially youth, who are dealing with stresses from home, work and school life and provide a safety net for such vulnerable individuals.

In addition to the corporate donations, employees of CHO came together to make personal contributions to support "Food From The Heart Toy Buffet 2023", a program where the toys collected will be distributed to 3,000 underprivileged children aged 5 – 12 years old during a charity event held on 10 November 2023 at Singapore Polytechnic. The program gave employees an opportunity to bless the beneficiaries during the year-end festive season. Employees also donated their time to wrap the presents and provide a personal touch to each gift. A total of 116 toys were purchased in this charity drive to bless the beneficiaries registered with Food From The Heart, an IPC-status food bank in Singapore committed to battling hunger in Singapore.

Responsible Business

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

GOVERNANCE

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

are also made publicly available to our other stakeholders on our corporate website.

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

Our Whistleblowing Policy serves to encourage and provide a channel for stakeholders, including employees to report in good faith and in confidence, without fear of reprisals, concerns about possible wrongdoing or breach of applicable laws, regulations, policies or other matters. The Whistleblowing Policy and Procedure allows independent investigation of such matters and for appropriate follow-up action to be taken. Our target is to not have any confirmed or suspected cases of corruption nor any reports of concerns raised or brought to the attention of the Audit Committee and we achieved that in FY2023.

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

Data Security

The Group has in place a Personal Data Protection Policy to protect the privacy and confidentiality of all personal data of our employees and stakeholders. We are guided by the Personal Data Protection Act ("PDPA") that outlines how we should manage all personal data. The Group has also appointed a Data Protection Officer ("DPO") to oversee and ensure that all personal data is managed in accordance to the PDPA.

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

of any corporate obligations and liabilities. Annual refresher training is provided to all employees.

Risk Management

GRI 201-2, 205-1

At CHO, we are committed to maintaining our corporate governance standards with the aid of strong internal controls and a robust risk management system. On a six-monthly basis and as and when required, the Board, supported by the Risk Management Committee, reviews existing risks and considers changes and trends in the market environment as well as business operations to further enhance and 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 Risk

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

Industry-Related Risks

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

Health and Safety Risks

- Cultivate safe-at-work habits and practices
- Raise awareness of International Safety Management Code and manuals and conduct regular trainings
- Attend regular training programmes and conduct safety promotions

- Provide mandatory internal safety briefings and induction programmes and external competency training (where required) in addition to employee’s orientation programmes.
- Conduct periodic fire evacuation and security drills to ensure preparedness and cooperation during emergencies

Operational Risks

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

Governance Risks

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

Climate-related Physical and Transition Risks

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

GRI Content Index

Statement of use CH Offshore Ltd. has reported the information cited in this GRI Content Index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards

GRI 1 Used GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	Page Reference and Response	Alignment to SGX Core ESG Metrics
GRI 2: General Disclosures (2021)			
GRI 2-1	Organisational details	4, 5	
GRI 2-2	Entities included in the organization's sustainability reporting	19	
GRI 2-3	Reporting period, frequency and contact point	Reporting Period: 1 Jan 2023 - 31 Dec 2023 Reporting Frequency: Annually	
GRI 2-4	Restatements of information	31, 37	
GRI 2-5	External assurance	19	Assurance
GRI 2-6	Activities, value chain and other business relationships	18	
GRI 2-7	Employees	33	
GRI 2-8	Workers who are not employees	33	
GRI 2-9	Governance structure and composition	18	
GRI 2-10	Nomination and selection of the highest governance body	18	
GRI 2-11	Chair of the highest governance body	18	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	18	
GRI 2-13	Delegation of responsibility for managing impacts	18	
GRI 2-14	Role of the highest governance body in sustainability reporting	18	
GRI 2-15	Conflicts of interest	40, 41	
GRI 2-16	Communication of critical concerns	40, 41	
GRI 2-17	Collective knowledge of the highest governance body	26	
GRI 2-18	Evaluation of the performance of the highest governance body	18, 26	
GRI 2-19	Remuneration policies	Coporate Governance Report 55-58	
GRI 2-20	Process to determine remuneration	Coporate Governance Report 55-58	
GRI 2-22	Statement on sustainable development strategy	18	Alignment with Frameworks
GRI 2-23	Policy commitments	40, 41	
GRI 2-24	Embedding policy commitments	40, 41	
GRI 2-25	Processes to remediate negative impacts	26, 40, 41	
GRI 2-26	Mechanisms for seeking advice and raising concerns	40, 41	

GRI STANDARD	DISCLOSURE	Page Reference and Response	Alignment to SGX Core ESG Metrics
GRI 2-27	Compliance with laws and regulations	26, 27	
GRI 2-28	Membership associations	26, 27	
GRI 2-29	Approach to stakeholder engagement	21, 22	
GRI 2-30	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements	
GRI 3-1	Process to determine material topics	26, 40, 41	
GRI 3-2	List of material topics	23, 24, 25	
GRI 2: General Disclosures (2021)			
Economics: Economic Excellence			
GRI 201 Economic Performance (2016)	201-1: Direct economic value generated and distributed	25	
	201-2: Financial implications and other risks and opportunities due to climate change	25, 40, 41	
	201-3: Defined benefit plan obligations and other retirement plans	25	
	201-4: Financial assistance received from government	25, 36, 37	
Environment: Environmental Sustainability			
GRI 302 Energy (2016)	302-1: Energy consumption within the organization	29, 30, 31, 32	
	302-2: Energy consumption outside of the organization	29, 30, 31, 32	Energy Consumption
	302-3: Energy intensity	29, 30, 31, 32	
	302-4: Reduction of energy consumption	29, 30, 31, 32	
GRI 305 Emissions (2016)	305-1: Direct (Scope 1) GHG emissions	29, 30, 31, 32	
	305-3: Other indirect (Scope 3) GHG emissions	29, 30, 31, 32	
	305-4: GHG emissions intensity	29, 30, 31, 32	Greenhouse Gas Emissions ("GHG")
	305-5: Reduction of GHG emissions	29, 30, 31, 32	
	305-6: Emissions of ozone-depleting substances (ODS)	29, 30, 31, 32	
GRI 306 Waste (2020)	306-1: Waste generation and significant waste-related impacts	32, 33	
	306-2: Management of significant waste-related impacts	32, 33	
	306-3: Waste generated	32, 33	Waste Generation
	306-4: Waste diverted from disposal	32, 33	
	306-5: Waste directed to disposal	32, 33	
Social: People Focus			
GRI 401 Employment (2016)	401-1: New employee hires and employee turnover	33, 34, 35, 36, 37	
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	33, 34, 35, 36, 37	Employment
	401-3: Parental leave	33, 34, 35, 36, 37	

GRI STANDARD	DISCLOSURE	Page Reference and Response	Alignment to SGX Core ESG Metrics
GRI 404 Training and Education (2016)	404-1: Average hours of training per year per employee	37, 38	Development and Training
	404-2: Programs for upgrading employee skills and transition assistance programs	37, 38	
	404-3: Percentage of employees receiving regular performance and career development reviews	37, 38	
GRI 405 Diversity and Equal Opportunity (2016)	405-1: Diversity of governance bodies and employees	33, 34, 35, 36	Board Composition, Management Diversity, Gender Diversity, Age-Based Diversity
	405-2: Ratio of basic salary and remuneration of women to men	33, 34, 35, 36	
GRI 406 Non-discrimination (2016)	406-1: Incidents of discrimination and corrective actions taken	33, 34	
Social: Total Workplace Safety and Health			
GRI 403 Occupational Health and Safety (2018)	403-1: Occupational health and safety management system	37, 38, 39	Occupational Health and Safety Certifications
	403-2: Hazard identification, risk assessment and incident investigation	37, 38, 39	
	403-3: Occupational health services	37, 38, 39	
	403-4: Worker participation, consultation and communication on occupational health and safety	37, 38, 39	
	403-5: Worker training on occupational health and safety	37, 38, 39	
	403-6: Promotion of worker health	37, 38, 39	
	403-7: Prevention and mitigation of occupational health and safety impacts directly lined by business relationships	37, 38, 39	
	403-9: Work-related injuries	37, 38, 39	
	403-10: Work-related ill health	37, 38, 39	
	Governance: Responsible Business		
GRI 205 Anti-Corruption (2016)	205-1: Operations assessed for risks related to corruption	40, 41	Ethical Behaviour
	205-2: Communication and training about anti-corruption policies and procedures	37, 40, 41	
	205-3: Confirmed incidents of corruption and actions taken	40, 41	
GRI 201 Economic Performance (2016)	201-2: Financial implications and other risks and opportunities due to climate change	40, 41	
GI 415 Public Policy (2016)	415-1: Political contributions	40, 41	

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

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

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

The Board of Directors (“**Board**”) is pleased to outline the main corporate governance framework and practices of the Company in this report, with specific reference made to each of the principles and provisions as set out in the Code. This report describes the Company’s corporate governance practices that were in place throughout the financial year ended 31 December 2023 (“**FY2023**”). Where there were variations in the Company’s corporate governance practices from the provisions as set out in the Code (“**Provisions**”), explanations as to how the Company’s practices were consistent with the intent of the Principle in question is provided in the relevant paragraph of this report. The Company reviews its practices on ongoing basis, as and when required.

(A) BOARD MATTERS

The Board’s Conduct of Affairs

PRINCIPLE 1:

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

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

Provision 1.1 of the Code

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

The Board has put in place a Code of Conduct Policy and Procedures to assist and guide the Directors and employees in acting honestly, ethically and respectfully and in identifying, disclosing and managing financial and non-financial in both potential and actual conflict of interest situations. The Code of Conduct Policy and Procedures further serve to emphasise the Group’s commitment to ethics and compliance with the law, including but not limited to fair competition and modern slavery, for the protection of the Company’s interest and the promotion of transparency for the benefit of shareholders. The Code of Conduct Policy and Procedures is available to the public via the Company’s corporate website. To ensure transparency and compliance with Section 156 of the Companies Act 1967, all Directors are required to disclose all directorships (for both active and dormant companies), significant officer roles and memberships as soon as is practicable if there are changes and at a minimum, at each board meeting.

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

Provision 1.2 of the Code

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

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

If a newly appointed Director does not have any prior experience as a director of a listed company, the Company will arrange for such first-time Director to attend the Mandatory Training in accordance to Rule 210(5)(a) of the Listing Manual, at the expense of the Company, conducted by the Singapore Institute of Directors in order for the first-time Director to familiarise himself/herself with the roles and responsibilities of a director of public listed company in Singapore.

Mr Tham Chee Soon and Mr Lee Gee Aik were appointed as Independent Directors on 13 July 2023 and 1 February 2024 respectively. Both Mr Tham Chee Soon and Mr Lee Gee Aik have prior experience as directors of companies listed on SGX-ST.

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

The new Directors received an electronic induction pack containing information and documents relating to the Company's latest management accounts and analysis, annual report, governance policies and practices. They have been briefed by the Management separately on the Group's business activities, financial performance and key risk areas.

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 FY2023.

Provision 1.3 of the Code

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

- (1) providing entrepreneurial leadership, setting strategic directions and long-term goals of the Group, and ensuring that the necessary financial and human resources are in place for the Group to meet its objectives;
- (2) determining the Group's risk appetite and risk tolerance and establishing a framework of prudent and effective controls that enables risk to be assessed and managed, including safeguarding of shareholders' interests and the Group's interests;
- (3) reviewing and evaluating Management performance towards achieving organisational goals;
- (4) identifying key stakeholder groups and recognising that their perceptions affect the Group's reputation;
- (5) setting the Group's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met;
- (6) considering sustainability issues, e.g. economic, environmental, social and governance aspects, as part of its strategic formulation;
- (7) reviewing and approving corporate governance practice and ensuring the Group's compliance with laws, regulations, policies, directives, guidelines and internal code of conduct; and
- (8) reviewing and approving major investments, divestments and funding proposals, annual budgets and financial plans, half-year and full-year results announcements, annual audited financial statements and declaration of dividends.

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

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

Provision 1.4 of the Code

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

Provision 1.5 of the Code

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

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

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

Attendance at Board and Board Committee Meetings during FY2023 are set out as follows⁽¹⁾:

DIRECTORS	BOARD		AC		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 THIA PENG HEOK GEORGE	5	4 ⁽²⁾	5	5	1	0 ⁽²⁾	1	1
DR BENETY CHANG	5	5	5	5*	1	1*	1	1
MS JEANETTE CHANG	5	5	5	5	1	1	1	1*
MR TAN KIANG KHERNG	5	5	5	5*	1	1*	1	1*
MR TAN PONG TYEA	5	3	5	3*	1	0	1	1
MR TAN KIAN HUAY	5	5	5	5	1	1	1	1
MR AHMAD NIZAM BIN ABBAS	5	5	5	5	1	1*	1	1*
MR THAM CHEE SOON ⁽³⁾	2	2	2	2*	-	-	-	-

Notes:

⁽¹⁾ Refers to meetings held/attended while each Director was in office.

⁽²⁾ At one RC meeting, followed thereafter by an AC meeting and a Board meeting, Mr Thia Peng Heok George's attendance via Microsoft Teams was intermittently disrupted due to poor internet connections and was recorded as "Absent" from the RC and Board meetings. Despite the internet issues, he was able to attend the AC meeting. He had however provided valuable feedback and input on the respective meeting's agenda items in advance. His inputs has been taken into consideration in the discussions and decisions made during the meetings.

⁽³⁾ Mr Tham Chee Soon was appointed as Independent Director on 13 July 2023. He attended AC meetings held after his appointment as invitee.

* Attended as invitees.

Provision 1.6 of the Code

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

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

Provision 1.7 of the Code

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

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

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

Board Composition and Guidance

Principle 2:

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

As at the date of this report, the Board comprises of: five (5) Independent Directors, three (3) Non-Executive Non-Independent Directors and one (1) Executive Director. The Directors of the Company as at the date of this report are as follows:

MR THIA PENG HEOK GEORGE	Chairman, Independent Director
DR BENETY CHANG	Chief Executive Officer ("CEO") & Executive Director
MS JEANETTE CHANG	Non-Executive Non-Independent Director
MR TAN KIANG KHERNG	Non-Executive Non-Independent Director
MR TAN PONG TYEA	Non-Executive Non-Independent Director
MR TAN KIAN HUAY	Independent Director
MR AHMAD NIZAM BIN ABBAS	Independent Director
MR THAM CHEE SOON	Independent Director
MR LEE GEE AIK	Independent Director

Provisions 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 judgement in the best interests of the Group, is considered to be independent.

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

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

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

Mr Thia Peng Heok George and Mr Tan Kian Huay would each have served as Independent Directors of the Company for a term of more than nine years on 30 March 2024 (being nine years since their respective dates of appointment). Mr Thia Peng Heok George and Mr Tan Kian Huay will continue to be deemed independent from 30 March 2024 until the conclusion of the forthcoming AGM to be held on 22 April 2024, pursuant to the transition measures announced by SGX RegCo following the removal of the two-tier vote mechanism in relation to the continued appointment of Independent Directors whose tenure exceeds the nine-year limit.

In alignment with the Board's refreshment plan, Mr Tan Kian Huay and Mr Tan Pong Tyea will be retiring from their directorship roles after the conclusion of the upcoming AGM. Concurrently, Mr Thia Peng Heok George will be redesignated as Non-Executive Non-Independent Director after the conclusion of such AGM.

Provision 2.4 of the Code

The NC reviews the size and composition of the Board and its Board Committees annually. The NC and Board are of the view that the size and level of independence of the Board is appropriate and that the Board comprises of Directors who as a group have an appropriate balance and mix (as well as breadth and depth) of skills, knowledge, experience and diversity of thought, so as to foster constructive and robust debate and avoid groupthink. To ensure a smooth transition following (i) the retirements of Mr Tan Kian Huay and Mr Tan Pong Tyea; and (ii) the re-designation of Mr Thia Peng Heok George's role to Non-Executive Non-Independent Director, both scheduled after the conclusion of the AGM on 22 April 2024, the NC and Board made a strategic decision to increase the Board strength to nine members on a temporary basis. While acknowledging the contributions of all nine directors during this interim period, the NC is confident that transitioning to a seven-member Board will continue to uphold a well-balanced, appropriately sized, and 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 female candidates are included for consideration when identifying candidates to be appointed as new directors, with the aim of having at least one female Director on the Board. Currently one out of nine directors on the Board is female, in recognition of the importance and value of gender diversity. Additionally, one board member is from a racial minority group. The Board Diversity Policy does not set any specific target for gender or ethnic diversity in the boardroom but the NC will work towards fostering and maintaining gender and ethnic diversity, if possible.

Although no specific targets have been set for boardroom age diversity, the Board currently comprises of Directors spanning a wide age gap with ages ranging from mid 40s to more than 70 years old. This wide age gap amongst the Directors brings a rich diversity of perspectives and experiences, contributing to the depth and breadth of the Board's expertise and decision-making.

Each Director has been appointed based on the strength of his/her calibre, experience, grasp of corporate strategy and potential to contribute to the Group and its businesses. The Board encompasses a broad spectrum of expertise and knowledge, spanning crucial domains like the marine and offshore industry, accounting and finance, business and management, human resources, legal affairs, risk management, and strategic planning. This diversity extends to experience in auditing and liquidation, mergers and acquisitions and various other industry-specific insights. Such a comprehensive blend of skills and perspectives is fundamental for the effectiveness of both the Board and its Committees, ensuring well-rounded governance, strategic and effective oversight.

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 can also bring global insights and perspectives regardless of their geographical origin.

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

The profile and key information regarding the Directors is set out in the "Board of Directors" section on pages 14 to 16 and "Directors' Statement" section on pages 67 to 69 of this Annual Report.

Provision 2.5 of the Code

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

Chairman and Chief Executive Officer

Principle 3:

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

Provision 3.1 of the Code

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

Provision 3.2 of the Code

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

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

Provision 3.3 of the Code

Given that Mr Thia Peng Heok George is an Independent Director, the position of Lead Independent Director is not required in line with the Code. As Independent Board Chairman, Mr Thia Peng Heok George continues to hold a private session with the other Independent Directors and remains as the principal liaison to address shareholders' concerns, if any. With Mr Thia Peng Heok George's impending change in status to Non-Executive Non-Independent Director after the conclusion of the upcoming AGM, the NC and Board will make plans to appoint a new Independent Board Chairman in due course.

Board Membership

Principle 4:

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

Provision 4.1 of the Code

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

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

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

Provision 4.2 of the Code

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

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

Provisions 4.3, 4.4 & 4.5 of the Code

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

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

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

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

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

The NC, with each NC member abstaining in respect of his own re-election, has recommended to the Board the nomination of Directors retiring under Articles 88 and 89 of the Company's Constitution, namely Dr Benety Chang, Ms Jeanette Chang, Mr Tham Chee Soon and Mr Lee Gee Aik, for re-election at the forthcoming AGM of the Company.

The details of Dr Benety Chang, Ms Jeanette Chang, Mr Tham Chee Soon and Mr Lee Gee Aik who will be seeking for re-election at the forthcoming AGM are set out on pages 136 to 147 of this Annual Report.

NAME OF DIRECTOR	Date of First Appointment	Date of Last Re-election	Present Directorships in Other Listed Companies and Other Principal Commitments	Past Directorships in Other Listed Companies held over the preceding 3 years
MR THIA PENG HEOK GEORGE	30 Mar 2015	21 Apr 2023	<p><u>Present Directorship in Other Listed Companies:</u> Independent Director of Yoma Strategic Holdings Limited</p> <p><u>Other Present Principal Commitments:</u> Member of Board Of Trustees, National Cancer Centre Of Singapore</p>	Nil
DR BENETY CHANG	27 Aug 2018	23 Apr 2021	<p><u>Present Directorship in Other Listed Companies:</u> Executive Director of Baker Technology Limited</p> <p><u>Other Present Principal Commitments:</u> Nil</p>	Nil
MS JEANETTE CHANG	27 Aug 2018	23 Apr 2021	<p><u>Present Directorship in Other Listed Companies:</u> Executive Director of Baker Technology Limited</p> <p><u>Other Present Principal Commitments:</u> Chief Executive Officer of Baker Technology Limited</p>	Nil
MR TAN KIANG KHERNG	27 Aug 2018	21 Apr 2023	<p><u>Present Directorship in Other Listed Companies:</u> Nil</p> <p><u>Other Present Principal Commitments:</u> Chief Financial Officer of Baker Technology Limited</p>	Nil
MR TAN PONG TYEA	01 Jun 2010	22 Apr 2022	<p><u>Present Directorship in Other Listed Companies:</u> Executive Director of Falcon Energy Group Limited.</p> <p><u>Other Present Principal Commitments:</u> Chief Executive Officer & Chairman of Falcon Energy Group Limited. Director & Shareholder of Ciniplay e-Gaming Co. Ltd.</p>	Nil
MR TAN KIAN HUAY	30 Mar 2015	22 Apr 2022	<p><u>Present Directorship in Other Listed Companies:</u> Nil</p> <p><u>Other Present Principal Commitments:</u> Owner of KH Associates Councillor of Holland Bukit Timah Town Council Honorary Chairman of Bukit Panjang CCC Project Advisor of Fairprice (Fresh Food Distribution Centre)</p>	Nil

NAME OF DIRECTOR	Date of First Appointment	Date of Last Re-election	Present Directorships in Other Listed Companies and Other Principal Commitments	Past Directorships in Other Listed Companies held over the preceding 3 years
MR AHMAD NIZAM BIN ABBAS	14 May 2021	22 Apr 2022	<p><u>Present Directorship in Other Listed Companies:</u> Nil</p> <p><u>Other Present Principal Commitments:</u> Managing Director, Crescent Law Chambers Member of Panel of Advisers, Youth Court, Singapore Member of Maintenance of Parents' Tribunal, Singapore Member of Public Guardian Advisory Committee, Singapore Member of Institutional Discipline Advisory Committee, Singapore Member of Citizenship Committee of Inquiry, Singapore Member of Mandatory Aftercare Advisory Committee, Singapore Member of Pro-Bono Expert Panel, Singapore Management University Associate Faculty at School of Law, Singapore University of Social Sciences District Councillor, Central Singapore Community Development Council</p>	Nil
MR THAM CHEE SOON	13 Jul 2023	-	<p><u>Present Directorship in Other Listed Companies:</u> Nil</p> <p><u>Other Present Principal Commitments:</u> Founder, iCFO Advisors Pte. Ltd. RF Acquisition Corp II (Chief Financial Officer) The TENG Ensemble Ltd (Independent Director of non-profit entity) Bone Marrow Donor Programme (Board Member, Chairman of Audit & Governance Committee) Dover Park Hospice (Audit Committee Member)</p>	Ecowise Holdings Limited Hwa Hong Corporation Limited Fragrance Group Limited
MR LEE GEE AIK	1 Feb 2024	-	<p><u>Present Directorship in Other Listed Companies:</u> Astaka Holdings Limited Anchun International Holdings Limited SHS Holdings Limited Uni-Asia Group Limited</p> <p><u>Other Present Principal Commitments:</u> Chief Financial Officer, AlphaRock Family Office Pte. Ltd. Director, AlphaRock Singnet VCC</p>	Nil

Board Performance

Principle 5:

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

Provisions 5.1 & 5.2 of the Code

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

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

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

The NC also evaluates the performance of each Director. The criteria includes each Director's commitment of time for Board and Board Committee meetings, level of participation, contribution and deliberation of issues at formal meetings as well as informal settings, such as informal discussions, induction sessions and pre-appointment engagements and interactions, knowledge and understanding of the Group's major risk factors as well as performance of tasks delegated to the Director, to form a holistic understanding of each Director's impact and effectiveness.

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

The NC has reviewed and is satisfied with the performance and effectiveness of the Board and the Board Committees and the contribution by individual Directors to the effectiveness of the Board for FY2023.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6:

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

Provision 6.1 of the Code

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

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

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

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

Provision 6.2 of the Code

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

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

Provision 6.3 of the Code

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

Provision 6.4 of the Code

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

Level and Mix of Remuneration

Principle 7:

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

Provisions 7.1 and 7.3 of the Code

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

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

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

The CHO Employee Share Option Scheme (the "Scheme") was implemented on 27 May 2016 as an incentive plan for employees of the Group based on individual performance. The primary objectives of the Scheme include retention of key employees of the Group whose contributions are essential to the long-term growth and profitability of the Group, instilling loyalty and a stronger identification by participants with the long-term goals of the Company and attraction of potential employees with relevant skills to contribute to our Group creating value for the shareholders so as to align the interests of participants to the interests of the shareholders. Details of the Scheme are disclosed under the Directors' Statement set out in pages 67 to 69 of this Annual Report.

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

Provision 7.2 of the Code

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

Directors' Fee Framework

BASIC FEE FOR BOARD MEMBERS⁽¹⁾	S\$42,000 per annum (FY2024)
AUDIT COMMITTEE CHAIRMAN	50% of Basic Fee
REMUNERATION/NOMINATING COMMITTEE CHAIRMAN	25% of Basic Fee

Notes:

⁽¹⁾ Following the re-designation to Non-Executive Non-Independent Director upon the conclusion of the upcoming AGM, Mr Thia Peng Heok George will continue to be compensated in accordance with the above directors' fee framework.

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

Each Shareholders' Nominated Director does not receive fees in accordance with the above directors' fee framework however the RC and the Board proposed a fixed monthly Director's Fee for each such Director to be paid quarterly in arrears for shareholders' approval at the forthcoming AGM.

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

Disclosure on Remuneration**Principle 8:**

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

Provisions 8.1(a) and 8.3 of the Code

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

Remuneration paid or accrued to Directors for FY2023

NAME OF DIRECTORS	Fixed Component (%) ⁽¹⁾	Bonus Component (%) ⁽²⁾	Directors' Fees (%)	Total Compensation (%)
S\$250,000 AND UP TO S\$500,000				
DR BENETY CHANG⁽³⁾	93	7	-	100
BELOW S\$250,000				
MR THIA PENG HEOK GEORGE	-	-	100	100
MR TAN KIAN HUAY	-	-	100	100
MS JEANETTE CHANG⁽³⁾	-	-	100	100
MR TAN KIANG KHERNG	-	-	100	100
MR TAN PONG TYEA	-	-	100	100
MR AHMAD NIZAM BIN ABBAS	-	-	100	100
MR THAM CHEE SOON⁽⁴⁾	-	-	100	100

Notes:

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

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

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

⁽⁴⁾ Director's fee payable to Mr Tham Chee Soon is subject to the approval of shareholders at the forthcoming AGM

Provisions 8.1(b) and 8.3 of the Code

Remuneration paid or accrued to the Key Management Personnel for FY2023

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

NAME OF KEY MANAGEMENT PERSONNEL	Fixed Component (%) ⁽¹⁾	Bonus Component (%) ⁽²⁾	Directors' Fees (%)	Total Compensation (%)
S\$250,000 AND UP TO S\$500,000 MR LIM TZE KERN KENNY	93	7	-	100
BELOW S\$250,000 MR LEE MUN KEAT	93	7	-	100

Notes:

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

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

As at the date of this Corporate Governance Report, there were two Key Management Personnel in the Company. The aggregate remuneration paid to the two Key Management Personnel for FY2023 was S\$447,000.

There were no termination, retirement and post-employment benefits granted to any Director, the CEO, Executive Director and Key Management Personnel for FY2023.

The remuneration of each individual Director and Key Management Personnel (who are not Directors of the Company) is not disclosed in dollar terms as remuneration is a commercially sensitive matter, given that the Company operates in a highly competitive environment where potential poaching of employees by competitors is fairly common. While the Board maintains its view that such disclosure does provide a fair indication and hence the deviation from Provision 8.1 of the Code will not be prejudicial to the interest of shareholders, the Board is aware and mindful of the requirement for issuer to disclose the exact amount and breakdown of remuneration paid to directors and the CEO by the issuer and its subsidiaries in the annual reports for the financial years ending on or after 31 December 2024.

Provision 8.2 of the Code

Save as disclosed in the above remuneration table for Directors, there is no employee in the Group who is an immediate family member of any of the Directors or the CEO and whose remuneration exceeded S\$100,000 during FY2023. "Immediate family member" means spouse, child, adopted child, step-child, brother, sister and parent.

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

(C) ACCOUNTABILITY AND AUDIT Risk Management and Internal Controls

Principle 9:

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

Provision 9.1 of the Code

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

The Board determines the Group's levels of risk tolerance and risk policies and oversees Management in the design, implementation and monitoring of the risk management and internal controls systems. The Board considers the nature and extent of the significant risks which the Group may take in achieving its strategic objectives and value creation and reviews and guides Management in

the formulation of risk policies and processes to effectively and proactively identify, evaluate and manage significant risks to safeguard shareholders' interests and the Group's assets.

In response to the evolving business environment, and therefore changing risks and opportunities, the Board has proactively refreshed and strengthened the Group's risk management culture during FY2023. This enhancement was achieved 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 utilised 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 strategy in line with the dynamic nature of the Group's business landscape.

ERMFP set 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). The Company maintains a risk register which identifies the material risks facing the Group and implements internal controls to manage or mitigate those risks. The RMC presents the risk register (with revisions, if any) to the Board for review and discussion at least twice a year.

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

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

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

The Board has received written assurance from the CEO and the FC as well as the relevant Key Management Personnel that:

(a) The financial records of the Group have been properly maintained and the financial statements for FY2023 give a true and fair view of the Group's operations and finances; and

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

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

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

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

The Group is committed to ensuring proper internal controls and systems are in place to manage its tax risks, by aligning its tax strategy with corporate governance principles, particularly in response to the risk-based approach adopted by 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, in line with global trends and the growing emphasis on ESG reporting.

Audit Committee

Principle 10:

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

Provision 10.1 of the Code

The primary functions of the AC are:

- Review with the external auditor the audit plan including the nature and scope of the audit before its commencement, the annual reports, Management letters and Management's response;
- Review significant financial reporting issues and judgements (including legal, regulatory and tax related matters that may have material impact on the financial statements) so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance. This includes a review of (i) half year and full year financial statements before submission to the Board for its approval of publication via SGXNet; and (ii) interim financial positions and performance of the Group;
- Review the independence and objectivity of the external auditor taking into consideration the requirements under the Accountants Act 2004 of Singapore;
- Review the nature and extent of non-audit services performed by the external auditor;
- Examine the scope of internal audit procedures and the results of the internal audit;
- Review the effectiveness of the Company's internal audit function and ensure that it is adequately resourced and has appropriate standing within the Company;
- Review the adequacy of the Company's risk management systems (including but not limited to sustainability risks and sanctions related risks) and internal controls, including financial, operational, compliance and information technology controls and report on any pertinent aspects of risks thereto and ensure that a review of the effectiveness of the Company's internal controls is conducted at annually;
- Review the assistance given by Management to the external and internal auditors;
- Meet with the external and internal auditors without the presence of Management at least annually;
- Review interested person transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;
- Make recommendations to the Board on the appointment/re-appointment/removal of the external auditor and approve the audit fees and terms of engagement of the external auditor;
- Review the adequacy of the Company's risk management systems (including but not limited to sustainability risks and sanctions related risks) and internal controls, including financial, operational, compliance and information technology controls and report on any pertinent aspects of risks thereto and ensure that a review of the effectiveness of the Company's internal controls is conducted at annually;
- Review the assurance from the CEO and the FC on the financial records and financial statements;
- Investigate any matter which falls within the AC's terms of reference, having full access to and co-operation by Management and the full discretion to invite any Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
- Undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

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

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

The AC met five times during the year under review. Details of AC members and their attendance at meetings are provided on page 48. The external auditor, internal auditor (if required), the CEO, the FC and Company Secretary were also in attendance.

During the year, the AC reviewed the half year and full year results of FY2023, including the adequacy of disclosures as well as the key changes in accounting policies applied. In the review of the financial statements, the AC has discussed the Key Audit Matters with Management and the external auditor. The AC concurs with the basis and conclusions in the external auditor's report with respect to the Key Audit Matters.

Provision 10.2 of the Code

As at the date of this report, the AC is chaired by Mr Thia Peng Heok George with Mr Tan Kian Huay, Mr Ahmad Nizam Bin Abbas, Ms Jeanette Chang, Mr Tham Chee Soon and Mr Lee Gee Aik as members. Mr Thia Peng Heok George, Mr Tan Kian Huay, Mr Ahmad Nizam Bin Abbas, Mr Tham Chee Soon and Mr Lee Gee Aik are Independent Directors.

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

Provision 10.3 of the Code

None of the members of the AC were partners or directors of the Company's external auditors, Ernst & Young LLP ("EY"), within a period of two years prior to his or her appointment as a member of the AC, and none of the members of the AC hold any financial interest in EY.

Provision 10.4 of the Code

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

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

During FY2023, the internal auditor completed an internal audit review of the Group including chartering and ship management cost cycle and security operations. The findings and recommendations of the internal auditor, Management's responses and implementations have been reviewed and approved by the AC.

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

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

Provision 10.5 of the Code

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

The AC reviewed and approved the external auditor's audit plan for the year and assessed the quality of the work carried out by the external auditor in accordance with the Audit Quality Indicators Disclosure Framework published by the Accounting and Corporate

Regulatory Authority (“ACRA”), and is satisfied with the performance. Taking into account the requirements under the Accountants Act 2004 of Singapore, the AC has undertaken a review of all the non-audit services provided by the external auditor during the year under review and is satisfied that such services would not, in the AC’s opinion, affect the independence and objectivity of the external auditor. For details of fees paid/payable to the external auditor in respect of audit and non-audit services, please refer to Note 18 to the Financial Statements on page 119.

In reviewing the nomination of EY for re-appointment as the Company’s external auditor for FY2024, the AC had considered the adequacy and appropriate resources and experience of the firm and the assigned audit engagement partner, other audit engagements and the number and experience of the supervisory and professional staff assigned to the Group’s audit.

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

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

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

Whistleblowing Policy

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

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

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

(D) SHAREHOLDERS RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11:

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

Provision 11.1 of the Code

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

Provision 11.2 of the Code

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

Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings. Detailed

information on each item in the AGM agenda is provided in the explanatory notes to the Notice of AGM on pages 130 to 135 of this Annual Report to enable shareholders to exercise their vote on an informed basis. For resolutions on the election or re-election of Directors, the Company provides sufficient information on the background of Directors, their contributions to the Company, and the Board and Board Committee positions they are expected to hold upon election.

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

Provision 11.3 of the Code

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

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

Provision 11.4 of the Code

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

Provision 11.5 of the Code

Minutes of general meetings recording the substantial and relevant comments and queries relating to the agendas of the general meetings raised by shareholders, together with responses from the Board and Management, are prepared by the Company Secretary. These minutes were published on both the Company’s website and SGXNet within a month of the general meetings.

Provision 11.6 of the Code

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

Engagement with Shareholders

Principle 12:

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

Provision 12.1, 12.2 and 12.3 of the Code

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

In addition to the above, the shareholders can access the Company’s corporate website (<https://www.choffshore.com.sg/>) at their convenience to receive updates. The Company’s corporate website also provides information about the Company, its services

and its Board of Directors and Management. In the investor relation section of the corporate website, the Company maintains announcements and financial results released on SGXNet as well as annual reports of the Company.

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

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

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

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

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13:

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

Provisions 13.1, 13.2 and 13.3 of the Code

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

The Company has identified key areas of focus in relation to the management of stakeholder relationships. For details on the key areas of focus, please refer to the Sustainability Report on pages 18 to 47 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) Health, Safety & Environment Policies.

These policies are available on the Company's website.

(F) DEALING IN SECURITIES

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

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

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

(G) MATERIAL CONTRACTS

Save as disclosed in this Report, there were no material contracts of the Company or its subsidiaries involving the interests of the CEO, Directors or controlling shareholders during FY2023.

(H) INTERESTED PERSON TRANSACTIONS

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

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

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

INTERESTED PERSON TRANSACTIONS	Nature of relationship	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)) (US\$’000)	Aggregate value of all IPTs conducted under Shareholders’ Mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000) (US\$’000)
BAKER TECHNOLOGY GROUP OF COMPANIES	See Note (1)	111	528
FALCON ENERGY GROUP OF COMPANIES	See Note (2)	179	–

Notes:

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

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

None of the IPTs in FY2023 can be classified as provision of financial assistance.

At the forthcoming AGM, the Company will seek to renew shareholders’ approval for the Company, its subsidiaries and associated companies to enter into transactions falling within the categories of interested person transactions described in the Appendix dated 28 March 2024 with any party who is of the class or classes of interested persons described in the said Appendix, provided that such transactions are entered into in accordance with the review procedures set out in the said Appendix.

CONCLUSION

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

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Directors' statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of CH Offshore Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2023.

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date and;
- (ii) as at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

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

Mr Thia Peng Heok George

Dr Benety Chang

Ms Jeanette Chang

Mr Tan Kiang Kherng

Mr Tan Pong Tyea

Mr Tan Kian Huay

Mr Ahmad Nizam Bin Abbas

Mr Tham Chee Soon

(Appointed on 13 July 2023)

Mr Lee Gee Aik

(Appointed on 1 February 2024)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

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

Name of director	Direct interest			Deemed interest		
	At 1.1.2023	At 31.12.2023	At 21.1.2024	At 1.1.2023	At 31.12.2023	At 21.1.2024
The Company						
Ordinary shares						
Dr Benety Chang	-	-	-	387,535,300	387,535,300	387,535,300
Mr Tan Pong Tyea	-	-	-	239,760,131	239,760,131	239,760,131
Ultimate holding company						
Baker Technology Limited						
Ordinary shares						
Dr Benety Chang	90,642,437	93,987,401	94,037,601	19,151,771	19,151,771	19,151,771

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

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

4. SHARE OPTIONS

(a) *Options to take up unissued shares*

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

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

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

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

(b) *Options exercised*

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

(c) *Unissued shares under option*

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

5. AUDIT COMMITTEE

The Audit Committee (“AC”) comprises six Non-Executive Directors. The members of the committee are:

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

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

- (a) The audit plans and results of the internal auditors’ examination and evaluation of the Group’s systems of internal accounting control;
- (b) The Group’s financial and operating results and accounting policies;
- (c) The financial statements of the Company and the consolidated financial statements of the Group before their submission to the directors of the Company and external auditor’s report on those financial statements;
- (d) The half-yearly and annual announcements on the results and financial position of the Company and the Group;
- (e) The co-operation and assistance given by the management to the Group’s external auditor; and
- (f) The appointment of the external auditor of the Group.

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

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

6. AUDITOR

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

On behalf of the board of Directors

Mr Thia Peng Heok George
Chairman

Dr Benety Chang
Chief Executive Officer

Singapore
8 March 2024

Independent auditor's report

to the members of CH Offshore Ltd. and its subsidiaries

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of CH Offshore Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity of the Group and the Company and consolidated statement of cash flows 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 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS (I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matters (cont'd)

Impairment assessment of vessels

As at 31 December 2023, the Group owned 5 vessels with an aggregate carrying value of US\$38,954,000. Due to the presence of impairment indicators, impairment testing was conducted by comparing the carrying amount of the vessels to their recoverable amounts, determined based on the value in use calculation. During the current year, the Company 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. Due to the unavailability of this vessel for chartering operations until completion of the legal proceedings and taking into consideration additional incidental and maintenance expenditures, US\$3,100,000 was recorded as impairment loss in the current year in respect of this vessel. Details on the legal proceedings are set out in Note 9 to the consolidated financial statements.

This area was significant to our audit as the carrying value of the vessels represented 72% of the Group's total assets as at 31 December 2023 and significant judgement and estimates were involved in determining the recoverable amount of the vessels.

Our audit procedures included, amongst others, obtaining an understanding of management's impairment assessment process, including the identification of cash-generating units and indicators of impairment. We involved our internal valuation specialist in reviewing the valuation methodology and key valuation assumptions used by management such as discount rates, charter rates, dry-docking expenditure and residual values against comparable market data, considering the specifications and age of the vessels. We also tested the reasonableness of management's key assumptions to available industry and historical data applicable to the Group, including performing sensitivity analysis on the key assumptions. In respect of the vessel involved in the ongoing legal proceedings, we considered 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 9 to the consolidated financial statements.

Recoverability of trade receivables

As at 31 December 2023, the carrying amount of the Group's trade receivables, net of allowance for expected credit loss ("ECL") of US\$7,677,000 amounted to US\$5,404,000, which represented 37% of its current assets.

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

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

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Shekaran Krishnan.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
8 March 2024

Statements of financial position

31 DECEMBER 2023

	Note	Group		Company	
		2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
ASSETS					
Current assets					
Cash and cash equivalents	4	4,726	7,322	1,452	2,410
Trade and other receivables	5	6,021	5,224	23,327	20,145
Inventories		716	739	361	376
Loan to associated company	6	3,027	3,458	–	–
Prepayments		270	269	55	154
Total current assets		14,760	17,012	25,195	23,085
Non-current assets					
Other receivables	5	–	–	4,676	–
Subsidiary companies	7	–	–	8,704	8,704
Associated companies	8	–	–	–	–
Fixed assets	9	39,719	45,194	12,911	25,353
Total non-current assets		39,719	45,194	26,291	34,057
Total assets		54,479	62,206	51,486	57,142
LIABILITIES AND EQUITY					
Current liabilities					
Payables and accruals	10	6,448	4,473	43,841	44,375
Borrowings	11	5,597	5,481	5,597	5,481
Income tax payable		709	19	–	–
Total current liabilities		12,754	9,973	49,438	49,856
Non-current liabilities					
Borrowings	11	663	1,609	663	1,609
Deferred tax liabilities	12	780	2,104	555	1,218
Total non-current liabilities		1,443	3,713	1,218	2,827
Capital and reserves					
Issued capital	13	55,379	55,379	55,379	55,379
Treasury shares	14	(46)	(46)	(46)	(46)
Accumulated losses		(15,441)	(6,828)	(54,503)	(50,874)
		39,892	48,505	830	4,459
Non-controlling interests		390	15	–	–
Total equity		40,282	48,520	830	4,459
Total liabilities and equity		54,479	62,206	51,486	57,142

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

Statement of profit or loss and other comprehensive income

CH Offshore Ltd.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group	
	Note	2023 US\$'000	2022 US\$'000
Revenue	15	24,094	18,599
Cost of sales		(20,087)	(11,652)
Gross profit before direct depreciation		4,007	6,947
Others – direct depreciation		(4,724)	(4,643)
Gross (loss)/profit		(717)	2,304
Other income	16	625	804
Other expenses	18	(5,171)	(3,932)
Administrative expenses		(3,239)	(2,877)
Finance cost		(354)	(291)
Loss before income tax and results of associated companies		(8,856)	(3,992)
Share of results of associated companies		–	–
Loss before income tax		(8,856)	(3,992)
Income tax credit	17	607	661
Loss for the year representing total comprehensive income for the year	18	(8,249)	(3,331)
Attributable to:			
Equity holders of the Company		(8,613)	(3,330)
Non-controlling interests		364	(1)
Total comprehensive income for the year		(8,249)	(3,331)
Loss per share:			
Basic and fully diluted (US cents)	19	(1.22)	(0.47)

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 2023

Group	Issued capital US\$'000	Treasury shares US\$'000	Accumulated losses US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance at 1 January 2022	55,379	(46)	(3,468)	51,865	–	51,865
Loss for the year, representing total comprehensive income for the year	–	–	(3,330)	(3,330)	(1)	(3,331)
Total comprehensive income	55,379	(46)	(6,798)	48,535	(1)	48,534
<u>Changes in ownership interests in subsidiaries</u>						
Acquisition of non-controlling	–	–	(30)	(30)	–	(30)
Issuance of shares to non-controlling interests	–	–	–	–	16	16
Balance at 31 December 2022	55,379	(46)	(6,828)	48,505	15	48,520
Loss for the year, representing total comprehensive income for the year	–	–	(8,613)	(8,613)	364	(8,249)
Total comprehensive income	55,379	(46)	(15,441)	39,892	379	40,271
<u>Changes in ownership interests in subsidiaries</u>						
Issuance of shares to non-controlling interests	–	–	–	–	11	11
Balance at 31 December 2023	55,379	(46)	(15,441)	39,892	390	40,282

Company	Issued capital US\$'000	Treasury shares US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2022	55,379	(46)	(48,012)	7,321
Loss for the year, representing total comprehensive income for the year	–	–	(2,862)	(2,862)
Balance at 31 December 2022	55,379	(46)	(50,874)	4,459
Loss for the year, representing total comprehensive income for the year	–	–	(3,629)	(3,629)
Balance at 31 December 2023	55,379	(46)	(54,503)	830

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

Consolidated statement of cash flows

CH Offshore Ltd.

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 US\$'000	2022 US\$'000
Operating activities			
Loss before tax		(8,856)	(3,992)
<u>Adjustments for:</u>			
Depreciation	9	4,743	4,666
Impairment loss on vessel	9	3,100	–
Interest income	16	(152)	(55)
Interest expense		354	291
Net foreign exchange loss – unrealised		521	32
Expected credit losses on trade receivables	18(b)	1,465	3,641
Write-back of expected credit losses on trade receivables	16	(365)	(391)
Operating cash flows before movements in working capital		810	4,192
Increase in trade and other receivables	A	(2,283)	(1,488)
Increase in prepayments		(1)	(106)
Decrease/(increase) in inventories		23	(159)
Increase/(decrease) in payables and accruals	B	1,973	(283)
Cash generated from operations		522	2,156
Interest paid	B	(348)	(305)
Interest received	A	185	129
Income tax paid		(27)	(19)
Net cash generated from operating activities		332	1,961
Investing activities			
Purchases of fixed assets	9	(2,368)	(280)
Repayment of loan from associated company		431	853
Net cash (used in)/generated from investing activities		(1,937)	573
Financing activities			
Repayment of bank loans	11	(921)	(2,088)
Proceeds from issuance of shares to non-controlling interests		11	16
Acquisition of non-controlling interests		–	(30)
Net cash used in financing activities		(910)	(2,102)
Net (decrease)/increase in cash and cash equivalents		(2,515)	432
Cash and cash equivalents at beginning of financial year		7,322	6,931
Effects of exchange rate changes on cash and cash equivalents		(81)	(41)
Cash and cash equivalents at 31 December		4,726	7,322

Notes to the consolidated statement of cash flows:

Note A:

During the year, total interest income earned from third parties and associated company amounted to US\$Nil (2022: US\$1,000). An amount of US\$260,000 (2022: US\$292,000) remains unpaid at the end of the reporting period and is presented in “Trade and other receivables”.

Note B:

During the year, total interest charged by the bank amounted to US\$354,000 (2022: US\$291,000). An amount of US\$55,000 (2022: US\$49,000) of interest due to the bank remains unpaid at the end of the reporting period and is presented in “Payables and accruals”.

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. Corporate information

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

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

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

2. Accounting policies

2.1 Basis of preparation

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

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

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

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

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period
- Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period
- Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

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

The Group classifies all other liabilities as non-current.

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

2.2 Fundamental accounting policy

As at 31 December 2023, the Company is in a net current liabilities position of US\$24,243,000 (2022: US\$26,771,000). The Directors have considered the financial position of the Company and are of the opinion that the going concern basis is appropriate for the preparation of the financial statements as the Company has received an undertaking from the subsidiaries of the Company, to not exercise the right to call upon the amount due from the Company within the next 12 months from the date of this report.

2.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual periods beginning on 1 January 2023. The adoption of these standards did not have any material effect on the financial statements of the Group and the Company.

2.4 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Non-current liabilities with covenants	1 January 2024
Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.5 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

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

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

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

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

2. Accounting policies (cont'd)

2.5 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill

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

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

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

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

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

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

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.6 *Transactions with non-controlling interests*

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

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

2.7 *Foreign currency*

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

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

(a) **Transactions and balances**

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

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

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

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

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.7 Foreign currency (cont'd)

(b) Consolidated financial statements

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

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

2.8 Subsidiaries

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

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

2.9 Associates

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

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

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

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

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

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.9 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 results of associated companies' in the statement of profit or loss.

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

2.10 Property, plant and equipment

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

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

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

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

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

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

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

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

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

Notes to

the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.10 Property, plant and equipment (cont'd)

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

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

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

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

2.11 Leases

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

Group as a lessee

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

(i) Right-of-use assets

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

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

The right-of-use assets are also subject to impairment as set out in Note 2.12.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.11 Leases (cont'd)

Group as a lessee (cont'd)

(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.

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

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

Group as a lessor

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

2.12 Impairment of non-financial assets

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

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.12 Impairment of non-financial assets (cont'd)

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

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

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

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

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

2.13 Financial instruments

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

(a) Financial assets

Initial recognition and measurement

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

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Initial recognition and measurement (cont'd)

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.

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

Financial assets at fair value through OCI (debt instruments)

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

2. Accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

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

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

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

Financial assets at fair value through profit or loss

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

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

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

Derecognition

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

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Derecognition (cont'd)

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

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

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

(b) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss

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

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.13 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement (cont'd)

Financial liabilities at fair value through profit or loss (cont'd)

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 payables and accruals (Note 10) and borrowings (Note 11).

Derecognition

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

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

(c) Offsetting of financial instruments

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

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term highly liquid deposits with a maturity of one month (2022: one month), that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.15 Impairment of financial assets

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

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

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

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

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

2.16 Inventories

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

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

2.17 Borrowing costs

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.18 Provisions

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

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

2.19 Financial guarantee

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

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

2.20 Employee benefits

(a) Defined contribution plans

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

(b) Employee leave entitlements

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

2.21 Other income

(a) Interest income

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

(b) Dividend income

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.22 Revenue

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

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

(a) Charter hire

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

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

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

(b) Management fee and agency fee

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

2.23 Taxes

(a) Current income tax

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

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

(b) Deferred tax

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

2. Accounting policies (cont'd)

2.23 Taxes (cont'd)

(b) Deferred tax (cont'd)

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

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.23 Taxes (cont'd)

(b) Deferred tax (cont'd)

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.

(c) Sales tax

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

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- When receivables and payables are stated with the amount of sales tax included.

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

2.24 Government grants

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

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

2.25 Share capital and share issuance expenses

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

2.26 Treasury shares

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

Notes to

the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.27 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

2.28 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person; or
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies; or
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (cont'd)

2.28 Related parties (cont'd)

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

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

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

3.2 Key sources of estimation uncertainty

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

(a) Impairment of vessels

The carrying amounts of the Group's vessels are reviewed at the end of the reporting period to determine whether there is any indication that those vessels have suffered an impairment loss 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 CGUs 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 charter parties.

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 (2022: 10.50% per annum) which reflects the current market assessment of the time value of money and the risks specific to the Group.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

CH Offshore Ltd.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(a) Impairment of vessels (cont'd)

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 9), 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 4 out of 5 of the Group's wholly owned vessels, no impairment loss or reversal was recognised for the financial years ended 31 December 2023 and 2022. The results of the impairment assessments would not change materially if both the forecasted charter rate and vessel utilisation rate decrease by 5% (2022: 5%).

For the remaining vessel that is subject to legal proceedings disclosed in Note 9, 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 US\$3,100,000 (2022: US\$Nil) as the carrying amount of this vessel is in excess of its recoverable amount. The vessel is in the support of offshore oil and gas industry operating segment. If both the forecasted charter rate and vessel utilisation rate decrease by 5%, the impairment charge for the year ended 31 December 2023 will increase by US\$1,250,000. Additionally, a significant change to the expected timing of the resolution of the legal proceedings and the Group's repossession of the vessel would affect the recoverable amount.

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

(b) Useful lives and residual value of vessels

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

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(c) Provision for expected credit losses on trade receivables

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

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 5.

The carrying amount of trade receivables as at 31 December 2023 is US\$5,633,000 (2022: US\$4,804,000).

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

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

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

(e) Impairment of investment in subsidiaries

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

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

Notes to the financial statements

CH Offshore Ltd.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. Cash and cash equivalents

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Cash on hand	32	12	–	–
Cash at bank	3,694	3,310	452	410
Short-term deposits	1,000	4,000	1,000	2,000
	4,726	7,322	1,452	2,410

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for periods of one month, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates ranging from 4.09% to 5.04% (2022: 0.30% to 3.80%) per annum.

5. Trade and other receivables

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Trade and other receivables (current):				
Trade receivables	5,404	4,508	–	4
Amounts due from related parties (trade)	–	–	–	–
Amounts due from related parties (non-trade)	–	–	–	–
Amounts due from related companies (trade)	–	102	–	–
Amounts due from associated companies (trade)	229	194	–	–
Amounts due from associated company (non-trade)	271	296	1	1
Amounts due from subsidiary company (trade)	–	–	–	8,000
Amounts due from subsidiary companies (non-trade)	–	–	14,794	12,100
Other receivables	117	124	32	40
Dividend receivable from subsidiary companies	–	–	8,500	–
	6,021	5,224	23,327	20,145
Other receivables (non-current):				
Amounts due from subsidiary company (non-trade)	–	–	4,676	–
Total trade and other receivables	6,021	5,224	28,003	20,145
Add: Cash and cash equivalents (Note 4)	4,726	7,322	1,452	2,410
Add: Loan to associated company (Note 6)	3,027	3,458	–	–
Total financial assets carried at amortised cost	13,774	16,004	29,455	22,555

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. Trade and other receivables (cont'd)

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

As at 31 December 2023, included in other receivables are advances of US\$14,000 (2022: US\$9,000) paid to vessel management agents of the Group.

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

Amounts due from subsidiary companies

At the Company level, amounts due from subsidiary companies are unsecured, interest-free and repayable on demand except for an amount of US\$525,000 (2022: US\$525,000) which bears interest at 8.04% (2022: 8.04%) per annum and is repayable over a period of 2 years (2022: 3 years) and an amount of US\$6,000,000 (2022: US\$Nil) which bears interest at 6.50% (2022: Nil%) per annum and is repayable over a period of 5 years (2022: Nil years). In view of uncertainties in collectability, the Company did not recognise interest income from the amount of US\$525,000 (2022: US\$525,000) in the financial year ended 31 December 2023 and 2022.

During the year, the Company waived off an amount of US\$36,000 (2022: US\$692,000) due from subsidiary companies.

Amounts due from related parties

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

Amounts due from related parties are unsecured, interest-free and repayable on demand except for an amount of US\$4,100,000 (2022: US\$4,100,000) which bears interest at 4.30% (2022: 4.30%) per annum due from Falcon Energy Group Limited. In view of uncertainties in collectability, the Group did not recognise this interest income in the financial years ended 31 December 2023 and 2022.

As at 31 December 2023, the Group has made cumulative allowances for doubtful debts for the other receivables due from Falcon Energy Group Limited and its related companies amounting to US\$8,557,000 (2022: US\$8,557,000) out of gross amounts amounting to US\$8,557,000 (2022: US\$8,557,000).

Expected credit loss on trade receivables due from third parties

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

CH Offshore Ltd.

5. Trade and other receivables (cont'd)

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

	Gross amount US\$'000	Group Loss allowance US\$'000	Carrying amount US\$'000
2023			
Current	4,097	-	4,097
< 3 months past due	1,186	-	1,186
3 to 6 months past due	112	-	112
6 to 12 months past due	627	(618)	9
>12 months past due	7,059	(7,059)	-
	<u>13,081</u>	<u>(7,677)</u>	<u>5,404</u>

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. Trade and other receivables (cont'd)

Receivables that are impaired

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

	Group	
	2023	2022
	US\$'000	US\$'000
<i>Nominal amounts</i>		
Trade receivables	13,081	13,768
Amount due from related parties (trade)	1,672	1,672
Amount due from related parties (non-trade)	6,885	6,885
Amount due from related companies (trade)	–	102
Amount due from associated company (trade)	229	194
Amount due from associated company (non-trade)	271	296
Other receivables	117	124
	22,255	23,041
<i>Less: allowances for expected credit losses on:</i>		
Trade receivables	(7,677)	(9,260)
Amount due from related parties (trade)	(1,672)	(1,672)
Amount due from related parties (non-trade)	(6,885)	(6,885)
	(16,234)	(17,817)
Carrying amount of trade and other receivables	6,021	5,224

	Group	
	2023	2022
	US\$'000	US\$'000
<i>Movement in allowance accounts:</i>		
At 1 January	17,817	14,567
Charge for the year	1,465	3,641
Write-back	(365)	(391)
Write-off	(2,683)	–
At 31 December	16,234	17,817

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

Notes to the financial statements

CH Offshore Ltd.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. Loan to associated company

	Group	
	2023 US\$'000	2022 US\$'000
Loan to associated company	4,253	4,684
Less: Allowance for expected credit losses	(1,226)	(1,226)
	3,027	3,458
<hr/>		
Movement in allowance account:		
At 1 January and 31 December	1,226	1,226

The loan to associated company is unsecured and bears interest at 4.26% (2022: 4.26%) per annum. During the year, the Group received US\$431,000 (2022: US\$853,000) from associated company. In view of uncertainties in collectability, the Group did not recognise this interest income in the financial year ended 31 December 2023 and 2022.

7. Subsidiary companies

	Company	
	2023 US\$'000	2022 US\$'000
Unquoted equity shares, at cost	8,751	8,751
Amounts due from subsidiaries*	3,710	3,710
Less: Allowance for impairment	(3,757)	(3,757)
	8,704	8,704

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

Movement in allowance account

	Company	
	2023 US\$'000	2022 US\$'000
At 1 January and 31 December	3,757	3,757

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

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. Subsidiary companies (cont'd)

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

	Countries of incorporation and operations	Proportion of ownership interest and voting power held		Principal activities
		2023	2022	
		%	%	
<u>Held by the Company</u>				
CHO Ship Management Pte. Ltd. ^(a)	Singapore	100	100	Ship management and investment holding
Delaware Marine Pte Ltd ^(a)	Singapore	100	100	Investment holding
Sea Glory Private Limited ^(a)	Singapore	100	100	Ship owning and chartering
Garo Pte. Ltd. ^(a)	Singapore	100	100	Ship owning and chartering
Offshore Gold Shipping Pte Ltd ^(a)	Singapore	100	100	Ship owning and chartering
Pembroke Marine Pte Ltd ^(a)	Singapore	100	100	Ship owning and chartering
Venture Offshore Pte. Ltd. ^(a)	Singapore	100	100	Ship owning and chartering
CHO Investment Pte. Ltd. ^(a)	Singapore	100	100	Investment holding
<u>Held by CHO Ship Management Pte. Ltd.</u>				
High Majestic Sdn. Bhd. ^{(b) (c)}	Malaysia	49	49	Ship owning and chartering
<u>Held by Delaware Marine Pte Ltd</u>				
Pearl Marine Pte. Ltd. ^(b)	Malaysia	100	100	Ship owning and chartering
<u>Held by CHO Investment Pte. Ltd.</u>				
Interseas Sdn. Bhd. ^(b)	Malaysia	29	29	Ship owning and chartering
Sea Offshore Assets Sdn. Bhd. ^(b)	Malaysia	49	49	Trading, ship owning and chartering
<u>Held by Sea Offshore Assets Sdn. Bhd.</u>				
Interseas Sdn. Bhd. ^(b)	Malaysia	51	51	Ship owning and chartering

Notes

^(a) Audited by Ernst & Young LLP, Singapore.

^(b) Audited by member firms of Ernst & Young Global in the respective countries.

^(c) High Majestic Sdn. Bhd. ("High Majestic") is deemed to be a subsidiary as the Company has power to control the financial and operating policies of High Majestic.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. Subsidiary companies (cont'd)

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

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

On 8 August 2022, the Group acquired 30,000 shares (or 30%) in Pearl Marine Pte. Ltd. ("Pearl Marine") from a third party bringing the Group's effective ownership interest in Pearl Marine from 70% to 100%.

On 26 September 2022, Sea Offshore Assets and Interseas Sdn. Bhd. ("Interseas") issued 99,999 new shares and 99,999 new shares respectively at RM1 per share. The result of the share issuance diluted the Group's effective ownership interest in Sea Offshore Assets from 100% to 49% and in Interseas from 100% to 54%. The Group continues to have control over Sea Offshore Assets due to the power to control the financial and operating policies of Sea Offshore Assets by virtue of it having majority Directors on Sea Offshore Assets' Board.

On 23 August 2023, Interseas 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.

8. Associated companies

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

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2023 %	2022 %
<u>Held by the Company</u>				
Gemini Sprint Sdn. Bhd. ^(a)	Malaysia	Dormant	49	49
<u>Held by Venture Offshore Pte Ltd</u>				
PT Bahtera Nusantara Indonesia ^(b)	Indonesia	Ship owning and chartering	49	49

^(a) Audited by other CPA firms in Malaysia

^(b) Audited by other CPA firm in Indonesia

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. Associated companies (cont'd)

As at 31 December 2023, Gemini Sprint Sdn. Bhd. is in the process of liquidation.

In accordance with the requirements of Rules 715 and 716 of the SGX-ST Listing Manual, the directors of the Company and the Audit Committee, having reviewed the appointment of different auditors for the Group's significant associates, and are satisfied that these appointments would not compromise the standard and effectiveness of the audit of the Group.

The accumulated losses of an associated company in excess of the Group's interest in that associated company which is not included in these financial statements using equity method of accounting amounted to US\$US\$307,000 (2022: US\$284,000).

Aggregate information about the Group's investments in associated companies that are not individually material are as follows:

	2023	2022
	US\$'000	US\$'000
Profit after tax, representing total comprehensive income	-	-

Summarised balance sheet

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

	PT Bahtera Nusantara Indonesia	
	2023	2022
	US\$'000	US\$'000
Current assets	3,467	2,500
Non-current assets	7,305	8,337
Total assets	10,772	10,837
Current liabilities	11,399	11,416
Total liabilities	11,399	11,416
Net liabilities	(627)	(579)
Proportion of the Group's ownership	49%	49%
Carrying amount of the investment	-	-

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. Associated companies (cont'd)

Summarised statement of comprehensive income

	PT Bahtera Nusantara Indonesia	
	2023 US\$'000	2022 US\$'000
Revenue	3,361	2,772
Operating expenses	(3,057)	(1,887)
Other expenses	(301)	(61)
Other income	2	-
Profit before tax	5	824
Income tax expense	(53)	(113)
(Loss)/profit after tax	(48)	711
Group's share of results for the year	-	-

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. Fixed assets

Group	Vessels US\$'000	Drydocking expenditure US\$'000	Furniture, fittings and equipment US\$'000	Construction in progress US\$'000	Total US\$'000
Cost:					
Balance at 1 January 2022	122,980	8,487	302	–	131,769
Additions	–	44	7	229*	280
Disposals	–	–	(4)	–	(4)
Balance at 31 December 2022 and 1 January 2023	122,980	8,531	305	229	132,045
Additions	–	1,797	8	563*	2,368
Disposals	–	(965)	(11)	–	(976)
Transfer from construction in progress	39	–	–	(39)	–
Balance at 31 December 2023	123,019	9,363	302	753	133,437
Accumulated depreciation:					
Balance at 1 January 2022	53,428	4,934	263	–	58,625
Depreciation	3,592	1,051	23	–	4,666
Disposals	–	–	(4)	–	(4)
Balance at 31 December 2022 and 1 January 2023	57,020	5,985	282	–	63,287
Depreciation	3,598	1,126	19	–	4,743
Disposals	–	(965)	(11)	–	(976)
Balance at 31 December 2023	60,618	6,146	290	–	67,054
Accumulated impairment:					
Balance at 1 January 2022, 31 December 2022 and 1 January 2023	23,564	–	–	–	23,564
Impairment	3,100	–	–	–	3,100
Balance at 31 December 2023	26,664	–	–	–	26,664
Carrying amount:					
Balance at 31 December 2023	35,737	3,217	12	753	39,719
Balance at 31 December 2022	42,396	2,546	23	229	45,194

* Construction in progress pertains to drydocking expenses for one vessel (2022: two vessels)

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. Fixed assets (cont'd)

<u>Company</u>	Vessels US\$'000	Drydocking expenditure US\$'000	Furniture, fittings and equipment US\$'000	Construction in progress US\$'000	Total US\$'000
Cost:					
Balance at 1 January 2022	66,969	4,214	69	–	71,252
Additions	–	–	4	190*	194
Disposals	–	–	(1)	–	(1)
Balance at 31 December 2022 and 1 January 2023	66,969	4,214	72	190	71,445
Additions	–	–	1	563*	564
Disposals	(25,703)	(965)	(2)	–	(26,670)
Balance at 31 December 2023	41,266	3,249	71	753	45,339
Accumulated depreciation:					
Balance at 1 January 2022	32,346	3,881	48	–	36,275
Depreciation	2,279	193	11	–	2,483
Disposals	–	–	(1)	–	(1)
Balance at 31 December 2022 and 1 January 2023	34,625	4,074	58	–	38,757
Depreciation	1,985	112	9	–	2,106
Disposals	(13,716)	(937)	(2)	–	(14,655)
Balance at 31 December 2023	22,894	3,249	65	–	26,208
Accumulated impairment:					
Balance at 1 January 2022, 31 December 2022 and 1 January 2023	7,335	–	–	–	7,335
Impairment	3,100	–	–	–	3,100
Disposals	(4,215)	–	–	–	(4,215)
Balance at 31 December 2023	6,220	–	–	–	6,220
Carrying amount:					
Balance at 31 December 2023	12,152	–	6	753	12,911
Balance at 31 December 2022	25,009	140	14	190	25,353

A vessel with carrying value of \$9,287,000 (2022: \$10,548,000) is pledged to the bank as security for one of the Company's bank loans.

* Construction in progress pertains to drydocking expenses for one vessel (2022: two vessels)

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. Fixed assets (cont'd)

In early 2023, the Company commenced arbitration proceedings in Singapore against its charterer for unpaid charter hire of approximately US\$2,100,000 on one of the Company's vessels. In February 2023, the charterer filed a counterclaim of approximately US\$3,400,000 in response to the Company's claim.

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

- A final partial award in the amount of approximately US\$1,600,000 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 the Company after the termination of the charterparty in April 2023; and
- Dismissed the counterclaim filed by the charterer.

Since then, the Company 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.

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.

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

Based on advice from our legal counsel, the Company 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 and the additional incidental and maintenance expenditures, the Company has recorded an impairment charge of US\$3,100,000 for the financial year ended 31 December 2023 (Note 3.2(a)).

Notes to the financial statements

CH Offshore Ltd.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. Payables and accruals

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Trade payables	1,804	1,756	324	423
Trade accruals	3,520	2,620	1,112	1,304
Amounts due to related companies (trade)	262	1	-	-
Amounts due to related companies (non-trade)	2	2	2	2
Amounts due to associated companies (trade)	790	-	-	-
Amounts due to associated companies (non-trade)	-	76	-	-
Amounts due to subsidiary companies (trade)	-	-	559	795
Amounts due to subsidiary companies (non-trade)	-	-	41,844	41,851
Other payables	70	18	-	-
Total payables and accruals	6,448	4,473	43,841	44,375
Add: Borrowings (Note 11)	6,260	7,090	6,260	7,090
Total financial liabilities carried at amortised cost	12,708	11,563	50,101	51,465

The credit terms granted by suppliers ranged from 30 to 90 days (2022: 30 to 90 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

The amounts due to related companies, associated companies, subsidiary companies (non-trade) are unsecured, non-interest bearing, repayable on demand and to be settled in cash.

11. Borrowings

	Maturity	Group and Company	
		2023 US\$'000	2022 US\$'000
Current:			
Bank loan A	2024	4,547	4,477
Bank loan B	2024	1,050	1,004
		5,597	5,481
Non-current:			
Bank loan B	2025	663	1,609
		663	1,609
Total borrowings		6,260	7,090

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. Borrowings (cont'd)

Bank loan A:

The bank loan is a secured revolving credit facility which bears effective interest rate of 6.58% (2022: 3.73%) per annum and is denominated in Singapore dollars.

Bank loan B:

The bank loan is unsecured with a tenure of 60 months, bears interest at 3.00% (2022: 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:

Group	1 January 2023 US\$'000	Repayment US\$'000	Foreign exchange movement US\$'000	Others US\$'000	31 December 2023 US\$'000
Borrowings					
- Current	5,481	(921)	84	953	5,597
- Non-current	1,609	-	7	(953)	663

Group	1 January 2022 US\$'000	Repayment US\$'000	Foreign exchange movement US\$'000	Others US\$'000	31 December 2022 US\$'000
Borrowings					
- Current	6,330	(2,088)	(6)	1,245	5,481
- Non-current	2,863	-	(9)	(1,245)	1,609

The "Others" column includes the effect of reclassification of non-current portion of 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

CH Offshore Ltd.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. Deferred tax liabilities

The following are the major deferred tax assets/(liabilities) recognised by the Group and Company, and the movements thereon, during the current and prior reporting periods:

Group	Accelerated tax depreciation	Unutilised capital allowance	Provisions	Total
	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2022	(3,103)	193	150	(2,760)
Credit to profit or loss for the year (Note 17)	246	–	410	656
At 31 December 2022 and 1 January 2023	(2,857)	193	560	(2,104)
Credit to profit or loss for the year (Note 17)	1,511	(193)	6	1,324
At 31 December 2023	(1,346)	–	566	(780)

Company	Accelerated tax depreciation	Provisions	Total
	US\$'000	US\$'000	US\$'000
At 1 January 2022	(1,954)	150	(1,804)
Credit to profit or loss for the year	176	410	586
At 31 December 2022 and 1 January 2023	(1,778)	560	(1,218)
Credit to profit or loss for the year	657	6	663
At 31 December 2023	(1,121)	566	(555)

Certain deferred tax assets and liabilities have been offset in accordance with the Group's and Company's accounting policy. The following is the analysis of the deferred tax balances (after offset) for statement of financial position purposes:

	Group		Company	
	2023	2022	2023	2022
	US\$'000	US\$'000	US\$'000	US\$'000
Deferred tax assets	566	753	566	560
Deferred tax liabilities	(1,346)	(2,857)	(1,121)	(1,778)
	(780)	(2,104)	(555)	(1,218)

In deriving at the Group and Company's deferred tax exposure, management has considered the flag type of each vessel and the future periods of which these vessels will continue to derive income not exempted under Section 13A in the computation of the Group and Company's taxable temporary difference.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. Issued capital

	Group and Company			
	2023 '000	2022 '000	2023 US\$'000	2022 US\$'000
	Number of ordinary shares			
Issued and paid-up capital:				
At the beginning and end of the year	705,091	705,091	55,379	55,379

Fully paid ordinary shares are denominated in Singapore Dollar which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company

14. Treasury shares

	Group and Company			
	2023 '000	2022 '000	2023 US\$'000	2022 US\$'000
	Number of ordinary shares			
At the beginning and end of the year	198	198	46	46

The Group and Company acquired 198,000 of its own shares through purchases on Singapore Exchange. The total amount paid to acquire the shares was US\$46,000 and has been deducted from shareholders' equity. These shares are held as "treasury shares". The Group and Company intend to reissue these shares to executives who are granted share options under the employee share option plan in the foreseeable future.

15. Revenue

	Group	
	2023 US\$'000	2022 US\$'000
Charter hire revenue	14,496	8,332
Other ancillary charter hire revenue	9,187	9,823
Management and agency fee	411	444
	24,094	18,599

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. Management fee are recognised over the service period and agency fee are recognised at a point in time.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. Other income

	Group	
	2023 US\$'000	2022 US\$'000
Interest income from outside parties	–	1
Interest income from banks	152	54
Grant income	30	87
Write-back of expected credit loss on trade receivables	365	391
Others	78	271
	625	804

Others include insurance claims for vessel amounting to US\$Nil (2022: US\$266,000).

17. Income tax credit

(a) Income tax credit comprises:

	Group	
	2023 US\$'000	2022 US\$'000
Income tax		
– Current	(711)	(11)
– (Under)/over provision in respect of prior years	(6)	16
Deferred tax (Note 12)		
– Origination and reversal of temporary differences	1,324	656
	607	661

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. Income tax credit (cont'd)

- (b) A reconciliation between income tax and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 December 2023 and 2022 were as follows:

	Group	
	2023	2022
	US\$'000	US\$'000
Loss before income tax	(8,856)	(3,992)
Income tax benefit at statutory tax rate at 17%	(1,505)	(679)
Effects of different tax rates of companies operating in different jurisdictions	103	7
Net income not subject to tax ⁽¹⁾	–	(190)
Net loss not eligible for tax benefit recognition ⁽¹⁾	564	–
Income not subject to tax	(382)	(49)
Utilisation of deferred tax assets previously not recognised	(79)	–
Non-deductible expenses	144	(46)
Deferred tax assets not recognised	518	338
Under/(over) provision in respect of prior years	6	(16)
Effect of partial exemption and tax relief	(6)	(3)
Others	30	(23)
Income tax credit	(607)	(661)

- ⁽¹⁾ This represents mainly net income/loss exempted under Section 13A and tax exemption under Section 43(6) of Income Tax Act 1947.

(c) Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately US\$6,280,000 (2022: US\$5,732,000) that are available for offset against future taxable profits of the relevant subsidiaries in which the losses arose, for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation.

A loss-transfer system of group relief (the "Group Relief System") for companies was introduced in Singapore with effect from year of assessment 2003. Under the Group Relief System, a company belonging to a group of entities may transfer its current year's unabsorbed capital allowances, unabsorbed trade losses and unabsorbed donations (loss items) to another company belonging to the same group, to be deducted against the latter's assessable income.

Notes to the financial statements

CH Offshore Ltd.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. Loss for the year

- (a) In addition to charges and credits disclosed elsewhere in the notes to the statements of profit or loss and other comprehensive income, this item includes the following charges

	Group	
	2023 US\$'000	2022 US\$'000
Staff cost:		
Permanent staff (including directors' remuneration)	2,058	1,902
Contract based crew	2,668	2,462
	4,726	4,364
Cost of defined contribution plans included in staff costs	194	179
Inventories recognised as an expense in cost of sales	2,575	1,220
Expenses relating to short-term leases	123	114
Non-audit fees paid/payable to auditors of the Company	14	6
Audit fees:		
To auditors of the Company	81	70

- (b) Other expenses include:

	Group	
	2023 US\$'000	2022 US\$'000
Net foreign exchange loss	587	268
Expected credit losses on trade receivables (Note 5)	1,465	3,641
Impairment loss on vessel (Note 9)	3,100	-

19. Loss per share

Loss per share is calculated by dividing the Group's loss attributable to shareholders of the Company for the year by the weighted average number of ordinary shares in issue during the financial years as follows:

	Group	
	2023	2022
Loss attributable to shareholders (US\$'000)	(8,613)	(3,330)
Number of ordinary shares used to compute loss per share ('000)	704,893	704,893
Basic and fully diluted:		
Loss per share (US cents)	(1.22)	(0.47)

The Group's basic loss per share is the same as the fully diluted loss per share as the Group did not have any potential dilutive ordinary shares outstanding as at end of the reporting period.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. Segmental information

The operations of the Group are associated specifically with the support of offshore oil and gas industry which is the major operating segment of the group. The Chief Executive Officer (“CEO”) is the Group’s chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

As the main focus is on the generation of revenue for the Group, the CEO makes decision to charter the vessels based on the charter rates, timing and availability of the vessels. Hence, vessels are deployed worldwide and wherever clients required them subject to safety factors, for example, war zones or areas prone to piracy. As a result, it is not meaningful to present the revenue by countries or geographical locations.

Information about major customers

Included in revenue of US\$24,094,000 (2022: US\$18,599,000) are revenues of approximately US\$5,756,000 (2022: US\$4,571,000) which arose from the chartering of vessels to the Group’s largest customer.

The Group has three (2022: three) major customers that individually contribute greater than 10% of the total revenue for charter income.

	Revenue	
	2023 US\$'000	2022 US\$'000
Customer A	4,911	4,571
Customer B**	–	3,295
Customer C**	618	2,742
Customer D*	5,756	–
Customer E*	5,248	–

* Revenue contribution in 2022 below 10% but presented for comparative purposes.

** Revenue contribution in 2023 below 10% but presented for comparative purposes.

21. Financial risk management objectives and policies

The Group’s overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Group. Management has in place processes and procedures to monitor the Group’s risk exposures whilst balancing the costs associated with such monitoring and management against the costs of risk occurrence. Such processes and procedures are reviewed periodically for changes in market conditions and the Group’s operations.

There has been no change to the Group’s exposure to these financial risks or the manner in which it manages and measures these risks.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a pro-active approach in the extension of credit terms to trade customers, monitors its exposure to credit risk on an ongoing basis and transacts exclusively with creditworthy counterparties.

21. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The Group's exposure to credit risk arises primarily from trade and other receivables and loan to associated company. The carrying amount of financial assets recorded in the financial statements, represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

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 5.

Other receivables, amounts due from related parties, related companies and associated company

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month expected credit losses and determined that the expected credit losses is insignificant.

Concentration of credit risk

Concentration of credit risk exists when changes in economic, industry or geographical factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

The Group's credit exposure is concentrated mainly in the Africa, Mexico, South East Asia and Middle East and is centralised on oil majors. It adopts a pro-active approach in its credit evaluation process, credit policies and credit control as well as collection procedures to manage the risk arising from the concentration of its credit exposure.

There is significant concentration of credit risk arising from three customers (2022: three customers) which represents 99% (2022: 75%) of total trade receivables of the Group as at the end of the reporting period.

Management regularly reviews collectability and ageing of the outstanding receivables and records specific allowance for debtors who are in severe financial difficulty, of which there is no realistic prospect of recovery.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Based on management's cash flow forecast for the next twelve months, the Group will maintain sufficient cash and cash equivalents via internally generated cash flows and the availability of its revolving credit facility to finance its activities and pay its debts as and when they fall due. Accordingly, management has assessed that the Group will have sufficient financial resources to enable it to continue as a going concern for at least the next twelve months from the end of the reporting period.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	2023 US\$'000		
	One year or less	One to five years	Total
Financial assets:			
Trade and other receivables	6,021	–	6,021
Cash and cash equivalents	4,726	–	4,726
Loan to associated company	3,027	–	3,027
Total undiscounted financial assets	13,774	–	13,774
Financial liabilities:			
Payables and accruals	6,448	–	6,448
Borrowings	5,734	671	6,405
Total undiscounted financial liabilities	12,182	671	12,853
Total net undiscounted financial assets/(liabilities)	1,592	(671)	921

Group	2022 US\$'000		
	One year or less	One to five years	Total
Financial assets:			
Trade and other receivables	5,224	–	5,224
Cash and cash equivalents	7,322	–	7,322
Loan to associated company	3,458	–	3,458
Total undiscounted financial assets	16,004	–	16,004
Financial liabilities:			
Payables and accruals	4,473	–	4,473
Borrowings	5,638	1,652	7,290
Total undiscounted financial liabilities	10,111	1,652	11,763
Total net undiscounted financial assets/(liabilities)	5,893	(1,652)	4,241

Notes to the financial statements

CH Offshore Ltd.

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21. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Company	2023 US\$'000		
	One year or less	One to five years	Total
Financial assets:			
Trade and other receivables	23,772	5,307	29,079
Cash and cash equivalents	1,452	–	1,452
Total undiscounted financial assets	25,224	5,307	30,531
Financial liabilities:			
Payables and accruals	43,841	–	43,841
Borrowings	5,734	671	6,405
Total undiscounted financial liabilities	49,575	671	50,246
Total net undiscounted financial (liabilities)/assets	(24,351)	4,636	(19,715)

Company	2022 US\$'000		
	One year or less	One to five years	Total
Financial assets:			
Trade and other receivables	20,145	–	20,145
Cash and cash equivalents	2,410	–	2,410
Total undiscounted financial assets	22,555	–	22,555
Financial liabilities:			
Payables and accruals	44,375	–	44,375
Borrowings	5,638	1,652	7,290
Total undiscounted financial liabilities	50,013	1,652	51,665
Total net undiscounted financial liabilities	(27,458)	(1,652)	(29,110)

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. Financial risk management objectives and policies (cont'd)

(c) Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than United States Dollars. The currencies giving rise to this risk are primarily Singapore Dollar, Malaysia Ringgit and Nigerian Naira.

Carrying amounts of significant foreign currencies denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Group US\$'000			
	Liabilities		Assets	
	2023	2022	2023	2022
Singapore Dollar	6,871	7,283	328	485
Malaysia Ringgit	916	101	5,344	920
Nigerian Naira	-	-	-	458

	Company US\$'000			
	Liabilities		Assets	
	2023	2022	2023	2022
Singapore Dollar	6,440	7,180	8,675	267

Sensitivity analysis for foreign currency risk

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies exchange rate against the functional currency of each group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency exchange rates.

If the foreign currencies strengthen by 10% against the functional currency of each group entity, loss before income tax will (increase)/decrease by:

	Group US\$'000	
	2023	2022
Singapore Dollar	(654)	(680)
Malaysia Ringgit	443	82
Nigerian Naira	-	46

Notes to the financial statements

CH Offshore Ltd.

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. Financial risk management objectives and policies (cont'd)

(c) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk (cont'd)

	Company US\$'000	
	2023	2022
Singapore Dollar	224	(691)

If the foreign currencies weaken by 10% against the functional currency of each group entity, loss before income tax will be impacted by an equal but opposite amount as per table above.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to the interest rate risk arises primarily from their borrowings. The Group's and Company's floating rate borrowings are contractually re-priced at intervals of 3 to 6 months (2022: 3 to 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 (2022: 50) basis points lower/higher with all other variables held constant, the Group's loss before tax would have been US\$26,000 (2022: US\$22,000) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate borrowings.

22. Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the equity balance.

The capital structure of the Group consists of debt, which includes bank borrowings, and equity attributable to owners of the Company, comprising issued capital and accumulated profits.

The Group's overall strategy remains unchanged from prior year.

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. Transactions with subsidiaries

Some of the Company's transactions and arrangements are with other members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand.

Some transactions with subsidiaries, other than those disclosed elsewhere in the notes to the financial statements are as follows:

	Company	
	2023 US\$'000	2022 US\$'000
Agency fees paid to a subsidiary company	202	144
Dividend income from subsidiaries	8,500	-

24. Other related parties transactions

Related companies in these financial statements refer to members of the ultimate holding company and its other subsidiaries.

Some of the Group's and Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Some related parties transactions, other than those disclosed elsewhere in the notes to the statements of profit or loss and other comprehensive income are as follows:

	Group		Company	
	2023 US\$'000	2022 US\$'000	2023 US\$'000	2022 US\$'000
Management and agency fee earned from associated companies	48	48	-	-
<u>Transactions with related companies</u>				
- Rental paid	120	99	96	18
- Fees (paid)/earned for services rendered	(262)	2	1	7
- Management and agency fee earned	288	217	-	-

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

CH Offshore Ltd.

24. Other related parties transactions (cont'd)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group US\$'000	
	2023 US\$'000	2022 US\$'000
Directors' fees	249	224
Short-term benefits	550	523
	799	747
Comprise amounts paid/payable to:		
- Directors of the Company	466	439
- Other key management personnel	333	308
	799	747

25. Fair value of assets and liabilities

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Trade and other receivables, cash and cash equivalents, loan to associated company, payables and accruals, borrowings

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

26. Events occurring after the reporting period

On 18 January 2024, the Group incorporated a wholly owned subsidiary – Green Ocean Assets Sdn. Bhd. in Malaysia with issuance of 1 ordinary share at RM1 each, amounting to a total of RM1 (approximately US\$0.22).

27. Authorisation of financial statements for issue

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 8 March 2024.

Statistics of Shareholdings

AS AT 1 MARCH 2024

SHARE CAPITAL

Issued and Fully paid-up capital (including Treasury Shares)	: S\$95,251,165.43
Issued and Fully paid-up capital (excluding Treasury Shares)	: S\$95,188,106.23
Total Number of Issued & Paid Up Shares (including Treasury Shares)	: 705,090,514
Total Number of Issued & Paid Up Shares (excluding Treasury Shares)	704,892,514
Total Number/ Percentage of Treasury Shares	: 198,000 (0.0281%)
Class of Shares	: Ordinary shares
Voting Rights	: One vote per share

Distribution of Shareholders by Size of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	16	0.58	318	0.00
100 - 1,000	681	24.53	522,848	0.08
1,001 - 10,000	1,398	50.36	6,840,352	0.97
10,001 - 1,000,000	672	24.21	34,771,439	4.93
1,000,001 AND ABOVE	9	0.32	662,757,557	94.02
Total	2,776	100.00	704,892,514	100.00

Twenty Largest Shareholders

As shown in the Register of Members and Depository Register

No	Name	No. of Shares	%
1	BT INVESTMENT PTE LTD	387,535,300	54.98
2	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	194,752,475	27.63
3	ENERGIAN PTE LTD	45,379,956	6.44
4	LIM YOK LAN	23,171,866	3.29
5	DBS NOMINEES (PRIVATE) LIMITED	5,171,850	0.73
6	CITIBANK NOMINEES SINGAPORE PTE LTD	2,954,800	0.42
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,343,399	0.19
8	ABN AMRO CLEARING BANK N.V	1,230,300	0.17
9	RAFFLES NOMINEES (PTE.) LIMITED	1,217,611	0.17
10	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	972,570	0.14
11	PHILLIP SECURITIES PTE LTD	684,200	0.10
12	CHIA CHEE HUA	681,800	0.10
13	MAYBANK SECURITIES PTE. LTD.	614,550	0.09
14	OCBC SECURITIES PRIVATE LIMITED	582,500	0.08
15	NG HWEE KOON	542,900	0.08
16	HSBC (SINGAPORE) NOMINEES PTE LTD	501,500	0.07
17	GAN GUAT CHING	480,000	0.07
18	LIM THIAM HONG	464,800	0.07
19	KOH CHIN HIN	436,300	0.06
20	LEE SAM KONG	400,000	0.06
TOTAL		669,118,677	94.94

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 1 March 2024:

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
BT Investment Pte. Ltd.	387,535,300 ^(a)	54.98	-	-
Baker Technology Limited	-	-	387,535,300 ^(a)	54.98
Dr Benety Chang	-	-	387,535,300 ^(a)	54.98
Dr Doris Heng Chin Ngor	-	-	387,535,300 ^(a)	54.98
Energian Pte. Ltd.	45,379,956 ^(b)	6.44	194,380,175 ^(b)	27.57
Falcon Energy Group Limited	-	-	239,760,131 ^(b)	34.01
Tan Pong Tyea	-	-	239,760,131 ^(b)	34.01

Notes:

^(a) Baker Technology Limited, Dr Benety Chang and Dr Doris Heng Chin Ngor are each deemed pursuant to Section 4 of the Securities and Futures Act 2001 to have an interest in the 387,535,300 shares of the Company held by BT Investment Pte. Ltd.

^(b) Falcon Energy Group Limited and Mr Tan Pong Tyea are each deemed pursuant to Section 4 of the Securities and Futures Act 2001 to have an interest in the 239,760,131 shares of the Company held by Energian Pte. Ltd., (of which 194,380,175 shares are pledged to CIMB Bank Berhad, Singapore Branch and held through CGS-CIMB Securities (Singapore) Pte. Ltd.)

Free Float

Based on the information available to the Company as at 1 March 2024 and to the best knowledge of the Directors and the substantial shareholders of the Company, approximately 11.01% of the issued ordinary shares (excluding Treasury Shares and Subsidiary Holdings) of the Company was held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Notice of Annual General Meeting

CH OFFSHORE LTD.

(Unique Entity No. 197600666D)

(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “AGM” or the “Meeting”) of CH OFFSHORE LTD. (the “Company”) will be held at Nautica Room, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on Monday, 22 April 2024 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 2023 and the Auditors’ Report thereon. **(Resolution 1)**
- 2 To approve additional Director’s fee of S\$19,792 for the financial period ended 31 December 2023. **(Resolution 2)**
- 3 To approve the sum of up to S\$330,230 as directors’ fees for the year ending 31 December 2024, to be paid quarterly in arrears. **(Resolution 3)**
- 4 To re-elect Mr Tham Chee Soon, being a Director who retires pursuant to Article 88 of the Constitution of the Company. **(Resolution 4)**
- 5 To re-elect Mr Lee Gee Aik, being a Director who retires pursuant to Article 88 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 89 of the Constitution of the Company. **(Resolution 6)**
- 7 To re-elect Ms Jeanette Chang, being a Director who retires by rotation pursuant to Article 89 of the Constitution of the Company. **(Resolution 7)**
- 8 To re-appoint Messrs Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**
- 9 To transact any other business that may be transacted at an AGM.

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

- 10 **“Share Issue Mandate”** **(Resolution 9)**

That pursuant to the Company’s Constitution and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, authority be given to the Directors of the Company to issue shares (“Shares”) whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit provided that:

 - (a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the share capital of the Company;

(b) for the purpose of determining the aggregate number of Shares that may be issued under subparagraph (a) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution, after adjusting for:

- (i) new shares arising from the conversion or exercise of convertible securities;
- (ii) new shares arising from exercising share options or vesting of Share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8; and
- (iii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustment in accordance with (b)(i) and (b)(ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of this Resolution.

(c) And that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of such convertible securities."

11 **"CH Offshore Employee Share Option Scheme**

(Resolution 10)

That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the CH Offshore Employee Share Option Scheme ("**Scheme**") and pursuant to Section 161 of the Companies Act 1967, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Scheme provided always that the aggregate number of shares to be issued pursuant to the Scheme shall not exceed fifteen per cent (15%) of the total number of shares of the Company from time to time."

12 **"Proposed Renewal of the IPT General Mandate**

(Resolution 11)

That:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual of the SGX-ST ("**Chapter 9**"), for the Company, its subsidiaries and associated companies that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into the Mandated Transactions with the Mandated Interested Persons, provided that such transactions are:

- (i) made on commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders; and
- (ii) in accordance with the review procedures for such Mandated Transactions (the "**IPT General Mandate**");

(b) the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier;

(c) the Audit Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of the review procedures and/or modify or implement such review procedures as may be necessary to take into consideration any amendment to Chapter 9, which may be prescribed by the SGX-ST from time to time; and

the Directors of the Company who are not interested in the Mandated Transactions and each of them be and are hereby authorised to do all acts and things as they or each of them may deem desirable, necessary or expedient to give effect to the IPT General Mandate as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.”

13 **“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 dated 28 Mar 2024 (the **“Appendix”**), in accordance with the terms of the Share Buyback Mandate set out in the Appendix, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until (i) the date of the next AGM of the Company or the date by which the next AGM of the Company is required by law or the Constitution of the Company to be held; (ii) the date on which the share purchases are carried out to the full extent mandated; or (iii) the time when the authority conferred by this mandate is revoked or varied by Shareholders in general meeting, whichever is the earliest.”

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modifications, the following resolutions, of which Resolution 13 will be proposed as a Special Resolution:

14 **“Proposed Adoption of the New Constitution**

(Resolution 13)

That pursuant to the existing Constitution of the Company, approval be and is hereby given that:-

- (a) the regulations contained in the new Constitution, submitted to this meeting be approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution; and
- (b) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to this Special Resolution.”

By Order of the Board

Lim Mee Fun
Company Secretary
Singapore
28 March 2024

Explanatory Notes:

- Resolution 2** The Ordinary Resolution 2, if passed, will authorise the Directors of the Company to pay Director's fee for the financial period from 13 July 2023 to 31 December 2023 to Mr Tham Chee Soon, who was appointed an Independent Director on 13 July 2023.
- 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 Directors for the year ending 31 December 2024 quarterly in arrears.
- Resolution 4-7** Detailed Information pursuant to Rule 720(6) of the Listing Manual of SGX-ST on Mr Tham Chee Soon, Mr Lee Gee Aik, Dr Benety Chang and Ms Jeanette Chang can be found in the section titled "Directors Standing for Re-Election at the AGM" of the Annual Report.
- Resolution 9** The Ordinary Resolution 9, if passed, will authorise the Directors from the date of the above Meeting until the date of the next AGM, to allot and issue Shares and convertible securities in the Company up to an amount not exceeding fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per cent (20%) may be issued other than on a pro-rata basis.
- Resolution 10** The Ordinary Resolution 10, if passed, will authorise the Directors to offer and grant options in accordance with the provisions of the Scheme and pursuant to Section 161 of the Companies Act 1967 to allot and issue shares under the Scheme up to an amount not exceeding fifteen per cent (15%) of the total number of shares of the Company from time to time.
- Resolution 11** The Ordinary Resolution 11, if passed, will renew the IPT General Mandate and will authorise the Company, its subsidiaries and associated companies to enter into the Mandated Transactions with the Mandated Interested Persons on the terms and subject to the conditions of the resolution. Details of the IPT General Mandate are set out in greater detail in the Appendix enclosed together with the Annual Report.
- Resolution 12** The Ordinary Resolution 12, if passed, will authorise the Directors of the Company from the date of this AGM until (i) the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law or the Constitution of the Company to be held; (ii) the date on which the share purchases are carried out to the full extent mandated; or (iii) the time when the authority conferred by this mandate is revoked or varied by Shareholders in general meeting, whichever is the earliest, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the price of up to but not exceeding the Maximum Price as defined in the Appendix.
- The rationale for the authority and limits on the sources of funds to be used for the purchase or acquisition of shares, including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited financial statements of the Group for the financial year ended 31 December 2023, are set out in greater detail in the Appendix.
- Resolution 13** The Special Resolution 13 is to adopt a new Constitution following changes to the listing manual of the Singapore Exchange Trading Limited (the "**Listing Manual**"), and wide-ranging changes to the Companies Act 1967 (the "**Companies Act**") introduced pursuant to the Companies (Amendment) Act 2005, Companies (Amendment) Act 2014 and Companies (Amendment) Act 2017 (the "**Amendment Acts**"). The new Constitution will consist of the memorandum and articles of association of the Company which were in force immediately before 3 January 2016, and incorporate amendments to (inter alia) take into account the changes to the Listing Manual and the Companies Act introduced pursuant to the Amendment Acts. Please refer to the Letter to Shareholders dated 28 March 2024 for more details.

Notes:

1. The AGM will be held, in a wholly physical format, at Nautica Room, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on Monday, 22 April 2024 at 10.00 a.m.

There will be no option for shareholders to participate virtually.

2. The Annual Report, Appendix dated 28 March 2024 (in relation to the proposed renewal of the the share buyback mandate and interested persons mandate), Letter to Shareholder on Adoption of New Constitution, Notice of AGM and Proxy Form have been published on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. These documents can also be accessed at the Company's website as follows:

<https://www.choffshore.com.sg/announcements/2024-2/>

<https://www.choffshore.com.sg/annual-report/>

<https://www.choffshore.com.sg/circulars/>

Printed copies of these documents will also be sent by post to members.

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 form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 9 April 2024 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 12A Jalan Samulun Singapore 629131; or
 - (b) if submitted electronically, be submitted via email to the Company at **AGM2024@choffshore.com.sg**

in either case not less than 48 hours before the time appointed for the AGM.

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 **AGM2024@choffshore.com.sg**; or
 - (b) in hard copy by sending by post to the Company's registered office at 12A Jalan Samulun Singapore 629131.

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 9 April 2024 ("**Submission Deadline**").

The Company will respond to substantial and relevant questions by 8.30 a.m. on 17 April 2024, and post them on the Company's website at URL <https://www.choffshore.com.sg/announcements/2024-2> as well as on the SGX website at URL <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. 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.

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	Tham Chee Soon
Date of Appointment	13 July 2023
Date of last Re-Election	N.A.
Age	59
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 Tham Chee Soon's re-election after taking into consideration of Mr Tham Chee Soon'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 Tham Chee Soon 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 Audit Committee Member Remuneration Committee Member
Professional qualifications	Bachelor's degree in Accountancy, National University of Singapore Fellow, Chartered Accountant (Singapore) Licensed Insolvency Practitioner Certified Public Accountant (US and Australia) CFA Charterholder
Working experience and occupation(s) during the past 10 years	October 2018 to Present: Founder/Director, iCFO Advisors Pte. Ltd. March 2024 to Present: CFO, RF Acquisition Corp II Until 30 June 2018: Audit Partner, Ernst & Young Singapore
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)

Mr Tham Chee Soon has disclosed to the Board that iCFO Advisors Pte Ltd (a company for which Mr Tham is the sole director and sole shareholder), is currently providing accounting services to a listed company operating in the same industry segment as the Company. These services include preparing monthly group consolidation worksheets, drafting quarterly SGX announcements, drafting notes to the year-end consolidated financial statements and ad-hoc services such as preparing worksheets on purchase price allocation and goodwill impairment, and performing agreed-upon procedures re sales of water to vessels. The actual billings for the abovementioned services since the date of commencement in August 2023 until 31 December 2023 are expected to be less than S\$15,000.

Mr Tham Chee Soon has assured the Board that (i) he would not divulge CHO information to the other company and vice-versa; and (ii) his staff at iCFO Advisors Pte Ltd assigned to handle the abovementioned work activities for the other company have not been given access to CHO's information.

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:**

Ecowise Holdings Limited
Hwa Hong Corporation Limited
Fragrance Group Limited
Temenggong Artists-in-Residence Ltd

Past Principal Commitments:

Nil

Other Principal Commitments including Directorships – Present**Present Directorship:**

iCFO Advisors Pte. Ltd.
The TENG Ensemble Ltd
BCW Investments Pte. Ltd.
Ueno Singapore Two Pte. Ltd.
Gratus Investment Management Private Limited
RF Acquisition Corp II

Present Principal Commitments:

Bone Marrow Donor Programme
(Board Member, Chairman of Audit & Governance Committee)
Dover Park Hospice (Audit Committee Member)
RF Acquisition Corp II (Chief Financial Officer)

(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
(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 for 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

CH Offshore Ltd.

DECLARATION REQUIRED BY RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Name of Director	Lee Gee Aik
Date of Appointment	1 February 2024
Date of last Re-Election	N.A.
Age	65
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 Lee Gee Aik's re-election after taking into consideration of Mr Lee Gee Aik's contribution and performance as an Independent Director of the Company and the size, composition and diversity of skillsets on the Board, and is satisfied that Mr Lee Gee Aik 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 Nominating Committee Member Audit Committee Member
Professional qualifications	Master in Business Administration from Henley Management College, United Kingdom. Qualified as a Chartered Certified Accountant with The Association of Chartered Certified Accountants, United Kingdom. Fellow member of The Association of Chartered Certified Accountants, United Kingdom and The Institute of Singapore Chartered Accountants.
Working experience and occupation(s) during the past 10 years	2022 to Present: Chief Financial Officer, AlphaRock Family Office Pte. Ltd. 2023 to Present: Director, AlphaRock Singnet VCC 2010 to 2016: Director, Max Management Pte. Ltd. 2008 to 2016: Director, R Chan & Associates PAC, including its precedent firm, R Chan & Co 1997 to 2016: Audit Assurance Partner, G A Lee & Associates
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)	<p><u>Past Directorship:</u> Nil</p> <p><u>Past Principal Commitment:</u> Nil</p>
Other Principal Commitments including Directorships – Present	<p><u>Present Directorship:</u> Astaka Holdings Limited Anchun International Holdings Limited SHS Holdings Limited Uni-Asia Group Limited AlphaRock Singnet VCC</p> <p><u>Present Principal Commitment:</u> Chief Financial Officer, AlphaRock Family Office Pte. Ltd.</p>
(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
(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	<p>When Mr Lee Gee Aik was the Independent and Non-Executive director and Chair of the Audit Committee of Astaka Holdings Limited ("Astaka"), SGX-ST had in 2020 issued a show cause letter to the Board of Astaka to make representations for potential breaches of Catalist Rules following the fact-finding report dated 3 April 2020 issued by Ernst & Young Advisory Pte Ltd. Astaka and the relevant persons engaged in correspondences with the SGX-ST in relation to this matter. Subsequently, the SGX Listings Disciplinary Committee ("SGX-LDC") had on 17 August 2021 issued its grounds of decision to Astaka in relation to the aforesaid matter which includes the public reprimand issued to Astaka, its former Chief Executive Officer/Executive Director and former Chief Financial Officer for breaching the Catalist Rules (the "Public Reprimand").</p> <p>For the avoidance of doubt, Mr Lee was not named in the Public Reprimand and has not been implicated in any breach of the Catalist Rules. In its grounds of decision, the SGX-LDC found that the Audit Committee of Astaka was misled by its management. The Board (excluding the Executive Director/CEO at the material time) of Astaka was not informed about the matter that eventually led to the Public Reprimand.</p> <p>There has not been any further development from the SGX-ST since then.</p>
(ii) any entity (not being a corporation) which has been investigated for a breach for any law or regulatory requirement governing such entities in Singapore or elsewhere; or	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?	Please refer to (j)(i) above for full details.

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	27 August 2018
Date of last Re-Election	23 April 2021
Age	76
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 Chief Executive Officer Nominating Committee Member
Professional qualifications	Dr Chang holds a MBBS degree from the University of Singapore
Working experience and occupation(s) during the past 10 years	2018-Current: Chief Executive Officer & Executive Director of CH Offshore Ltd. 2019-Current: Executive Director, Baker Technology Limited 2000-2018: Chief Executive Officer & Executive Director, Baker Technology Limited
Shareholding interest in the listed issuer and its subsidiaries	Deemed interest: 387,535,300 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 (Non-Executive Non-Independent 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

Other Principal Commitments including Directorships – Past (for the last 5 years)	<u>Past Directorship:</u> Chytron Company Limited <u>Past Principal Commitment:</u> Nil	
Other Principal Commitments including Directorships – Present	<u>Present Directorship:</u> Baker Technology Limited Baker Engineering Pte. Ltd. BT Investment Pte. Ltd. BEL Design Pte. Ltd. Sea Deep Shipyard Pte. Ltd. Sea Hercules Cranes Pte. Ltd. CHO Ship Management Pte. Ltd. Delaware Marine Pte Ltd Garo Pte. Ltd. Offshore Gold Shipping Pte Ltd Pembroke Marine Pte Ltd Sea Glory Private Limited Venture Offshore Pte. Ltd. <u>Present Principal Commitments:</u> 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	
(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 for 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

CH Offshore Ltd.

DECLARATION REQUIRED BY RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Name of Director	Jeanette Chang
Date of Appointment	27 August 2018
Date of last Re-Election	23 April 2021
Age	47
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 Ms Jeanette Chang's re-election after taking into consideration of Ms Jeanette Chang'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 Ms Jeanette Chang 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 Remuneration Committee Member Audit Committee Member
Professional qualifications	Ms Jeanette 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.
Working experience and occupation(s) during the past 10 years	2019-Current: Chief Executive Officer, Baker Technology Limited 2013-Current: Executive Director, Baker Technology Limited 2018-Current: Non-Executive Non-Independent Director of CH Offshore Ltd.
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	Daughter of Dr Benety Chang (Chief Executive Officer & Executive Director and Substantial Shareholder of the Company) & 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
Other Principal Commitments including Directorships – Past (for the last 5 years)	<p><u>Past Directorship:</u> Interseas Sdn Bhd</p> <p><u>Past Principal Commitment:</u> Nil</p>
Other Principal Commitments including Directorships – Present	<p><u>Present Directorship:</u> Baker Technology Limited Baker Engineering Pte. Ltd. BT Investment Pte. Ltd. Sea Hercules Cranes Pte. Ltd. Sea Deep Shipyard Pte. Ltd. BT Offshore (B) Sdn Bhd BT Offshore (Malaysia) Pte Ltd BT OSV 1 Pte Ltd BT Titanium Pte Ltd BT Offshore Management Pte. Ltd. Interseas Pte. Ltd CHO Ship Management Pte. Ltd. CHO Investment Pte. Ltd. Delaware Marine Pte Ltd Garo Pte. Ltd. Offshore Gold Shipping Pte Ltd Pembroke Marine Pte Ltd Sea Glory Private Limited Venture Offshore Pte. Ltd. High Majestic Sdn Bhd PT Bahtera Nusantara Indonesia (President Commissioner)</p> <p><u>Present Principal Commitments:</u> Chief Executive Officer, Baker Technology Limited</p>

(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
(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 for 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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CH OFFSHORE LTD.

(Unique Entity No. 197600666D)

(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. The Annual General Meeting (the “AGM” or the “Meeting”) will be held, in a wholly physical format. **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.choffshore.com.sg/announcements/2024-2/> 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 9 April 2024.
4. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member’s proxy to attend, speak and vote on his/her/its behalf at the AGM.

*I/We, _____ (Name), _____ (NRIC/Passport Registration No.)

of _____ (Address),

being a *member/members of **CH OFFSHORE LTD.** (the “Company”), hereby appoint

Name	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons referred to above, the Chairman of the Meeting, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be held at **Nautica Room, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on Monday, 22 April 2024 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 2023			
2	Approval of additional Directors' Fee for the financial year ended 31 December 2023			
3	Approval of Directors' Fees for the financial year ending 31 December 2024			
4	Re-election of Mr Tham Chee Soon as a Director			
5	Re-election of Mr Lee Gee Aik as a Director			
6	Re-election of Dr Benety Chang as a Director			
7	Re-election of Ms Jeanette Chang as a Director			
8	Re-appointment of Messrs Ernst & Young LLP as Auditor			
SPECIAL BUSINESS				
9	Authority to allot and issue new shares and/or convertible securities			
10	Approval of authority to offer and grant options and to issue shares pursuant to the CH Offshore Employee Share Option Scheme			
11	Renewal of IPT General Mandate			
12	Renewal of Share Buyback Mandate			
13	Adoption of the New Constitution			

Dated this _____ day of _____ 2024

Total Number of Ordinary Shares Held	
CDP Registers	
Register of Members	

Signature(s) of Member(s) or
Common Seal of Corporate Shareholder(s)

NOTES TO PROXY FORM

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

2(a) A member who is not a relevant intermediary (within the meaning of Section 181 of the Companies Act 1967) is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

2(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

2(c) A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

3. A proxy need not be a member of the Company

4. CPF or SRS investors who wish to cast their votes should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least 7 working days before the AGM

5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

(a) if submitted by post, be lodged at the office of the Company at 12A Jalan Samulun Singapore 629131; or

(b) if submitted electronically, be submitted via email to the Company at **AGM2024@choffshore.com.sg**

in either case not less than 48 hours before the time appointed for the AGM.

6. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

7. The instrument appointing a proxy(ies) must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy(ies) is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing a proxy(ies) is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing a proxy(ies) is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 28 March 2024.



CH OFFSHORE LTD.

Unique Entity No. 197600666D

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Singapore 629131

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Email: investors@choffshore.com.sg