



BAKER TECHNOLOGY LIMITED
(Unique Entity Number 198100637D)
(Incorporated in the Republic of Singapore)

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- (1) **THE ACQUISITION BY BT INVESTMENT PTE. LTD. OF 371,646,150 ISSUED AND PAID-UP ORDINARY SHARES IN CH OFFSHORE LTD., REPRESENTING APPROXIMATELY 52.72% OF THE SHARE CAPITAL OF CH OFFSHORE LTD.; AND**
- (2) **MANDATORY UNCONDITIONAL CASH OFFER BY BT INVESTMENT PTE. LTD. FOR CH OFFSHORE LTD.**
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1. INTRODUCTION

- 1.1 The Board of Directors (the "**Directors**") of Baker Technology Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that BT Investment Pte. Ltd. ("**BTI**"), a direct wholly-owned subsidiary of the Company, has on the date of this announcement entered into:
- (a) a sale and purchase agreement (the "**F SPA**") with Energian Pte. Ltd. ("**Vendor F**"), a wholly-owned subsidiary of Falcon Energy Group Limited ("**Vendor ListCo**"), a company listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") to acquire 217,800,000 issued and paid-up ordinary shares (the "**F Sale Shares**") in the capital of CH Offshore Ltd. ("**CHO**" and the issued and paid-up ordinary shares in CHO, the "**Shares**"), representing approximately 30.90% of the total Shares¹ (the "**F Acquisition**") for a purchase consideration of S\$0.115 per F Sale Share; and
- (b) a sale and purchase agreement (the "**S SPA**") with SZ Offshore Investment Pte. Ltd. ("**Vendor S**") to acquire 153,846,150 Shares (the "**S Sale Shares**", and together with the F Sale Shares, the "**Sale Shares**") representing approximately 21.83% of the total Shares (the "**S Acquisition**", together with the F Acquisition, the "**Acquisition**") for a purchase consideration of S\$0.13 per S Sale Share.
- 1.2 Following completion of the F SPA and the S SPA today, BTI acquired 371,646,150 Shares, representing approximately 52.72% of the total Shares in the capital of CHO. In accordance with Rule 14.1 of the Singapore Code on Take-overs and Mergers (the "**Code**"), BTI will make a mandatory unconditional cash offer for all the Shares other than those already owned, controlled or agreed to be acquired by BTI and parties acting in concert with BTI (the "**Offer Shares**") (the "**Offer**", together with the Acquisition, the "**Transaction**") at the price of S\$0.13 per Offer Share.

¹ Based on the business profile of CHO obtained from the Accounting and Corporate Regulatory Authority of Singapore on 25 July 2018, CHO has 704,892,514 Shares, excluding 198,000 treasury shares.

- 1.3 Further details of the Offer (including its terms and conditions and the rationale for the Offer) are contained in the announcement of the Offer (the "**Offer Announcement**"). A copy of the Offer Announcement is set out in the Schedule to this Announcement and also available on the Company's corporate website at <https://www.bakertech.com.sg/> and the website of the SGX-ST at www.sgx.com. References to the Offer and its terms and conditions in this Announcement should be read together with, and are subject to, the Offer Announcement.
- 1.4 After disposing of the F Sale Shares to BTI under the F SPA, Vendor F will continue to hold 239,760,131 Shares (the "**Retained F Shares**") representing approximately 34.01% of the total Shares. As at the date of this Announcement, Vendor F has executed an irrevocable undertaking (the "**Undertaking**") in favour of BTI, pursuant to which Vendor F has undertaken and agreed, amongst other things, not to accept the Offer in respect of (a) all the Shares held by it; and (b) any other Shares which it may acquire, or which may be allotted and issued to it, on or after the date of the Undertaking.
- 1.5 Accordingly, the maximum number of Shares which BTI can acquire as a result of the Transaction (assuming BTI receives full acceptance for the Offer) is 465,132,383 Shares (the "**Maximum Acquired Shares**"), representing approximately 65.99% of the total Shares.

2. THE TRANSACTION

2.1 Information on CHO.

- (a) CHO was incorporated in Singapore on 31 March 1976 and listed on the SGX-ST on 28 February 2003. CHO and its subsidiaries (the "**CHO Group**") are principally engaged in the following businesses:
- (i) investment holding; and
 - (ii) the owning and chartering of vessels.
- (b) CHO has seven (7) wholly-owned subsidiaries in Singapore involved in, amongst others, ship management, investment holding, ship-owning and chartering and two (2) wholly-owned subsidiaries in Malaysia involved in, amongst others, ship-owning and chartering.

2.2 Information on BTI.

- (a) BTI was incorporated in Singapore on 19 September 2013 and is a direct wholly-owned subsidiary of the Company. BTI is an investment holding company.
- (b) Based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on 25 July 2018, BTI has an issued share capital of S\$1 comprising 1 issued ordinary share.

2.3 Asset Value.

The net tangible asset value of the Shares to be acquired by BTI pursuant to the Transaction is:

- (a) S\$100.7 million² (based on the latest unaudited consolidated financial statements of the CHO Group for the third quarter ended 31 March 2018); and

² Based on the exchange rate of approximately USD/SGD1.312.

- (b) S\$110.4 million³ (based on the audited consolidated financial statements of the CHO Group for the financial year ended 30 June 2017).

2.4 **Net Loss.** The net loss attributable to the Maximum Acquired Shares as at 31 March 2018 is approximately S\$2,419,000⁴.

2.5 **Consideration for the Transaction.**

(a) **Consideration for the Acquisition.**

The consideration paid by BTI to Vendor F for each F Sale Share is S\$0.115, amounting to an aggregate consideration of S\$25,047,000 for the F Sale Shares.

The consideration for the F Sale Shares was agreed between BTI and Vendor F on a willing-buyer, willing-seller basis, after taking into consideration, *inter alia*, the net tangible asset value of CHO.

The consideration paid by BTI to Vendor S for each S Sale Share is S\$0.13, amounting to an aggregate consideration of S\$19,999,999.50 for the S Sale Shares.

The consideration for the S Sale Shares was agreed between BTI and Vendor S on a willing-buyer, willing-seller basis, after taking into consideration, *inter alia*, the net tangible asset value of CHO.

The consideration for the Acquisition was satisfied by way of cash payment from BTI to Vendor F and Vendor S on completion of the Acquisition.

(b) **Consideration for the Offer.**

The Offer Price (as defined below) is based on the highest price paid by BTI or any of the parties acting in concert with it for the Shares during the offer period and within 6 months prior to the commencement of the Offer.

The aggregate cash consideration payable for the Offer Shares is approximately S\$12,153,210.29 (assuming 100% acceptances of the Offer but excluding the Retained F Shares).

Accordingly, the total consideration payable by BTI for the Maximum Acquired Shares is approximately S\$57,200,209.79 (the "**Total Consideration**").

4. **PRINCIPAL TERMS OF THE OFFER**

4.1 **Offer Terms.** The Offer will be made for all the Offer Shares in accordance with Rule 14 of the Code and subject to the terms and conditions to be set out in the formal offer document (the "**Offer Document**") to be issued by BTI in connection with the Offer.

³ Based on the exchange rate of approximately USD/SGD1.380.

⁴ For the 3 months period ended 31 March 2018. Based on the exchange rate of approximately USD/SGD1.312.

The Offer will be made on the following basis:

For each Offer Share: S\$0.13 in cash ("**Offer Price**").

The Offer Price is final and BTI does not intend to revise the Offer Price.

4.2 **No Encumbrances.** The Offer Shares will be acquired:

- (a) fully paid-up;
- (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever; and
- (c) together with all rights, benefits and entitlements attached thereto as at the date of announcement of the Offer (the "**Offer Announcement**") and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by CHO) on or after the date of the Offer Announcement.

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by CHO on or after the date of the Offer Announcement, BTI reserves the right to reduce the Offer Price by an amount equivalent to such dividend, right, other distribution or return of capital.

4.3 **Unconditional.** The Offer is unconditional in all respects.

4.4 **No Options Proposal.** Based on the unaudited 3rd quarter financial statement of CHO for the period ended 31 March 2018, there were no options granted under the CH Offshore Employee Share Option Scheme that was approved by the shareholders of CHO at an extraordinary general meeting of CHO held on 27 May 2016. Accordingly, no option proposal will be made by BTI.

4.5 **Duration of the Offer.** The Offer will open for 28 days after the date on which the Offer Document is posted. BTI does not intend to extend the Offer beyond 5:30 p.m. on the date falling 28 days after the date on which the Offer Document is posted. Notice of such intention will be set out in the Offer Document, save that such notice shall not be capable of being enforced in a competitive situation. The terms of the Offer will also not be revised by BTI.

4.6 **Irrevocable Undertaking.** As at the date of the Offer Announcement, Vendor F has executed the Undertaking in favour of BTI, pursuant to which Vendor F has undertaken and agreed, amongst other things, not to accept the Offer in respect of (a) all the Shares held by it; and (b) any other Shares which it may acquire, or which may be allotted and issued to it, on or after the date of the Undertaking.

The Undertaking will terminate, lapse and cease to have any effect upon the earlier of:

- (a) the close, lapse or withdrawal of the Offer; and
- (b) the later of (i) the earliest closing date for the Offer based on the minimum offer period as prescribed by the Code (being 28 days after despatch of the Offer Document) and (ii) if applicable, such later closing date as may be prescribed by the Securities Industry Council of Singapore.

As at the date of the Offer Announcement, and based on the latest information available to BTI, save for the Undertaking, neither BTI nor the parties acting in concert with it has secured any irrevocable undertaking from any party to accept or reject the Offer.

- 4.7 **Overseas Shareholders.** The availability of the Offer to shareholders of CHO whose addresses are outside Singapore as shown in the register of members of CHO or in the records of The Central Depository (Pte) Limited (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions. Further details in relation to Overseas Shareholders will be contained in the Offer Document.

BTI and RHT Capital Pte. Ltd. (the financial adviser of BTI) ("**RHTC**") each reserves the right to notify any matter, including the fact that the Offer have been made, to any or all shareholders of CHO who are not resident in Singapore by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any shareholder of CHO to receive or see such announcement, notice or advertisement.

- 4.8 **Listing Status.**

Pursuant to Rule 1105 of the Listing Manual of the SGX-ST ("**Listing Manual**"), upon an announcement by BTI that acceptances have been received pursuant to the Offer that bring the holdings owned by BTI and its concert parties to above 90% of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding treasury shares) are held by at least 500 shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if BTI succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10%, CHO must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow CHO a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding treasury shares) in public hands to at least 10%, failing which CHO may be removed from the official list of the SGX-ST.

It is the current intention of BTI to maintain the present listing status of CHO on the SGX-ST following completion of the Offer. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or 1105 of the Listing Manual, BTI intends to work together with CHO to lift the suspension by the SGX-ST.

- 4.9 **No Compulsory Acquisition.**

Pursuant to Section 215(1) of the Companies Act (Chapter 50 of Singapore) (the "**Companies Act**"), in the event that BTI acquires not less than 90% of the total number of the Shares (other than those already held by BTI, its related corporations or their respective nominees as at the

date of the Offer and which, for the avoidance of doubt, excludes any Shares held by CHO as treasury shares) (the "**Section 215(1) Threshold**"), BTI would be entitled to exercise the right to compulsorily acquire all the Shares of the shareholders of CHO who have not accepted the Offer (the "**Dissenting Shareholders**") at a price equal to the Offer Price.

In addition, pursuant to Section 215(3) of the Companies Act, if BTI acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90% or more of all the Shares (the "**Section 215(3) Threshold**"), the Dissenting Shareholders will have a right to require BTI to acquire their Shares at the Offer Price.

In view of the Undertaking, BTI does not expect to receive sufficient valid acceptances of the Offer in order to meet the Section 215(1) Threshold or the Section 215(3) Threshold. Accordingly, BTI will not be entitled to exercise any rights under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Dissenting Shareholders. Dissenting Shareholders will also not be entitled to exercise their rights under Section 215(3) of the Companies Act to require BTI to acquire their Shares.

As stated above, it is the current intention of BTI to maintain the present listing status of CHO on the SGX-ST following completion of the Offer. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or 1105 of the Listing Manual, BTI intends to work together with CHO to lift the suspension by the SGX-ST.

5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures as computed on the bases as set out in Rule 1006 of the Listing Manual, based on the unaudited first quarter financial statements of the Group for the period ended 31 March 2018 are as follows:

		Relative Percentage (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	N.A. ⁵
(b)	The net loss attributable to the Maximum Acquired Shares, compared with the Group's net loss.	(50) ⁶
(c)	The Total Consideration compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	54 ⁷
(d)	The number of equity securities issued by the Company as consideration for the Transaction, compared with the number of equity securities previously in issue.	N.A. ⁸

⁵ Not applicable as this basis is not applicable to an acquisition of assets, as is the case here.

⁶ Based on the unaudited net loss attributable to the Maximum Acquired Shares as at 31 March 2018 of approximately S\$2,419,000 and the unaudited net profit of the Group as at 31 March 2018 of approximately S\$4,847,000 (based on the exchange rate of approximately USD/SGD1.312).

⁷ Based on the Company's market capitalisation of approximately S\$105.5 million. The market capitalisation of the Company was computed based on the issued share capital of the Company of 202,877,948 ordinary shares ("**Company Shares**") and the volume weighted average price of S\$0.52 per Company Share on 25 July 2018 (being the last day on which Company Shares were traded prior to the date of this Announcement). The Company does not have any treasury shares.

⁸ Not applicable as it is not contemplated that the Company will be issuing equity securities as consideration for the Transaction.

		Relative Percentage (%)
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	N.A. ⁹

Having regard to the above, the Transaction is a "major transaction" under Rule 1014 of the Listing Manual. Accordingly, the Transaction is subject to the approval of the shareholders of the Company.

6. SGX WAIVER

6.1 The Company had applied for and obtained a confirmation from the SGX-ST on 6 July 2018 that SGX-ST has no objection to waiving the requirement for the Company to seek shareholders' approval for the Transaction pursuant to Rule 1014(2) of the Listing Manual (the "**Waiver**"), subject to the following conditions:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (b) the Company seeking shareholders' ratification of the Transaction (the "**Ratification Resolution**") at an extraordinary general meeting of the Company ("**EGM**") to be held within 3 months from the date of grant of the Waiver (being 6 July 2018); and
- (c) submission of irrevocable undertakings (the "**Voting Undertaking**") from the Company's controlling shareholders, Dr Benety Chang ("**BC**") and Dr Doris Heng Chin Ngor ("**DH**"), who collectively hold approximately 51.61% of the Company's shares to:
 - (i) vote in favour of the Ratification Resolution; and
 - (ii) maintain a shareholding of more than 50% in the Company from the date of the grant of the Waiver until after the EGM.

6.2 The reasons for the application for the Waiver are as follows:

- (a) the Directors understand from the Vendor ListCo that there is a requirement for the transaction in respect of the F Sale Shares to be completed as soon as possible so as to have the necessary funds to meet its pressing loan repayment obligations. As set out in Paragraph 7 below, the Group intends to finance the Transaction with cash reserves of the Group. As there is no need to seek external financing, the Group is in a position to execute and complete the Transaction quickly. The Company had written to SGX-ST to seek the SGX-ST's approval for the Company to convene the EGM after completion of

⁹ Not applicable as the Company is not a mineral, oil and gas company and the Transaction is not a disposal of mineral, oil or gas assets.

the Transaction to ratify the Transaction to accommodate Vendor ListCo's request for the sale of the F Sale Shares to be completed as soon as possible;

- (b) the Waiver will enable the Group to acquire the Sale Shares and consequently, the statutory control of CHO in a timely fashion; and
- (c) furthermore, BC and DH have given the Voting Undertaking to the Company to vote in favour of the Ratification Resolution. As BC and DH collectively hold approximately 51.61% of the total issued shares in the Company and both are entitled to vote on the Ratification Resolution, the Ratification Resolution will be passed as a matter of course.

6.3 The Company has submitted the Voting Undertaking to the SGX-ST.

6.4 The Company intends to convene the EGM to seek the approval of its shareholders for the Ratification Resolution no later than 5 October 2018. A circular setting out information of the Transaction and the notice to convene the EGM for the purpose of seeking approval of the shareholders of the Company for the Ratification Resolution will be despatched to the shareholders of the Company in due course. The Company will make further announcements to update the shareholders of the Company on the EGM. **In the meantime, the shareholders of the Company are advised to refrain from taking any action in relation to their shares which may be prejudicial to their interests.**

7. RATIONALE FOR THE TRANSACTION

The Company is presently engaged in the business of manufacturing and providing specialised equipment and services for the oil and gas industry. The Acquisition is in line with the Company's strategy to undertake new investment projects that will broaden the Group's asset and earning bases, as well as to provide the Group with an alternative source of recurring income and earnings.

The Transaction will be funded from the cash reserves of the Group.

The Directors are of the opinion that the implementation of the Acquisition at this time is in the best interests of the Company due to the following reasons:

- (a) the Acquisition is complementary to the Group's business and is in line with the strategy to expand its future asset and earnings base;
- (b) the Acquisition presents an opportunity to acquire statutory control of CHO, that will result in CHO becoming a subsidiary of the Group; and
- (c) the investment in CHO provides an attractive platform to build on the Group's offshore support services.

The Offer is made by BTI to comply with Rule 14.1 of the Code because following completion of the Acquisition, BTI and parties acting in concert with it will have acquired Shares which represent in excess of 30% of the voting rights of CHO.

Based on the abovementioned factors, the Directors are of the view that the Transaction provides an excellent and timely opportunity for the efficient deployment of the Group's surplus financial resources in order to achieve a better return for the Company's shareholders.

8. FINANCIAL EFFECTS OF THE TRANSACTION

- 8.1 **Assumptions.** For illustrative purposes only, the financial effects of the Transaction on the NTA (as defined below) per ordinary share of the Company ("**Company Share**"), gearing of the Company and earnings per Company Share are set out below.

The financial effects of the Transaction on the Company as presented herein are purely for illustrative purposes only and does not reflect the actual future financial performance or position of the Company after the completion of the Transaction.

The proforma financial effects have been prepared based on the assumption that the total number of Shares acquired pursuant to the Transaction is the Maximum Acquired Shares.

8.2 Net Tangible Assets ("**NTA**")

Assuming that the Transaction had been completed on 31 December 2017, and based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2017, the proforma financial effects on the consolidated NTA of the Group are as follows:

	Before the Transaction	After the Transaction
NTA (S\$'000)	200,731	202,750
NTA per Company Share (cents)	98.9	99.9

Note:

NTA per Company Share is calculated based on 202,877,948 issued Company Shares as at 31 March 2018. The Company does not have any treasury shares.

8.3 Gearing

Assuming that the Transaction had been completed on 1 January 2017, and based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2017, the proforma financial effects on the gearing of the Group are as follows:

	Before the Transaction	After the Transaction
Borrowings (S\$'000)	Nil	12,454
Equity (S\$'000)	202,514	204,533
Gearing (%)	0%	6%

8.4 Earnings per Company Share

Assuming that the Transaction had been completed on 1 January 2017, and based on the latest audited consolidated financial statements of the Group for financial year ended 31 December 2017, the proforma financial effects on the consolidated earnings of the Group are as follows:

	Before the Transaction	After the Transaction
Loss after tax and non-controlling interests (S\$'000)	(10,690)	(1,257)
Earnings per Company Share (cents)	(5.3)	(0.6)
Diluted earnings per Company Share (cents)	(5.3)	(0.6)

Note:

Based on the weighted average number of Company Shares of 202,877,948 Company Shares as at 31 March 2018.

9. FURTHER INFORMATION

9.1 Interest of Directors and Controlling Shareholders.

Mr Lim Ho Seng, who is the Chairman and the Non-Executive Director of the Company is also a shareholder of the Company who has a direct shareholding interest of approximately 0.11% of the Company.

Dr Benety Chang, who is the Chief Executive Officer, the Executive Director and a substantial shareholder of the Company who has a direct shareholding interest of approximately 42.17% and indirect shareholding interest of approximately 9.44% (held through his wife Dr Heng Chin Ngor Doris) of the Company, is also a director of BTI.

Ms Jeanette Chang, who is the Executive Director of the Company, is also a director of BTI.

Mr Tan Yang Guan, who is the Non-Executive Director and a shareholder of the Company who has a direct shareholding interest of approximately 2.03% of the Company, is also a director of BTI.

Ms Han Sah Heok Vicky, who is the Independent Director and the Non-Executive Director of the Company is also a shareholder of the Company who has a direct shareholding interest of approximately 0.05% of the Company.

Save as disclosed above and their respective shareholdings (if any) in the Company, as at the date hereof, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Transaction.

9.2 Directors' Service Contracts. No person is proposed to be appointed as a director of the Company in connection with the Transaction.

9.3 **Documents Available for Inspection.** A copy of the following documents will be made available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this Announcement:

- (a) the F SPA;
- (b) the S SPA; and
- (c) the Offer Announcement.

9.4 **EGM and Circular to Shareholders of the Company.**

A circular setting out information of the Transaction and the notice to convene the EGM for the purpose of seeking approval for shareholders of the Company for the Ratification Resolution will be despatched to shareholders of the Company in due course.

10. RESPONSIBILITY STATEMENT

The Directors and the directors of BTI (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the CHO Group, the sole responsibility of the Directors and the directors of BTI has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The Directors and the directors of BTI jointly and severally accept full responsibility accordingly.

BY ORDER OF THE BOARD

Nga Ko Nie
Company Secretary
26 July 2018

Any inquiries relating to the Offer should be directed to the following:

RHT Capital Pte. Ltd.

Tel: (65) 6381 6757

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast", "target" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. The Company's shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Company, BTI or RHTC undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

SCHEDULE
OFFER ANNOUNCEMENT

MANDATORY UNCONDITIONAL CASH OFFER

by



RHT CAPITAL PTE. LTD.

(Company Registration No.: 201109968H)
(Incorporated in the Republic of Singapore)

for and on behalf of

BT INVESTMENT PTE. LTD.

(Company Registration No.: 201325474D)
(Incorporated in the Republic of Singapore)

a direct wholly-owned subsidiary of

BAKER TECHNOLOGY LIMITED

(Company Registration No.: 198100637D)
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of

CH OFFSHORE LTD.

(Company Registration No.: 197600666D)
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by
BT Investment Pte. Ltd. and parties acting in concert with it

1. INTRODUCTION

1.1 The Offer

RHT Capital Pte. Ltd. ("**RHTC**") wishes to announce, for and on behalf of BT Investment Pte. Ltd. (the "**Offeror**"), that the Offeror intends to make a mandatory unconditional cash offer ("**Offer**") for all the issued and paid-up ordinary shares ("**Shares**") in the capital of CH Offshore Ltd. (the "**Company**") other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror in accordance with Rule 14 of the Singapore Code on Take-Overs and Mergers (the "**Code**").

Further information on the Offeror and Baker Technology Limited ("**Baker**") is set out in Section 6 below.

2. **THE ACQUISITIONS**

2.1 The Offeror has today entered into:

- (a) a sale and purchase agreement (the "**F SPA**") with Energian Pte. Ltd. ("**Vendor F**"), a wholly-owned subsidiary of Falcon Energy Group Limited, a company listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), pursuant to which the Offeror acquired 217,800,000 Shares (the "**F Sale Shares**"), representing approximately 30.90% of the total number of Shares in the capital of the Company¹ (the "**F Acquisition**") for a purchase consideration of S\$0.115 per F Sale Share; and
- (b) a sale and purchase agreement with SZ Offshore Investment Pte. Ltd., pursuant to which the Offeror acquired 153,846,150 Shares (the "**S Sale Shares**"), representing approximately 21.83% of the total number of Shares in the capital of the Company (together with the F Acquisition, the "**Acquisitions**") for a purchase consideration of S\$0.13 per S Sale Share.

2.2 As a result of the Acquisitions, the Offeror and the other Relevant Persons (as defined below) own, control or have agreed to acquire an aggregate of 371,646,150 Shares, representing approximately 52.72% of the total number of Shares in the capital of the Company.

2.3 In accordance with Rule 14.1 of the Code, the Offeror will make a mandatory unconditional offer for all the Shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the "**Offer Shares**").

3. **TERMS OF THE OFFER**

Subject to the terms and conditions to be set out in the offer document to be issued by RHTC for and on behalf of the Offeror ("**Offer Document**"), the Offeror will make the Offer for all the Offer Shares in accordance with Rule 14 of the Code on the following basis:

(a) **Offer Price**

The consideration for each Offer Share will be as follows:

For each Offer Share: S\$0.13 in cash ("**Offer Price**").

The Offer Price is final and the Offeror does not intend to revise the Offer Price.

(b) **No Encumbrances**

The Offer Shares will be acquired:

- (i) fully paid-up;
- (ii) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever; and

¹ As at 25 July 2018, based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore, the Company has a total of 704,892,514 issued and paid up ordinary shares in the Company, excluding 198,000 treasury shares.

- (iii) together with all rights, benefits and entitlements attached thereto as at the date of this announcement ("**Announcement Date**") and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by the Company) on or after the Announcement Date.

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by the Company on or after the Announcement Date, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such dividend, right, other distribution or return of capital.

- (c) **Unconditional.** The Offer will be unconditional in all respects.
- (d) **No Options Proposal.** Based on the unaudited 3rd quarter financial statements of the Company for the period ended 31 March 2018, there were no options granted under the CH Offshore Employee Share Option Scheme that was approved by the shareholders of the Company at an extraordinary general meeting of the Company held on 27 May 2016. Accordingly, no option proposal will be made by the Offeror.
- (e) **Duration of the Offer**

The Offer will open for 28 days after the date on which the Offer Document is posted. The Offeror does not intend to extend the Offer beyond 5:30 p.m. on the date falling 28 days after the date on which the Offer Document is posted. Notice of such intention will be set out in the Offer Document, save that such notice shall not be capable of being enforced in a competitive situation. The terms of the Offer will also not be revised by the Offeror.

Further information on the Offer and the terms and conditions upon which the Offer will be made, shall be set out in the Offer Document to be issued.

4. **FINANCIAL EVALUATION OF THE OFFER**

The Offer Price represents the following discount to / (premium) over the benchmark prices of the Shares as listed below:

Description	Benchmark price (S\$) ⁽¹⁾	Discount to / (premium) over (%) ⁽²⁾
Last transacted price per Share on 25 July 2018, the last full market day on which Shares were traded on the SGX-ST prior to the Announcement Date (the " Last Trading Date ")	0.130	0.0
Volume-weighted average price (" VWAP ") of the Shares traded on the SGX-ST for the one (1)-month period prior to and including the Last Trading Date	0.146	12.3
VWAP of the Shares traded on the SGX-ST for the three (3)-month period prior to and including the Last Trading Date	0.147	13.1

Highest closing price over the five (5)-year period prior to and including the Last Trading Date	0.595	357.7
Lowest closing price over the five (5)-year period prior to and including the Last Trading Date	0.111	(14.6)

Notes:

(1) Based on data extracted from Bloomberg L.P.. Figures rounded to the nearest 3 decimal places.

(2) Figures rounded to the nearest 1 decimal place.

5. **IRREVOCABLE UNDERTAKING**

5.1 As at Announcement Date, after disposing of the F Sale Shares to the Offeror under the F SPA, Vendor F will continue to hold 239,760,131 Shares (the "**Retained F Shares**") representing approximately 34.01% of the total number of Shares in the capital of the Company. Vendor F has executed an irrevocable undertaking (the "**Undertaking**") in favour of the Offeror, pursuant to which Vendor F has undertaken and agreed, amongst other things, not to accept the Offer in respect of (a) all the Shares held by it; and (b) any other Shares which it may acquire, or which may be allotted and issued to it, on or after the date of the Undertaking.

5.2 The Undertaking will terminate, lapse and cease to have any effect upon the earlier of:

- (a) the close, lapse or withdrawal of the Offer; and
- (b) the later of (i) the earliest closing date for the Offer based on the minimum offer period as prescribed by the Code (being 28 days after despatch of the Offer Document) and (ii) if applicable, such later closing date as may be prescribed by the Securities Industry Council of Singapore.

6. **INFORMATION ON THE OFFEROR AND BAKER**

6.1 **The Offeror**

The Offeror was incorporated in Singapore on 19 September 2013 and is a direct wholly-owned subsidiary of Baker. The Offeror is an investment holding company. As at the Announcement Date, the Offeror has an issued share capital of S\$1 comprising 1 issued ordinary share.

As at the Announcement Date, the directors of the Offeror are:

- (a) Dr Benety Chang;
- (b) Ms Jeanette Chang;
- (c) Mr Heath McIntyre; and
- (d) Mr Tan Yang Guan.

6.2 **Baker**

Baker was incorporated in Singapore in 1981 and was listed on the SGX-ST in July 1994. Baker, together with its subsidiaries (the "**Baker Group**") provides specialised marine offshore equipment and services, focusing mainly on the offshore oil and gas industry.

Baker has six (6) wholly-owned subsidiaries in Singapore involved in, amongst others, manufacturing and providing specialised marine offshore equipment and services for the oil

and gas industry, design and fabrication of offshore and marine vessels and equipment and provision of offshore marine logistic support services, one (1) wholly-owned subsidiary in Malaysia involved in the provision of offshore marine logistic support services and one (1) wholly-owned subsidiary in Brunei Darussalam involved in the provision of offshore marine logistic support services.

As at the Announcement Date, Baker has an issued share capital of S\$108,788,054 comprising 202,877,948 issued ordinary shares.

As at the Announcement Date, the directors of Baker are:

- (a) Mr Lim Ho Seng (Chairman, Non-Executive Director)
- (b) Dr Benety Chang (Chief Executive Officer, Executive Director)
- (c) Ms Jeanette Chang (Executive Director)
- (d) Mr Tan Yang Guan (Non-Executive Director)
- (e) Mr Wong Meng Yeng (Lead Independent Director, Non-Executive Director)
- (f) Mr Ang Miah Kiang (Independent Director, Non-Executive Director)
- (g) Ms Han Sah Heok Vicky (Independent Director, Non-Executive Director)

7. INFORMATION ON THE COMPANY

The Company was incorporated in Singapore on 31 March 1976 and was listed on the SGX-ST on 28 February 2003. The Company and its subsidiaries (the "**CHO Group**") are principally engaged in the following businesses:

- (a) investment holding; and
- (b) the owning and chartering of vessels.

The Company has seven (7) wholly-owned subsidiaries in Singapore involved in, amongst others, ship management, investment holding, ship-owning and chartering and two (2) wholly-owned subsidiaries in Malaysia involved in, amongst others, ship-owning and chartering.

Based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore, as at the Announcement Date, the directors of the Company are:

- (a) Mr Tan Pong Tyea (Executive Chairman, Executive Director)
- (b) Mr James William Noe (Chief Executive Officer, Executive Director)
- (c) Mr Thia Peng Heok, George (Lead Independent Director, Non-Executive Director)
- (d) Mr Tan Kian Huay (Independent Director, Non-Executive Director)
- (e) Ms Tan Sooh Whye (Non-Executive Director)
- (f) Mr Zhang Haibo (Non-Executive Director)

8. RATIONALE FOR THE OFFER

8.1 Rationale

The Offer is made by the Offeror to comply with Rule 14.1 of the Code because following the completion of the Acquisitions, the Offeror and parties acting in concert with it have acquired Shares which represent in excess of 30% of the voting rights of the Company.

8.2 Intention of the Offeror

Save in connection with the integration and consolidation of the businesses of the Company, the Offeror currently has no intentions to (a) introduce any major changes to the existing

business or management of the CHO Group, including any redeployment of the fixed assets of the CHO Group, or (b) discontinue the employment of the employees of the CHO Group, other than in the ordinary course of business. The Offer is in line with Baker's strategy to explore new business opportunities to increase the Baker Group's revenue stream and expansion of its product offerings through acquisitions and strategic alliances. The Offeror however retains the flexibility at any time to consider any options or opportunities in relation to the CHO Group which may present themselves and which the Offeror may regard to be in the best interests of the Offeror or the CHO Group.

It is the current intention of the Offeror to maintain the present listing status of the Company on the SGX-ST following completion of the Offer. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or 1105 of the Listing Manual of the SGX-ST ("Listing Manual"), the Offeror intends to work together with the Company to lift the suspension by the SGX-ST.

9. LISTING STATUS AND COMPULSORY ACQUISITION

9.1 Listing Status

Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding treasury shares) are held by at least 500 shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding treasury shares) in public hands to at least 10%, failing which the Company may be removed from the official list of the SGX-ST.

It is the current intention of the Offeror to maintain the present listing status of the Company on the SGX-ST following completion of the Offer. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or 1105 of the Listing Manual, the Offeror intends to work together with the Company to lift the suspension by the SGX-ST.

9.2 No Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act (Chapter 50 of Singapore) (the "Companies Act"), in the event that the Offeror acquires not less than 90% of the total number of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and which, for the avoidance of doubt, excludes any Shares held by the Company as treasury shares) (the "Section 215(1) Threshold"), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of shareholders of the

Company who have not accepted the Offer (the "**Dissenting Shareholders**") at a price equal to the Offer Price.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90% or more of all the Shares (the "**Section 215(3) Threshold**"), the Dissenting Shareholders will have a right to require the Offeror to acquire their Shares at the Offer Price.

In view of the Undertaking, the Offeror does not expect to receive sufficient valid acceptances of the Offer in order to meet the Section 215(1) Threshold or the Section 215(3) Threshold. Accordingly, the Offeror will not be entitled to exercise any rights under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of the Dissenting Shareholders. Dissenting Shareholders will also not be entitled to exercise their rights under Section 215(3) of the Companies Act to require the Offeror to acquire their Shares.

As stated above, it is the current intention of the Offeror to maintain the present listing status of the Company on the SGX-ST following completion of the Offer. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or 1105 of the Listing Manual, the Offeror intends to work together with the Company to lift the suspension by the SGX-ST.

10. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

10.1 No other Holdings or Dealings

Save as disclosed in Section 2, as at the Announcement Date and based on the latest information available to the Offeror, none of:

- (a) the Offeror and its directors;
- (b) Baker and its directors;
- (c) Dr Doris Heng Chin Ngor (wife of Dr Benety Chang, a director and substantial shareholder of Baker); and
- (d) RHTC,

(collectively "**Relevant Persons**"),

(i) owns, controls or has agreed to acquire any (A) Shares, (B) securities which carry voting rights in the Company or (C) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company (collectively, "**Company Securities**") or (ii) has dealt for value in any Company Securities during the six (6)-month period immediately preceding the Announcement Date.

10.2 Other Arrangements As at the Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has:

- (a) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
- (b) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or

(c) lent any Company Securities to another person.

10.3 Irrevocable Undertaking

As at the Announcement Date, and based on the latest information available to the Offeror, save for the Undertaking, none of the Relevant Persons has secured any irrevocable undertaking from any party to accept or reject the Offer.

10.4 Further Enquiries

In the interests of confidentiality, save for the Relevant Persons, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Similarly, RHTC has not made enquiries in respect of certain parties who are or may be presumed to be acting in concert with RHTC in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures will be made in due course and in the Offer Document.

10.5 Disclosure of Dealings

In accordance with the Code, the associates (as defined under the Code, and which includes all substantial shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company under Rule 12 of the Code.

11. CONFIRMATION OF FINANCIAL RESOURCES

RHTC, as the financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer in respect of the Offer Shares (other than the Retained F Shares).

12. OVERSEAS SHAREHOLDERS OF THE COMPANY

12.1 Overseas Jurisdictions

This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of any applicable law. The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. For the avoidance of doubt, the Offer is open to all shareholders holding the relevant Shares, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons

receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

12.2 Overseas Shareholders of the Company

The availability of the Offer to the shareholders of the Company whose addresses are outside Singapore as shown in the register of members of the Company or in the records of The Central Depository (Pte) Limited (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions. Further details in relation to Overseas Shareholders will be contained in the Offer Document.

The Offeror and RHTC each reserves the right to notify any matter, including the fact that the Offer have been made, to any or all shareholders of the Company who are not resident in Singapore by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any shareholder of the Company to receive or see such announcement, notice or advertisement.

13. OFFER DOCUMENT

The Offer Document containing the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance of the Offer will be despatched to the shareholders of the Company not earlier than 14 days and not later than 21 days from the Announcement Date. **Shareholders of the Company are advised to exercise caution and seek appropriate independent professional advice when dealing in the Shares.**

14. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Baker and the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company and its subsidiaries, the sole responsibility of the directors of Baker and the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

The directors of Baker and the Offeror jointly and severally accept full responsibility accordingly.

Issued by
RHT Capital Pte. Ltd.
For and on behalf of
BT INVESTMENT PTE. LTD.

26 July 2018

Any inquiries relating to this Announcement should be directed during office hours to the following:

RHT Capital Pte. Ltd.

Tel: (65) 6381 6757

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast", "target" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. The Company's shareholders and investors should not place undue reliance on such forward-looking statements, and none of the Offeror, Baker or RHTC undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.