

**CH OFFSHORE LTD.**  
**(UEN No. 197600666D)**  
**(Incorporated in the Republic of Singapore)**

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**RESPONSE TO SGX-ST QUERIES**

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The Board of Directors (the “**Board**”) of CH Offshore Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) received the following queries from Singapore Exchange Securities Trading Limited on 8 March 2021 in relation to the Group’s Unaudited Financial Statements for the 12 months ended 31 December 2020 published via SGXNet on 26 February 2021 and wishes to clarify the following:

**QUESTION 1**

*Page 1: Revenue*

*We note the lower revenue of \$7,039,000 was due to a decrease in the utilisation rate in 2H2020 from CHO owned vessels. Explain the significant decrease in utilisation rate.*

**COMPANY’S RESPONSE**

Due to the COVID-19 pandemic and the volatile oil prices in FY2020, oil exploration activities fell in FY2020 and 2H2020. This decrease in exploration activities led to a decrease in the utilisation rate.

**QUESTION 2**

*Page 2: Assets held for sale*

*Explain the significant increase to \$1,322,000.*

**COMPANY’S RESPONSE**

In December 2020, the Group entered into agreements to sell two vessels (as announced on 11 December 2020) and the sales were completed in early 2021. As a result, the carrying value of these vessels were classified as assets held for sale as of 31 December 2020.

**QUESTION 3**

*Page 4: Net cash (used in)/generated from operating activities*

*Explain the material deficit of \$ 6,879,000.*

**COMPANY’S RESPONSE**

The material deficit was mainly due to the settlement of brokers’ commission case of US\$5.25 million and lower cash flow from lower revenue.

By Order of the Board

Lim Mee Fun

Company Secretary

9 March 2021

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