

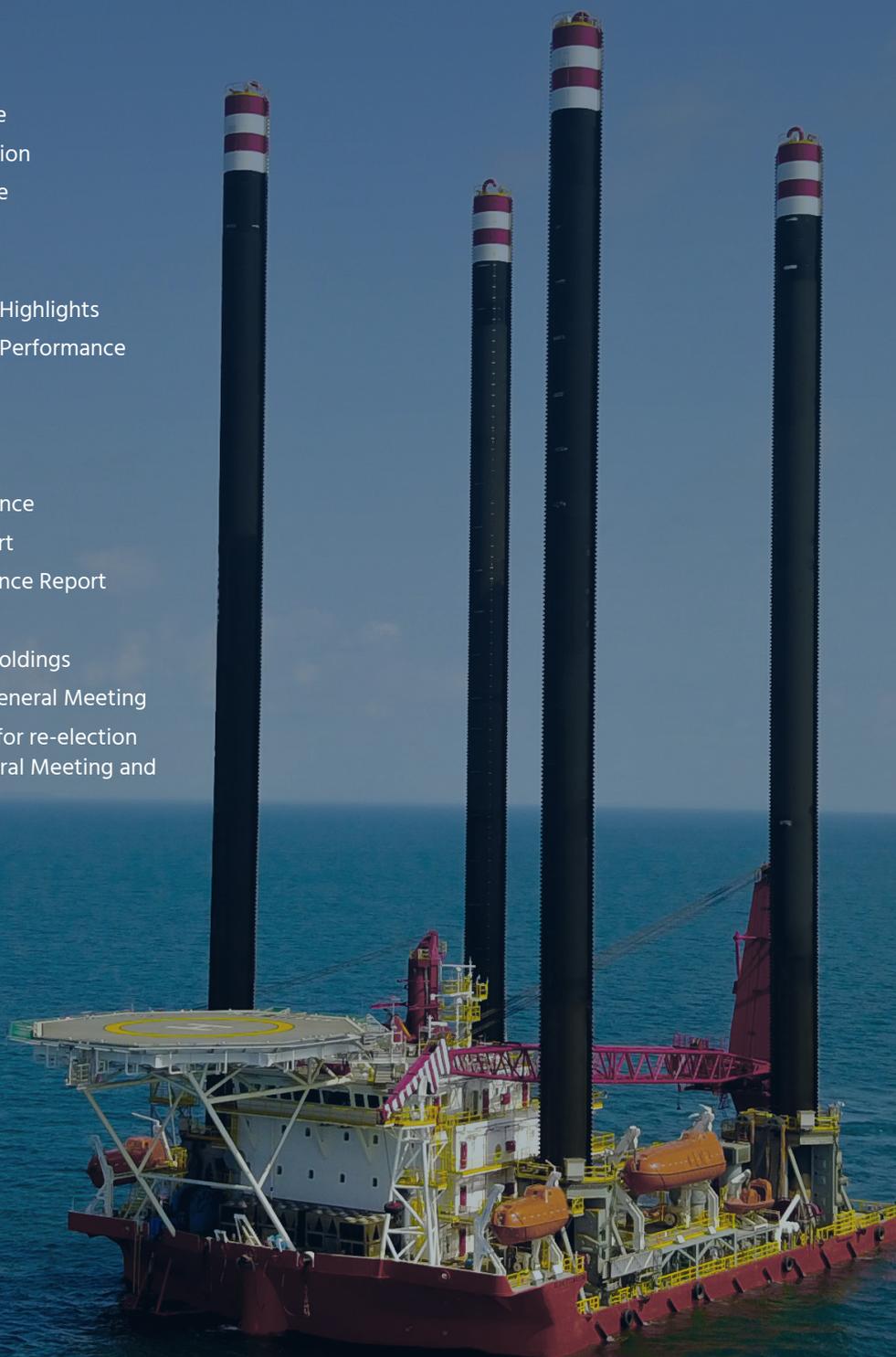
The image is a vertical composition. The top half shows a mountain range at sunset, with the sun low on the horizon, casting a warm glow. The bottom half shows an underwater scene with clear, blue water and light rays filtering down. The text is centered in the upper half.

Unveiling Possibilities
on Diversified Horizons

Annual Report 2023
Baker Technology Limited

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Vision

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

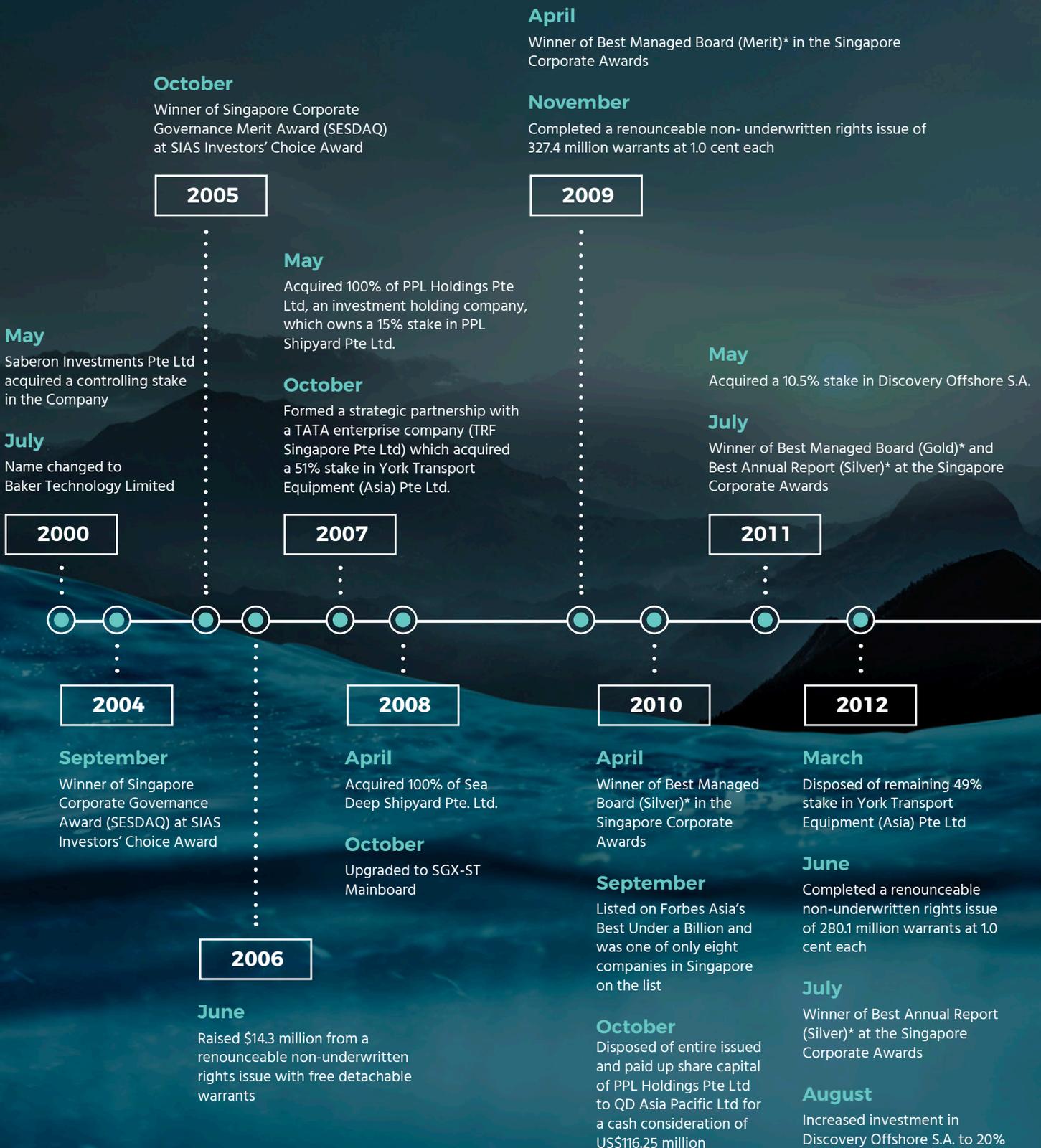
Mission

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

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

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

Key Milestones



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

May

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

June

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

July

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

August

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

September

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

July

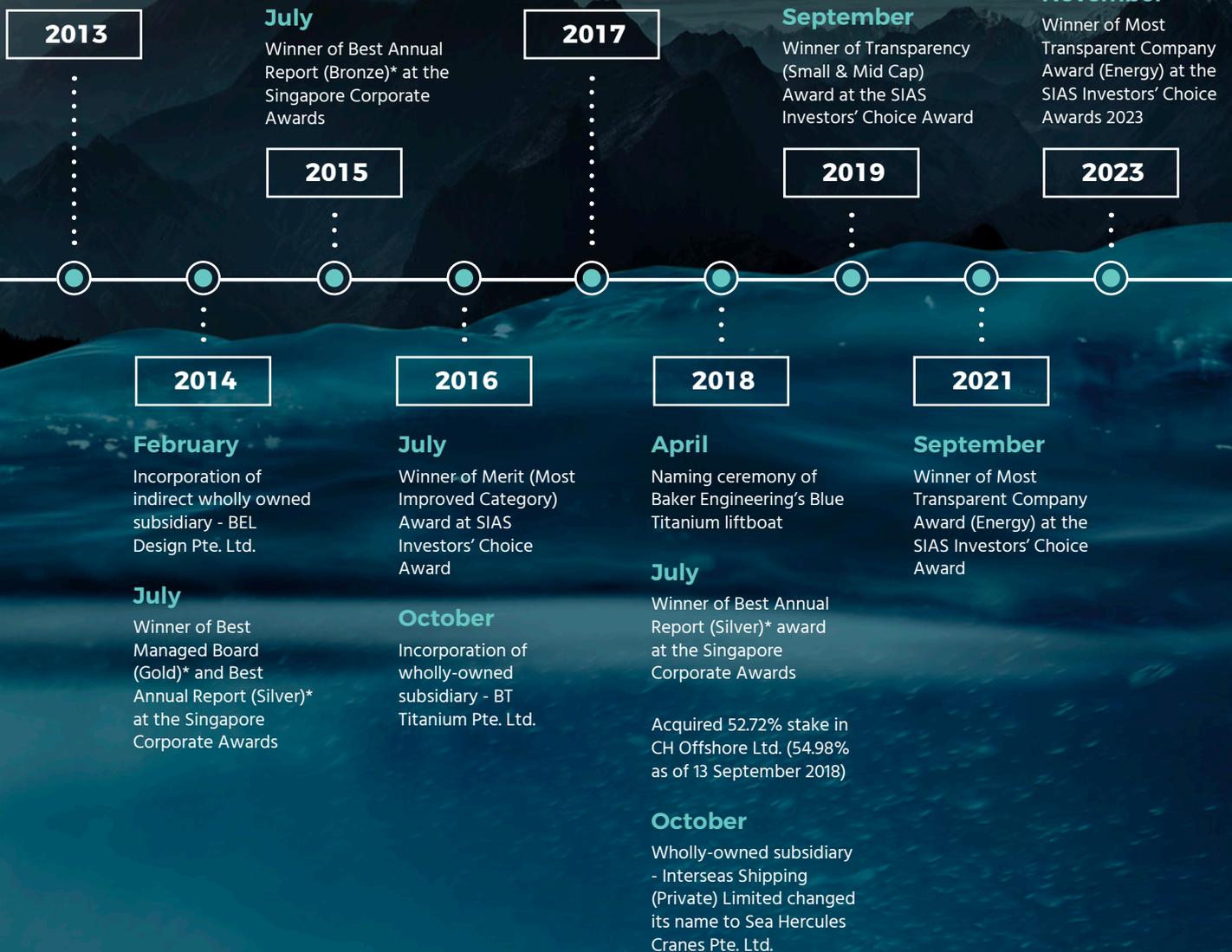
Winner of Best Annual Report (Bronze)* at the Singapore Corporate Awards

September

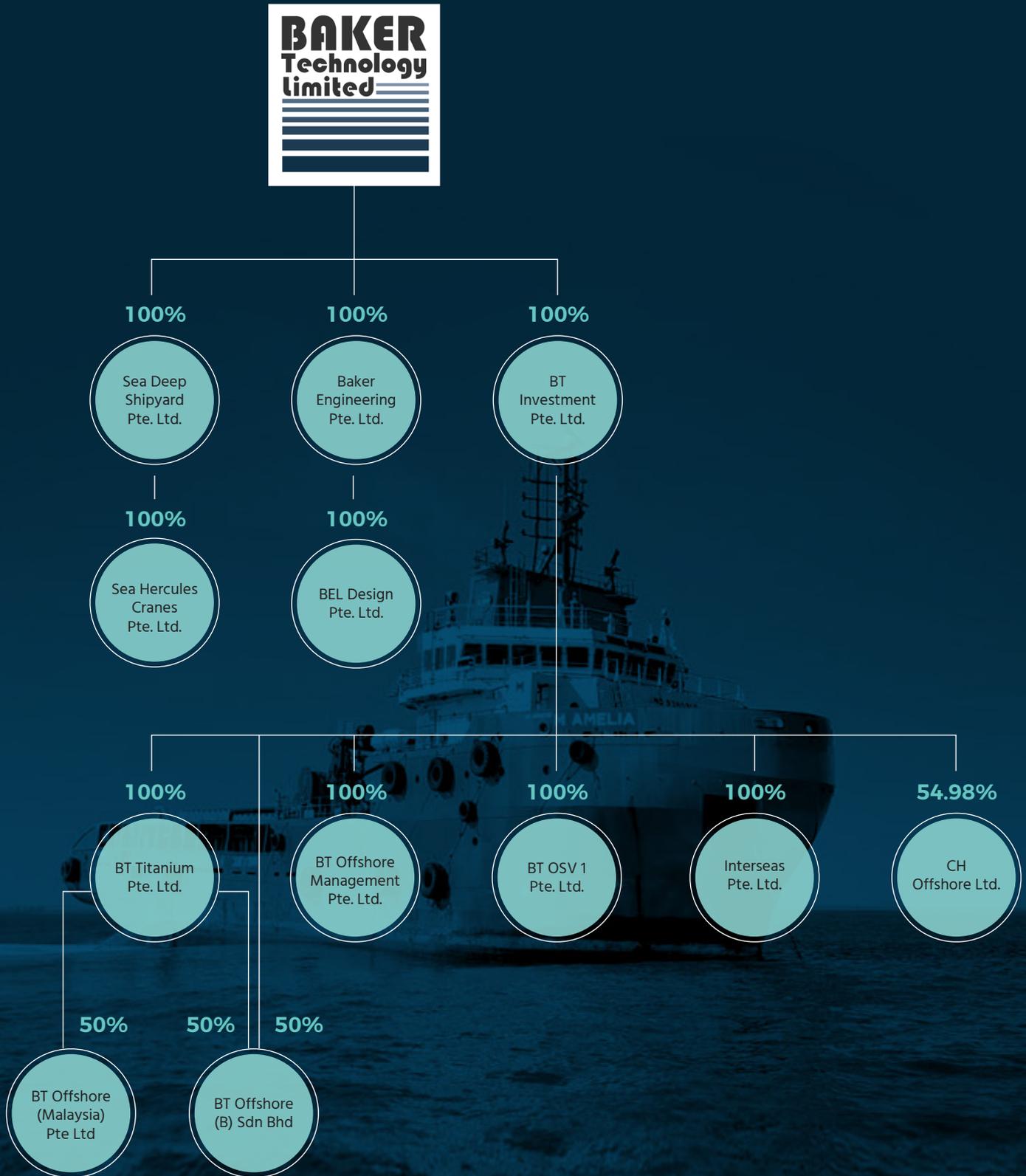
Winner of Best Chief Executive Officer* award at the Singapore Corporate Awards

November

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



Corporate Structure



Board Of Directors

Chairman

Mr Wong Meng Yeng (Independent)

Executive

Ms Jeanette Chang (Chief Executive Officer)
Dr Benety Chang

Non-Executive

Mr Tan Yang Guan
Mr Ang Miah Khiang (Independent)
Ms Han Sah Heok Vicky (Independent)
Mr Ajay Kumar Jain (Independent)
Mr Lim Jun Xiong Steven (Independent)
Mr Chong Weng Hoe (Independent)

Audit Committee

Mr Ang Miah Khiang (Chairman)
Ms Han Sah Heok Vicky
Mr Wong Meng Yeng
Mr Ajay Kumar Jain
Mr Lim Jun Xiong Steven
Mr Chong Weng Hoe

Nominating Committee

Mr Wong Meng Yeng (Chairman)
Ms Han Sah Heok Vicky
Ms Jeanette Chang
Mr Lim Jun Xiong Steven
Mr Chong Weng Hoe

Remuneration Committee

Ms Han Sah Heok Vicky (Chairman)
Mr Ang Miah Khiang
Mr Wong Meng Yeng
Mr Ajay Kumar Jain
Mr Lim Jun Xiong Steven
Mr Chong Weng Hoe

Company Secretary

Ms Lim Mee Fun

Registered Office

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

Share Registrar

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

Auditor

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

Audit Partner-In-Charge

Mr Yee Woon Yim
*(appointed since financial year ended
31 December 2019)*

Principal Bankers

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

Chairman's Message

Baker Technology Limited



In the face of the challenges elucidated above, sustainability comes into sharper focus. We are committed to continuing to reduce our carbon footprint by adopting new technology to improve energy efficiency in operations and use of low-carbon alternative energy sources as they become operationally and economically more viable.

Mr Wong Meng Yeng
Board Chairman,
Independent Director

Dear Shareholders,

On behalf of the Board of Directors ("Board"), I am pleased to present the Annual Report of Baker Technology Limited ("Baker Tech") and its subsidiaries (the "Group") for the financial year ended 31 December 2023 ("FY 2023").

Geopolitically, the world in 2023 was arguably no better, if not worse, than 2022 with the continuation of the Ukraine-Russian war, the addition of the Israel-Hamas conflict with its implications to the wider region (and pertinently, maritime shipping in the Red Sea) and the shifting sands of change with an enlarged BRICS, apart from other fomenting tensions in different parts of the world. Coupled with a slower global economy (with weaker-than-expected recovery in China), high interest rates/inflation and the era of global boiling (as ominously declared by the UN Secretary-General), the market continued to be uncertain with a weak growth outlook. Oil prices traded mainly rangebound between \$71.84 and \$96.55 per barrel for Brent Crude

Oil with the increase in price mainly in 3Q2023 spurred by Saudi Arabia cutting production in anticipation of a decrease 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 inflation in 2023 continued to abate from the highs in 2022, interest rates are expected to remain high into 2024 to further drive inflation lower to target levels. The attacks in the Red Sea, though currently without significant impact on oil production, have had an impact on supply chains as shipping vessels have been and continue to be diverted away thus increasing shipping times by 30% to 50% and increasing shipping costs (stemming from higher insurance costs etc). 2023 was certainly a year of ebb and flow.

The gap in supply and demand for offshore support vessels ("OSV") narrowed through 2023 with increasing demand in the oil and gas sector as

well as the offshore wind sector. In line with that, utilisation and vessel day rates improved across the OSV market albeit not evenly across sectors. Notwithstanding, the market, while inching towards, has yet to reach the tipping point of a discernible increase in new building activity. A number of major hurdles (including high interest rates, poor enthusiasm shown by lenders in the oil and gas space, requirement of upfront equity, increased construction costs) still have to be addressed¹.

We have continued on our sustainability journey with this being our second year disclosing our Scopes 1, 2 and 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 focussed 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.

Financial Performance Review

Group revenue saw a decrease of 7% from \$98.5 million in FY2022 to \$91.4m in FY2023, primarily due to lower fabrication revenue which was partially offset by higher chartering revenue in 2H2023. As a result of the lower revenue coupled with impairment loss on vessel and higher foreign exchange loss for FY2023, the Group reported a lower net profit of \$3.6 million for the current year, as compared to \$11.3 million for FY2022.

After taking into account non-controlling interests, net profit attributable to shareholders was \$8.3 million for FY2023 as compared to a net profit

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

attributable to shareholders of \$13.4 million for FY2022. Group shareholders' fund increased from \$212.9 million as at 31 December 2022 to \$218.6 million as at 31 December 2023 mainly due to net profit attributable to shareholders for the current year but partially offset by the payment of \$2.0 million dividend to shareholders and foreign currency translation loss of \$1.0 million arising from the consolidation of subsidiaries reported in foreign currencies.

Cash and cash equivalents increased from \$71.5 million as at 31 December 2022 to \$87.5 million as at 31 December 2023, mainly due to better operating cash flows during FY2023. With better cash flows, the Board is pleased to recommend a first and final cash dividend of 1.5 cents per share for FY2023.

Outlook

The global economy is expected to remain tepid as inflation remains stubborn and interest rates stay higher for longer. While interest rate cuts are expected, there is the spectre of a recession though perhaps more of a soft landing. The reduction in supply stemming from the commitment of OPEC+ countries to cut production, will likely keep oil prices from softening in early 2024. However, non-OPEC countries may increase production in response to growing demand even as geopolitical developments in the Middle East could disrupt global oil trade flows, thereby adding upward pressure on global oil prices.

A number of oil companies, with their strong balance sheets, are reviewing their exploration & production investments and have announced significant capital expenditure plans. For example, Petronas, in its three-year outlook, announced plans for more than 45 upstream projects and a number of decommissioning plans. This will drive up the need for a wide range of offshore support including rigs and offshore vessels. Coupled 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

and utilisation rates and corresponding vessel valuations.

All of the above are in the context of rising tensions, increasing polarisation and more frequent unprecedented weather extremes, any or the combination of which could affect demand or impact supply and drive up supply chain costs. We will continue to be conservative and manage our financials accordingly while focusing on improving our core capabilities and productivity to remain nimble to opportunities and challenges.

Sustainability

In the face of the challenges elucidated above, sustainability comes into sharper focus. We are committed to continuing to reduce our carbon footprint by adopting new technology to improve energy efficiency in operations and use of low-carbon alternative energy sources as they become operationally and economically more viable. We aim to reduce our Scope 2 emissions over the next few years with the introduction of solar panels.

Our employees are our most valuable asset and we are proud to report that in addition to achieving our zero-fatality target, one of our subsidiaries, Baker Engineering, had zero-reportable incidents in FY2023, thereby outperforming our HSE target. With health and safety being a key priority for all, we continued with a number of successful initiatives started in FY2022 including safety awards and in-house training and implemented a number of new initiatives including iCARE to allow employees to easily submit feedback on safety, security and other matters.

To promote psychological wellbeing, we organised social activities for our employees such as get togethers over meals and barbecues including our annual year end party and supported sporting activities. With cyber security and telephone scams being another key focus, we also organised for the Singapore Police Force to address our employees to educate them on how to avoid scams and conducted cyber

security training for office related employees.

Upholding our corporate governance policies is one of the main tenets of our company culture and we maintain our steadfast commitment to enforcing sound business practices, disclosing material information in a timely fashion and ensuring that we abide by all laws and regulations applicable to our business. With our company and supplier codes of conduct, we encourage our stakeholders to walk hand in hand with us in this effort.

In Appreciation

During the course of 2023, we announced additions to our Board and are delighted to welcome Mr Ajay Kumar Jain, Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe as Independent Directors. We look forward to their contributions from their respective fields and experiences.

At the conclusion of AGM 2024, Ms Vicky Han and Mr Ang Miah Kiang will retire as directors of the Company. On behalf of the Board and the Company, I would like to record my thanks to them for their wisdom, guidance, commitment and support during their tenure as independent directors and wish them all the best.

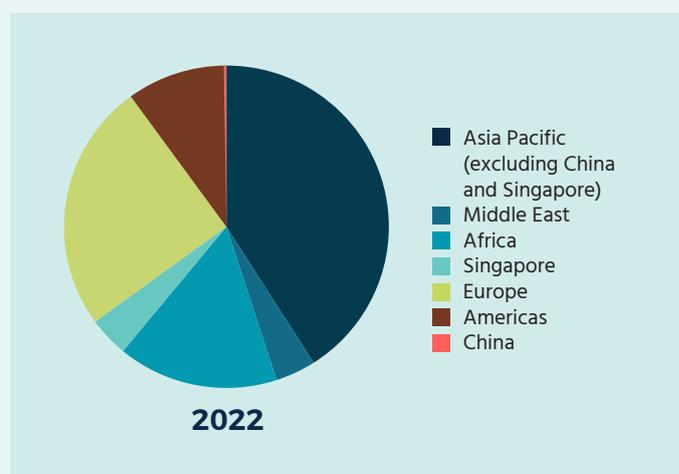
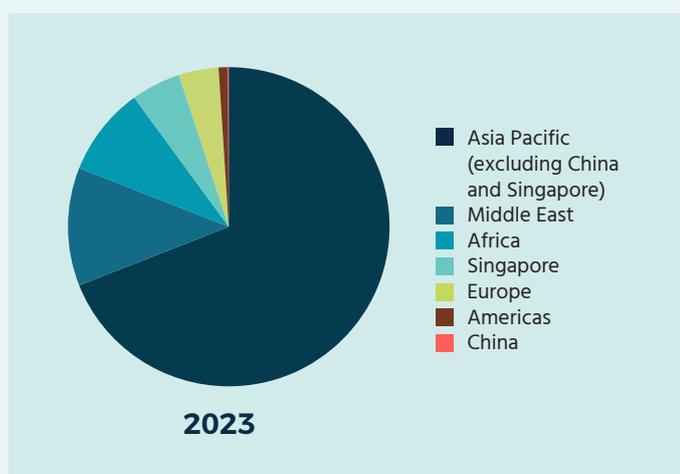
On behalf of my fellow Board members, I would like to thank our employees for their perseverance and commitment towards quality and excellence as we navigate together as a company through uncertain times. I would also like to express our sincere appreciation to our business partners, customers, shareholders and other stakeholders for their continuous support and belief in us. Finally to my fellow Directors, my deepest gratitude for their learned contributions and unstinting support through the year.

I look forward to the continued trust and support of all as we go through 2024.

Mr Wong Meng Yeng
Board Chairman,
Independent Director

The Group continues to focus on and derive its revenue from the marine offshore industry mainly within the oil and gas and renewables sectors. The Group reported a decrease of 7% in revenue for FY2023 primarily due to lower fabrication revenue but was partially offset by higher chartering revenue in 2H2023. About 69% (2022:41%) of Group revenue was from Asia Pacific (excluding China and Singapore) as the Group's liftboat, Blue Titanium, as well as the CHO vessels were mainly deployed in this region. During the year, the Group also saw its revenue from Europe reduce from \$24.2 million in FY2022 to \$3.9 million in FY2023 due to lower fabrication revenue.

Revenue By Geographical Area



	2023		2022	
	\$'000	%	\$'000	%
■ Asia Pacific (excluding China and Singapore)	63,151	69	40,857	41
■ Middle East	11,088	12	4,432	4
■ Africa	8,216	9	15,895	16
■ Singapore	4,146	5	3,584	4
■ Europe	3,900	4	24,229	25
■ Americas	875	1	9,445	10
■ China	39	0	59	0
Total	91,415	100	98,501	100

Income Statements

	2023 \$'000	2022 \$'000	Changes %	Explanatory Notes
Revenue	91,415	98,501	-7	Lower fabrication revenue but partially offset by higher chartering revenue in 2H2023
Cost of sales	(63,371)	(66,691)	-5	
Gross profit	28,044	31,810	-12	Lower gross profit in line with the reduction in revenue
Gross profit margin	31%	32%		
Other income / (expenses):				
Interest income	2,788	554	NM	Increase due to improvement in interest rates and higher deposits
Grant income	179	549	-67	Reduction due to the scale down of various governmental relief for COVID-19 since 2022
Foreign exchange loss	(2,180)	(526)	NM	Mainly due to the weakening of USD against SGD by about 1.9% during 2023 vs 0.6% during 2022
Impairment loss on vessel	(4,160)	-	NM	Recorded for one of CHO's owned vessels
Other sundry income	238	673	-65	Reduction mainly due to lower insurance claim income and scrap sales
Administrative expenses	(21,133)	(21,521)	-2	Reduction mainly due to lower allowance for expected credit losses in 2023 but partially offset by higher operating expenses
Finance cost	(554)	(536)	+3	
Profit before tax	3,222	11,003	-71	
Income tax credit	350	329	+6	Mainly due to the reversal of deferred taxation by CHO
Profit after tax	3,572	11,332	-68	
Attributable to:				
Owners of the Company	8,287	13,400	-38	
Non-controlling interests	(4,715)	(2,068)	+128	Due to share of higher losses for CHO
Profit after tax	3,572	11,332	-68	

NM denotes Not Meaningful

Cash Flows

	2023 \$'000	2022 \$'000	Changes %	Explanatory Notes
Cash from operating activities	29,592	19,203	+54	Increase due to improvement in operating conditions during the year
Cash used in investing activities	(8,385)	(1,766)	NM	Increase due to purchase of investment securities
Cash used in financing activities	(4,256)	(4,812)	-12	Reduction in repayment of borrowings partially offset by higher dividend payment to shareholders
Net increase in cash & cash equivalents	16,951	12,625	+34	
Effect of exchange rate changes on cash & cash equivalents	(897)	(918)	-2	
Cash & cash equivalents at beginning of year	71,467	59,760	+20	
Cash & cash equivalents at end of year	87,521	71,467	+22	

Balance Sheets

	2023 \$'000	2022 \$'000	Changes %	Explanatory Notes
Non-current assets				
Property, plant & equipment	134,048	149,063	-10	Reduction due to depreciation charge and impairment loss on vessel during the year
Right-of-use assets	8,277	2,043	NM	Increase due the 20-year lease extension for one of the Group's JTC premises
Intangible assets	258	517	-50	Reduction due to amortisation charge during the year
Investment securities	7,691	2,756	+179	Due to additional purchases during the year
	150,274	154,379	-3	
Current assets	129,180	117,365	+10	Increase mainly due to increase in cash and short-term deposits of \$16.1 million, but partially offset by the reduction in contract assets and trade receivables
Current liabilities	(25,864)	(22,402)	+15	Increase mainly due to higher trade payables and accruals
Net current assets	103,316	94,963	+9	
Non-current liabilities				
Deferred tax liabilities	(1,028)	(2,825)	-64	Decrease due to reversal of liabilities during 2023
Loans and borrowings	(8,170)	(2,961)	+176	Increase in lease liabilities corresponding to the recognition of Right-of-use assets in relation to the 20-year JTC lease extension for one of the Group's JTC premises
Provision	(1,800)	(1,550)	+16	
	(10,998)	(7,336)	+50	
Net assets	242,592	242,006	-	
Share capital	108,788	108,788	-	
Retained earnings	108,320	102,062	+6	Due to net profit of \$8.3 million reported for the year, partially offset by payment of \$2.0 million dividend to shareholders
Other reserves	1,505	2,013	-25	Reduction mainly due to foreign currency translation loss, partially offset by fair value gains on investment securities
Shareholders' equity	218,613	212,863	+3	
Non-controlling interests	23,979	29,143	-18	Relates to minority share of losses reported by CHO in 2023
Total equity	242,592	242,006	-	

NM denotes Not Meaningful

Half Year Results

	1H \$'000	2H \$'000	Full Year \$'000
Revenue			
2023	39,373	52,042	91,415
2022	47,128	51,373	98,501
Gross Profit			
2023	11,682	16,362	28,044
2022	17,330	14,480	31,810
Profit After Tax			
2023	1,497	2,075	3,572
2022	9,088	2,244	11,332
Profit After Tax (Excluding Foreign Exchange Gain/Loss)			
2023	1,203	4,549	5,752
2022	7,780	4,078	11,858
Profit Attributable To Owners Of The Company			
2023	4,116	4,171	8,287
2022	9,021	4,379	13,400

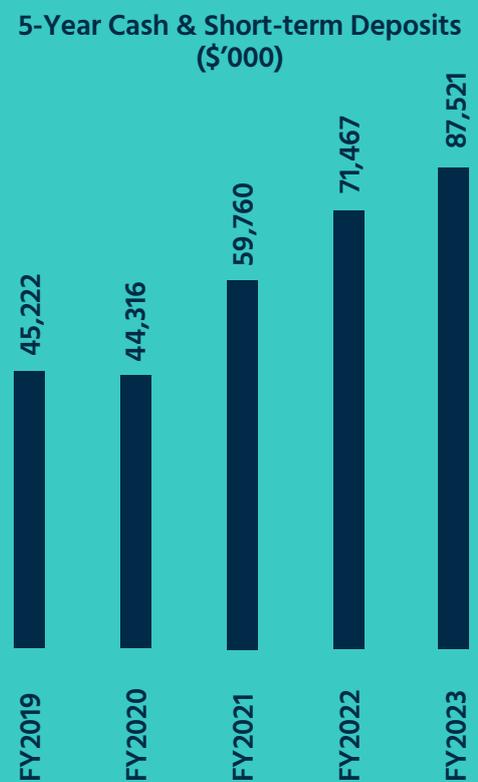
The Group reported higher revenue and net profit after tax for 2H2023 as compared to 1H2023. This is primarily due to higher gross profit of \$4.7 million and lower allowance for expected credit losses of \$1.4 million in 2H2023, partially offset by impairment loss on a CHO vessel of \$4.2 million and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

Despite Group revenue increasing from 1H2022 to 2H2022, the Group reported a lower net profit after tax for 2H2022 as compared to 1H2022. This is primarily due to lower gross margin, higher allowance for expected credit loss and higher foreign exchange losses for 2H2022.

Five-Year Financial Highlights

Baker Technology Limited

	FY2019 \$'000	FY2020 \$'000	FY2021 \$'000	FY2022 \$'000	FY2023 \$'000
Financial Performance					
Revenue	64,482	63,164	69,497	98,501	91,415
Gross profit	17,260	8,832	18,177	31,810	28,044
Share of results from associates	(4,953)	-	-	-	-
Pre-tax profit / (loss)	(16,920)	(25,907)	2,440	11,003	3,222
Profit / (loss) after tax	(17,941)	(25,933)	2,886	11,332	3,572
Profit / (loss) for the year attribute to Owners of the Company	(9,392)	(13,797)	5,886	13,400	8,287
Financial Position					
Total assets	296,705	263,504	266,251	271,744	279,454
Cash and short-term deposits	45,222	44,316	59,760	71,467	87,521
Net current assets	50,402	53,024	75,695	94,963	103,316
Loans and borrowings	16,065	17,557	15,076	11,278	16,176
Shareholders' equity	209,330	194,053	201,093	212,863	218,613
Non-controlling interests	46,140	33,636	31,360	29,143	23,979
Per Share Data (cents)					
Earnings per share	(4.6)	(6.8)	2.9	6.6	4.1
Ordinary dividend per share	0.5	-	0.5	1.0	1.5
Cash per share	22.3	21.8	29.5	35.2	43.1
Net asset per share	103.2	95.7	99.1	104.9	107.8
Other Information					
Return on shareholders' equity	-7%	-11%	1%	5%	2%
Return on assets	-6%	-10%	1%	4%	1%
Dividend cover	-9.3%	N/A	5.8%	6.6%	2.7%
Stock Information					
Number of shares on issue ('000)	202,878	202,878	202,878	202,878	202,878
Highest / lowest share price (cents)	53.5 / 36.0	40.5 / 18.0	46.5 / 22.0	66.5 / 38.0	68.5 / 50.0
Year-end share price (cents)	38.0	23.5	39.5	65.0	52.0
Year-end market capitalisation (\$'m)	77.1	47.7	80.1	131.9	105.5



Five-Year Financial Performance

FY2019

Group revenue increased 97% from \$32.7 million in 2018 to \$64.5 million in 2019 mainly due to a full-year impact from CHO. However, as charter rates remained soft during the year, the Group reported net loss after non-controlling interests of \$9.4 million for FY2019. The higher share of losses from CHO's Indonesian associated company from losses on vessel disposal and provision for brokers' commission, following the results of the arbitration proceedings brought by three ship brokers against CHO during the year, contributed to the net loss.

However, the Group's cash position remained healthy and stood at \$45.2 million as at 31 December 2019, up 56% from \$28.9 million a year ago.

FY2020

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

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

FY2021

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

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

FY2022

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

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

FY2023

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

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

Baker Engineering Pte. Ltd.

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

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

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

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



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



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

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

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

Sea Deep Shipyard Pte. Ltd.

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

Operates out of a waterfront yard in Singapore, equipped with production facilities, office buildings and workshops.

Produces high quality steel products and components for new builds, repairs and upgrades for jackup rigs and liftboats including racks and chords.

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

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



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

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

Sea Deep's Range Of Products And Services Includes:



Offshore Pedestal Cranes: Sea Hercules Kingpost Crane



Design and Engineering Services



Mechanical Handling Equipment



Steel Products and Components Fabrication: Rack Chords and Pinions



Ancillary Equipment: Elevating Systems, Skidding Systems, Raw Water Towers and Winches



Project Management and Turnkey Conversions with its Proprietary Designs



Maintenance and Repair Services for Existing Offshore Equipment including Cranes, Jacking Systems, Raw Water Towers, etc.

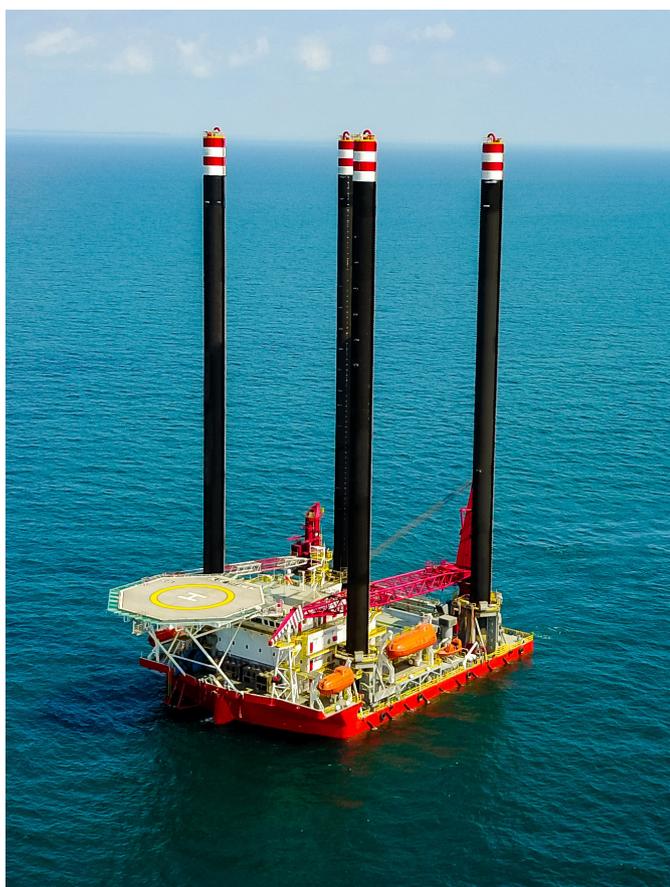
BT Investment Pte. Ltd.

September 2013

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

October 2016

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



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

June 2017: BT Offshore (Malaysia) Pte Ltd
(in Labuan, Malaysia)

May 2018: BT Offshore (B) Sdn Bhd
(in Brunei Darussalam)

August 2018: BT OSV 1 Pte. Ltd.



July 2018

BT investment acquired a 52.72% stake in CH Offshore Ltd. ("CHO"). Baker Tech's stake in CHO increased to 54.98% in September 2018.



September 2018

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

CH Offshore Ltd.

Incorporated as Mico Line Pte Ltd in March 1976



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

July 2018

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



September 2018

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

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

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

The vessels provide offshore support services such as offshore construction support, towing, anchor-handling, supply of deck, liquid and dry bulk cargoes and field support services. They are deployed across the globe from Mexico, Africa, India to South-East Asia among other locations.

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

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



Passion



Respect



Integrity



Honesty



Monetary Discipline



Excellence

Board of Directors



Mr Wong Meng Yeng

Board Chairman,
Independent Director

Appointed to the Board on 3 June 2010 and currently the Chairman of Baker Technology Limited (“Baker Tech”), Mr Wong was last re-elected as Director on 28 April 2021. As an Independent Director, Mr Wong chairs the Nominating Committee and is also a member of the Audit and Remuneration Committees. Mr Wong is due to retire by rotation at the forthcoming AGM and will be seeking re-election as Director at the AGM.

Mr Wong has been an advocate and solicitor in Singapore since 1984 and practices corporate commercial law. He is currently a director of Alliance LLC, a law firm in Singapore, since 2001. He is also an independent director of Multi-Chem Limited. Mr Wong was previously an independent director of KS Energy Limited and Keong Hong Holdings Limited.

Mr Wong holds a Bachelor of Laws (Honours) Degree from the National University of Singapore and is a member of the Singapore Institute of Directors.



Ms Jeanette Chang

Chief Executive Officer,
Executive Director

Appointed to the Board as Executive Director on 1 September 2013, Ms Chang was redesignated to the position of Chief Executive Officer (“CEO”) of Baker Tech on 1 January 2019 and appointed as a member of the Nominating Committee on 14 February 2019. Ms Chang was last re-elected as Director on 28 April 2021. Ms Chang is responsible for the overall management of the Group. Ms Chang is due to retire by rotation at the forthcoming AGM and will be seeking re-election as Director at the AGM.

Ms Chang is also a Non-Executive Non-Independent Director of CH Offshore Ltd. (“CHO”). She has an engineering and finance background having previously worked with Mott MacDonald Group in London on UK and Singapore engineering projects. Prior to joining the Company, Ms Chang was a Director in the Equity Capital Markets team at Barclays Bank PLC where she worked for nine years. She has significant experience in corporate finance especially in relation to fund raising in the capital markets.

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



Dr Benety Chang

Executive Director

Appointed as Director and CEO of Baker Tech since 5 May 2000, Dr Chang stepped down as CEO on 31 December 2018. Dr Chang remains an Executive Director of the Company. Dr Chang is the major shareholder of the Company and was last re-elected as Director on 28 April 2023.

Dr Chang is the CEO and Executive Director of CHO, a subsidiary of Baker Tech. Dr Chang has extensive experience in the offshore oil and gas industry and was the major founding shareholder and CEO of PPL Shipyard Pte Ltd until his resignation in July 2012.

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



Mr Tan Yang Guan
Non-Executive,
Non-Independent Director

Appointed a Non-Executive Non-Independent Director of Baker Tech since 5 May 2000, Mr Tan was last re-elected as Director on 28 April 2023.

Mr Tan is a consultant of Baker Tech from 1 July 2009, providing financial advice and overview for the Group. He has more than 30 years of experience in the oil and gas industry. He was the Finance Director of PPL Shipyard Pte Ltd from December 1997 to November 2012 and was responsible for all its financial matters, including accounting, financial and treasury functions.

Mr Tan is a Senior Accredited Director and member of the Singapore Institute of Directors. He is a fellow of the Association of Chartered Certified Accountants of the United Kingdom, a fellow of the Institute of Singapore Chartered Accountants.



Mr Ang Miah Khiang
Independent Director

Appointed to the Board on 1 November 2013, Mr Ang was last re-elected as Director on 28 April 2022. Mr Ang chairs the Audit Committee and is also a member of the Remuneration Committee.

Mr Ang is currently Director, Strategic Development of Dynamic Resources Pte Ltd, a distributor of baby products.

He spent the greater part of his career in the small-medium enterprise financing business, having held the position of Managing Director of GE Commercial Financing (S) Ltd (formerly known as Heller Financial (S) Ltd). He was also concurrently regional director for GE related businesses in the Asia Pacific. He was previously an independent director of SK Jewellery Group Limited and PS Group Holdings Ltd.

Mr Ang holds a Bachelor of Accountancy degree from the University of Singapore and is a Fellow Chartered Accountant of Singapore.



Ms Han Sah Heok Vicky
Independent Director

Appointed to the Board on 1 December 2013, Ms Han was last re-elected as Director on 28 April 2022. Ms Han is an Independent Director and the Chairman of Remuneration Committee, and is also a member of the Audit and Nominating Committees.

Ms Han is currently a director of BA Contracts Pte Ltd, a company that is principally engaged as a wholesaler, importer and exporter of various building materials and as a subcontractor in the building and construction industry.

Ms Han holds a Bachelor of Accountancy degree from the National University of Singapore and she has worked with various banking and financial institutions in Singapore, specialising in providing corporate finance services.



Mr Ajay Kumar Jain
Independent Director

Appointed to the Board on 12 June 2023, Mr Jain is an Independent Director and a member of the Audit and Remuneration Committees. Mr Jain is due to retire at the forthcoming AGM and will be seeking re-election as Director at the AGM.

Mr Jain has more than 25 years of experience in corporate and institutional banking, primarily at Standard Chartered Bank & Deutsche Bank. He is currently the Head of Corporate & Institutional Banking, Emirates NBD Bank, Singapore. Mr Jain holds a Bachelor of Science degree from Punjabi University in India.

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



Mr Lim Jun Xiong Steven
Independent Director

Appointed to the Board on 1 December 2023, Mr Lim is an Independent Director and a member of the Audit, Nominating and Remuneration Committees. Mr Lim is due to retire at the forthcoming AGM and will be seeking re-election as Director at the AGM.

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

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



Mr Chong Weng Hoe
Independent Director

Appointed to the Board on 1 December 2023, Mr Chong is an Independent Director and a member of the Audit, Nominating and Remuneration Committees. Mr Chong is due to retire at the forthcoming AGM and will be seeking re-election as Director at the AGM.

Mr Chong began his career at TUV SUD PSB Pte Ltd as an engineer before progressing to Vice President (Electromagnetic Compatibility), and then to Senior Vice President (Testing). He was appointed CEO in 2008, overseeing operations in ASEAN countries including Singapore, Malaysia, Thailand, Vietnam, Indonesia, and the Philippines. After stepping down as CEO in 2013, he continued as a director, supporting regional business development. Mr Chong currently holds the position of Executive Vice President, Global Head of Service Line for EMC (Electromagnetic Compatibility), at TUV SUD Asia Pacific Pte Ltd on a part-time basis. He also serves as an Independent Director for HC Surgical Specialists Limited, ISEC Healthcare Ltd and Hong Fok Corporation Limited.

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

Key Executives



Mr Tan Kiang Kherng

Chief Financial Officer

Mr Tan joined the Group in June 2002 as Financial Controller and is currently the Chief Financial Officer of the Group. He is also a Non-Executive Non-Independent Director of CHO. He is responsible for all financial matters of the Group, including financial reporting, strategic financial planning, treasury and internal controls. Prior to that, Mr Tan was a Senior Audit Manager with Ernst & Young, Singapore.

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



Mr Tan Wee Lee

Managing Director
Baker Engineering Pte. Ltd.
Sea Deep Shipyard Pte. Ltd.
Sea Hercules Cranes Pte. Ltd.

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

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

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



Lim Tze Kern, Kenny

Managing Director
CHO Ship Management Pte. Ltd.

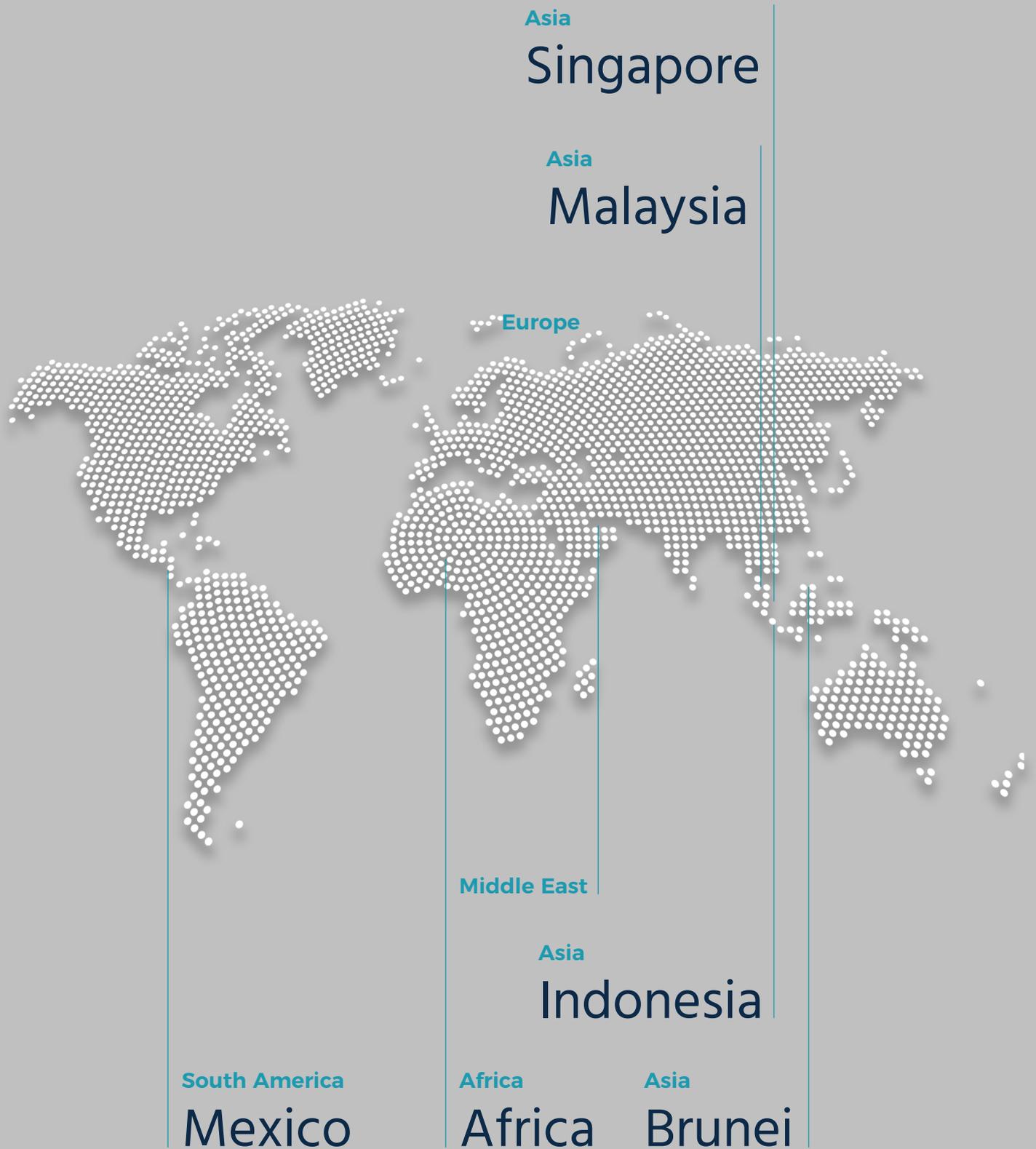
Mr Lim Tze Kern Kenny is the Managing Director of CHO Ship Management Pte. Ltd. ("CHOSM"), a wholly owned subsidiary of CHO. He is responsible for upholding successful company operations, implementing business strategies, fostering external business relationships and driving the company's profitability.

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 Offshore Support Vessels ("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.

Geographical Presence



Our Year In Summary

As part of the phased implementation of our sustainability strategy, in 2022, we started tracking our **Scopes 1, 2 and 3** energy usage and emissions



We have implemented multiple trainings, initiatives, processes and strategies to address our Economic, Environmental, Social and Governance material factors



Maintained at least **22%** female representation on the Board since 2013



Winner of Most Transparent Company Award (Energy) organised by the Securities Investors Association of Singapore

Best Chief Executive Officer (Companies with less than \$300 million in market capitalisation) at Singapore Corporate Awards



0 incidents of discrimination in the workplace across our operations

0 work-related fatalities across our operations

0 reportable incidents for Baker Engineering

0 breaches in ethics and governance

0 breaches in privacy or loss of personal data



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

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



We are incorporating **7** of the United Nations Sustainable Development Goals as a supporting framework.

Board Sustainability Statement

Our Board of Directors (“**Board**”), together with our Executive Officers and Management team, looks beyond the typical Economic, Environmental, Social and Governance (“**EESG**”) factors to create long-term value for all of our stakeholders through responsible business practices for a sustainable future for the Group. As a responsible manufacturer and provider of specialised marine offshore equipment and services to the oil and gas and renewables sectors, we are committed to taking steps to address climate-related risks while seizing climate-related opportunities.

With this commitment, the Board takes a comprehensive approach and considers a myriad of sustainability issues covering the range of EESG factors in developing the Group’s sustainability strategy. The Board meets on an annual basis to review the Group’s strategy and budget during which climate-related issues will be considered alongside other issues of concern to the Group. To this end, the Board has set EESG related topics as a regular agenda at Board meetings.

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



About The Report

This Sustainability Report (“**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, presenting the Group’s sustainability strategy focused on four key pillars: Economic, Environmental, Social and Governance, provides an overview of our management approach and maps the Group’s progress in its ongoing sustainability journey.

This Report has been prepared with reference to the Global Reporting Initiative (“**GRI**”) Standards and the relevant GRI 11 Oil and Gas sector standard. The GRI Standards were selected as our main reporting framework as they are internationally recognised and relevant for all our stakeholder groups. The GRI Content Index can be found on pages 49 to 52 of this Annual Report. This Report also takes into account the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”) and the Singapore Exchange-ST Listing Rules 711A, 711B and Practice Note 7.6 Sustainability Reporting Guide. As part of our phased approach, this year, we are also supporting the achievement of the United National Sustainable Development Goals (“**SDGs**”) and have incorporated 7 of the SDGs as a supporting framework.

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

Although external assurance has not been sought for this year’s Report, an internal review of our sustainability reporting processes (including key aspects of this Sustainability Report) was conducted by our Internal Auditor, MS Risk Management Pte. Ltd. on a cyclical basis, as part of their internal audit plan.

As part of our sustainability efforts, we have elected for electronic transmission of our Annual Report 2023, and related Appendix (in relation to the renewal of the share buyback mandate) which are published on the Group’s corporate website at www.bakertech.com.sg. 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 sustainability@bakertech.com.sg.

Stakeholders

GRI 2-29

The Group's long-term sustainability journey begins with the identification of our stakeholders. To strengthen our relationships with our stakeholders, we facilitate varying engagements throughout the year for the different stakeholder groups as they provide valuable inputs towards determining our material focus areas.

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

Key Stakeholders	Forms Of Engagement	Key Topics	Our Commitment
Internal Employees 	<ul style="list-style-type: none"> • Staff memos and emails • Staff meetings • Training and development programmes • Performance appraisals • Health and wellness programmes • Safety briefings • Regular gatherings • Compensation and benefits framework 	<ul style="list-style-type: none"> • Staff memos and emails • Mental welfare and wellbeing • Career and personal development • Employee engagement • Employee benefits and compensation 	<p>We are focused on providing equal opportunities and fair compensation and benefits. We provide clear policies and procedures to serve as a guide for our employees. As part of protecting employee's mental and physical health and well-being, we continue to prioritise occupational health and safety and also provide learning and career development opportunities.</p>
External Community and Environment 	<ul style="list-style-type: none"> • Community outreach initiatives • Donations • Environmentally focused activities • Internship programme 	<ul style="list-style-type: none"> • Stakeholder engagement • Corporate social responsibilities • Social development Internship experience 	<p>We continue to engage the local community by supporting various not-for-profit charitable causes and other organisations to better improve the lives of people in the communities around us. We also carry out our operations in a responsible manner to contribute to environmental sustainability.</p> <p>We are committed to providing training opportunities to students to develop long term interest in the oil and gas and renewables sectors and the possibility of the offer of employment of suitable candidates.</p>

Key Stakeholders	Forms Of Engagement	Key Topics	Our Commitment
External Customers and Business Partners 	<ul style="list-style-type: none"> • Teleconferences and email • Meetings • Corporate website • Business development events • Audits • Customer satisfaction surveys 	<ul style="list-style-type: none"> • Product quality • Health and safety compliance • Solutions to address customers' requirements 	<p>We strive to develop and maintain long-term relationships with our customers by providing reliability, on-time delivery, high quality, customisation and solutions to fulfil their requirements and maximise customer satisfaction. We are committed to providing prompt responses to enquires and feedback.</p>
Government and Regulators 	<ul style="list-style-type: none"> • Ongoing communication with relevant authorities • Teleconferences and email • Meetings and forums • Surveys • Inspections/site visits • Audits 	<ul style="list-style-type: none"> • Regulatory and legal procedures and practices • Investment opportunities • Environmental compliance 	<p>Compliance with regulatory and legal procedures and practices is of critical importance. We ensure timely transparent disclosure, responses and adaptation to new or revised requirements and to surveys and requests for feedback.</p> <p>We adopted the Approved Code of Conduct in relation to Chief Executives' and Board of Directors' Workplace Safety and Health duties which was issued in 2022.</p>
Suppliers and Contractors 	<ul style="list-style-type: none"> • Perform assessment and continuous monitoring of key suppliers and contractors • Meetings • Teleconferences and email 	<ul style="list-style-type: none"> • Business relationships and ethical business practices • Fair and equal treatment • Responsible procurement practices • Environmental compliance • Timely supply of products and services 	<p>To be sustainable, we have to work hand in hand with our suppliers and contractors and together, we establish strong rapport and long-standing relationships built on mutual trust and integrity. We support our suppliers and contractors to enable them to provide competitive pricing for good quality products and also to abide by our Group's policies and procedures.</p>

Key Stakeholders	Forms Of Engagement	Key Topics	Our Commitment
External Shareholders and Investing Community 	<ul style="list-style-type: none"> • Annual reports • General meetings • Websites and SGXNET Announcements 	<ul style="list-style-type: none"> • Economic performance, corporate governance and business strategy 	<p>To develop confidence and trust in our Group, we ensure accurate and transparent disclosure of the Group's business developments to shareholders and the investing community on a timely basis. All financial results and announcements are published on SGXNET and the Group's website at www.bakertech.com.sg. We seek to address shareholder queries in accordance with prevailing regulations. Each operating subsidiary within the Group has its own website focusing on its unique company profile, ongoing projects and operations.</p>

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

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

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

Financial Calendar 2024

Announcement of FY2023 Second Half and Full Year Results	February
Publication of Annual Report and Annual General Meeting	April
Announcement of Half Yearly Results	July
End of Financial Year 2024	December 31 st

Materiality Assessment

GRI 3-1, 3-2

On an annual basis, the Group reviews its material topics to account for changes in the impact (both positive and negative) on stakeholders. In line with this, in FY2022, the Group adopted the steps identified below and conducted a materiality assessment, considering and incorporating inputs from stakeholder engagement, emerging market trends, changes in regulations, climate-related risks and opportunities and economic drivers. After careful evaluation of the impact each topic has on the organisation and stakeholders, the Group’s list of material sustainability topics was revised with reference to the GRI Universal Standards 2021.

Materiality Methodology:

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

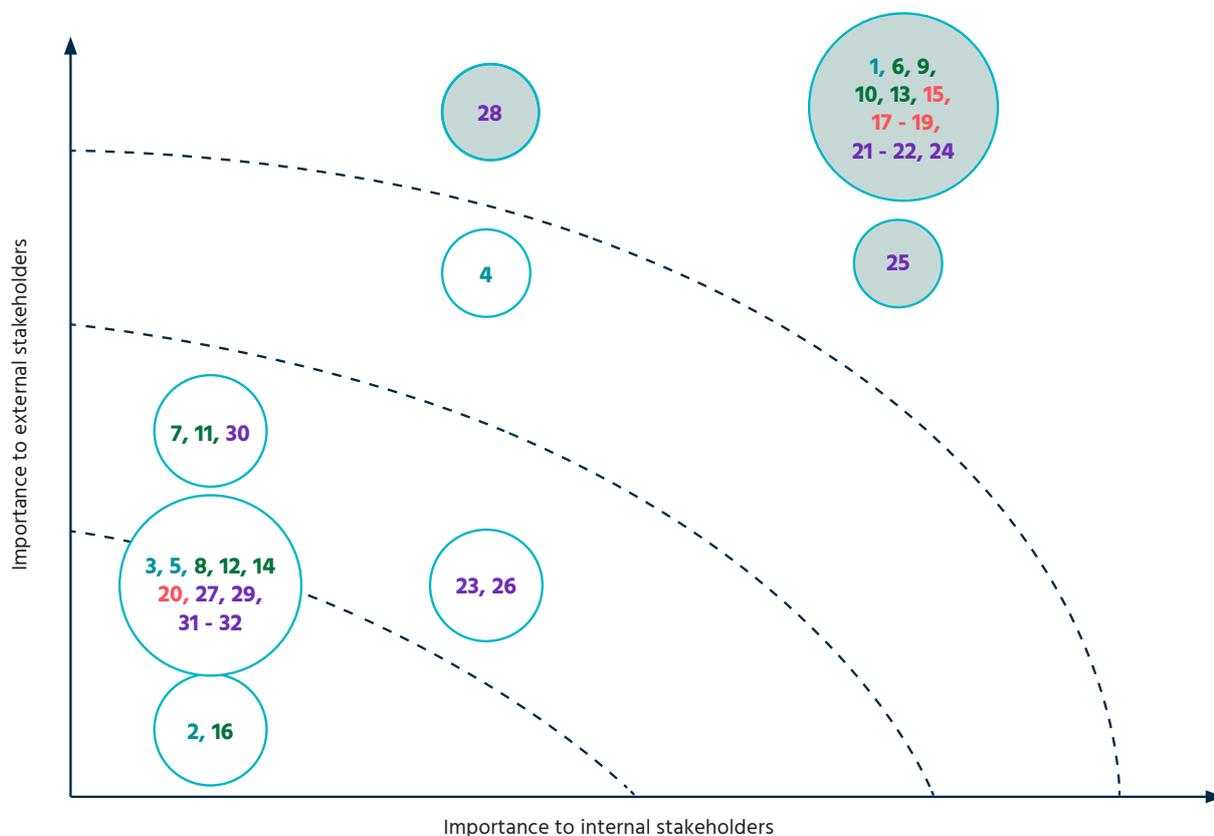
PRIORITISE: Prioritise the material topics based on decisions of stakeholders, legal/regulatory aspects affecting the Group directly or indirectly and our sustainability goals

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 shaded circles in the chart). We have also reviewed the sector standard for oil and gas, GRI 11, and have included additional material topics in our materiality chart below.



ECONOMIC

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

GOVERNANCE

15. Anti-Corruption
16. Anti-Competitive behaviour
17. Cyber security and data protection
18. Whistleblowing
19. Risk Management
20. Public Policy

ENVIRONMENTAL

6. Energy
7. Water and Effluents
8. Biodiversity
9. GHG Emissions
10. Waste
11. Supplier Environmental Assessment
12. Materials
13. Climate adaptation, resilience and transition
14. Air emissions

SOCIAL

21. Human rights
22. Employment
23. Labour management relations
24. Occupational health and safety
25. Training and education
26. Freedom of association
27. Security practices
28. Local communities
29. Supplier social assessment
30. Customer health and safety
31. Marketing and labelling
32. Customer Privacy

Key material topics of highest importance to both internal and external stakeholders are:

Pillars	Focus Areas	Material Topics standard disclosures	Relevant GRI topics
Economic	Economic Excellence	<ul style="list-style-type: none"> Economic performance 	201-1 to 201-4
Environmental	Environmental Sustainability	<ul style="list-style-type: none"> Task Force On Climate-Related Financial Disclosures Energy Emissions Waste 	302-1 to 302-4 305-1 to 305-7 306-1 to 306-5
Social	People Focus	<ul style="list-style-type: none"> Employment Training and Education Diversity and Equal Opportunity Non-discrimination 	401-1 to 401-3 404-1 to 404-3 405-1 406-1
	Total Workplace Safety and Health	<ul style="list-style-type: none"> Occupational Health and 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 06
Financial Review	Page 09
Five-Year Financial Highlights	Page 12
Compensation, Benefits and Engagement	Page 42
Risk Management	Page 47
Financial Content	Page 74

In FY2023, the Group received \$179,000 in financial assistance from the Singapore government, comprising amongst others, Job Growth Incentive, government regulated leave benefits (including childcare leave and) productivity solutions grants and development grants.

The Job Growth Incentive was introduced in September 2020 by the Singapore government to support employers to expand local hiring. The Group also received grants from Enterprise Singapore in support of projects and technology adopted by the Group.



Environmental Sustainability

GRI 302-1 to 302-4, 305-1 to 305-7, 306-1 to 306-5



This material topic has been considered using both the GRI Standards as well as the framework developed by the Task Force on Climate-related Financial Disclosures (“TCFD”). The four key pillars as recommended by TCFD are discussed below.

Governance

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

The EMS Committee comprises Management and sustainability champions from various departments within the Group, including quality assurance and control, health and safety and production. The role of the EMS Committee is to ensure that our sustainability policy and objectives are established and compatible with the Group’s strategic direction, implement and integrate our sustainability procedures into our Group’s business processes and provide updates to management on a regular basis. The EMS Committee meets every six months to discuss sustainability initiatives and progress on such initiatives and may appoint third party vendors to assist in developing or advancing any aspect of the Group’s sustainability strategy. The EMS Committee is supported by the Management Representative Committee (“MRC”) which includes Management and departmental and section heads from across the Group. The MRC is responsible for matters relating to quality, environmental, safety and health of the Group and meets on a monthly basis to inspect the Group premises, discuss observations, issues and changes in regulations and execute the implementation of sustainability procedures amongst other activities.

Strategy

Climate-related risks and opportunities are identified and integrated into our Group’s environmental management system and business strategy through annual strategy board meetings and regular meetings of the EMS Committee, MRC and Management. 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 as well as material EESG topics and providing sustainability training to our employees, we are better placed to develop our long-term business strategy to manage 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 to address changes in 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 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. We are ready to improve the energy efficiency of our operations and adopt low-carbon alternative energy sources as they become operationally and economically viable.

Risk Management

Climate-related risks are identified and assessed through our enterprise risk management framework (“ERM Framework”). Management and Executive Officers proactively and regularly review the business operations and the environment in which the Group operates in order to identify areas of risks and ensure mitigating measures are promptly developed to address these risks. Such risks would include climate-related risks. As part of the ERM Framework, risk registers were established to document the key risks, risk appetite, risk tolerance, risk evaluation and mitigating controls. Management regularly reviews the key risks, both existing and emerging; determine the key owners for the risks identified; ensures risk mitigation actions are promptly and properly implemented; and ensures policies and controls are complied with. Management reports to the Audit Committee on the risk register on a half yearly basis. Appropriate mitigating actions in managing the key risks, as well as action plans to address the gaps are considered, documented and implemented to safeguard shareholders’ interests and the Group’s assets. In addition to managing climate-related risks and opportunities under the ERM Framework, our main operational subsidiary is certified to ISO 14001 Environmental Management Systems standard (which provides a framework for organisations to manage environmental aspects, fulfil compliance obligations and address risks and opportunities). External and internal environmental audits are conducted annually as part of the ISO 14001 assessment framework. Additional training focused on sustainability (e.g. climate related issues and productivity solutions including Industry 4.0) will help integrate sustainability into our culture and mindset and thus address climate-related risks and opportunities more holistically.

Metrics and Targets

We use a set of metrics to assess climate-related risks and opportunities in line with our strategy and risk management process. FY2022 was the first year that these metrics were tracked and so FY2023 will be compared to this benchmark. As we gain more experience in tracking such metrics, we plan on improving and expanding on our reporting metrics. Our climate-related metrics include:

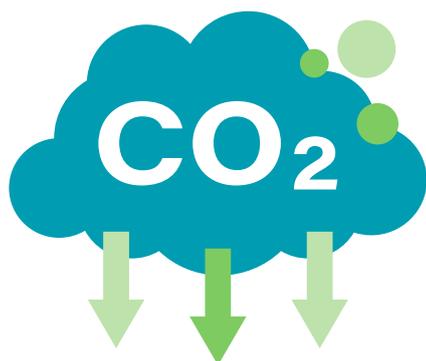
- Scope 1 and 2 GHG emissions
- Selected Scope 3 GHG emissions (i.e. business travel, employee commuting)

Energy and Emissions

GRI 2-27, 302-1 to 302-4, 305-1 to 305-7

We are mindful of our impact on the environment and believe that proactive management of our environmental footprint can enable us to weather climate-related risks and build on climate-related opportunities. We are focused on improving our carbon emission intensity factors, reducing waste generation, improving productivity and increasing sustainability mindshare. To that end, environmental sustainability features prominently in our strategic decision-making processes whether in relation to capital expenditure, operational decisions or investment decisions. Our environmental sustainability efforts are driven by our EMS Committee, supported by our MRC and overseen by our Board of Directors. The MRC addresses the practical aspects of implementing environmentally friendly measures and initiatives. As mentioned, our main operating subsidiary is certified to ISO 14001 Environmental Management System standards and the principles and processes which stem from ISO 14001 are applied across the entire Group.

In 2020, Singapore enhanced its 2030 Nationally Determined Contribution (“NDC”) to peak emissions at 65 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 60MtCO₂e 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 exception) at \$5 per tonne of greenhouse gas emissions. In the 2022 Singapore budget, it was announced that the carbon tax would be raised to \$25 per tonne in 2024 and 2025, and \$45 per tonne in 2026 and 2027, with a view to reaching \$50 to \$80 per tonne by 2030. The Group does not operate any taxable facilities and is therefore not subject to the carbon tax regime. As an SGX listed company, Baker Tech complies with SGX’s mandatory climate-related reporting requirements which were put in place at the start of 2022. If the recommendations by the Sustainability Reporting Advisory Committee (in Singapore) are adopted, then from FY2025 onwards, we will bring our sustainability reporting in line with the International Sustainability Standards Board’s S1 and S2 standards for sustainability disclosure aimed at capital market participants. The Group is supportive of the stance that the Singapore Government has taken in relation to sustainability issues and is committed to doing its part to contribute to achieving the goals and objectives as set by the country.

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

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

Energy consumed

302-1

	2022	2023
Fuel from Non Renewable sources (GJ)^{*1}		
Diesel	2,489	1,253
LPG	958	371
CNG	38	0
Electricity consumed (GJ)²	6,380	3,822
Total Energy Consumed (GJ)	9,865	5,446

Scope 1 and Scope 2 GHG Emission

305-1

	2022	2023
Scope 1 (tCO₂e)^{**1}		
Stationary	207 ⁴	83
Transport	42 ⁴	34
Scope 2 (tCO₂e)²	719	442
Scope 3 (tCO₂e)³		
Business Travel	23	30
Employee Commuting	29	21
Total Scope 1 and Scope 2 GHG Emissions	968	559
Total Scope 3 Emissions	53	51

* excluding acetylene

** including acetylene

¹ WRI/WBCSD Greenhouse Gas Protocol Emission Factors for Cross Sector Tools (March 2017)

² Energy Market Authority

³ World Resources Institute (2015), GHG Protocol tool for mobile combustion, Version 2.6

⁴ Restated for calculation and typographical errors

Operational control approach is used to identify the GHG emissions. The boundaries of our reported emissions currently comprise our operations in Singapore across our three yards. Energy conversion factors and GHG emission factors ("EF") were sourced from WRI/WBCSD Greenhouse Gas Protocol Emission Factors for Cross Sector Tools (March 2017). Only CO₂, CH₄ and N₂O emissions are included in the calculation of direct GHG emissions. Global Warming Potential factors used are from the 2014 IPCC Fifth Assessment Report.

Emission data is derived from combustion of non-renewable fuels consumed in our operations and follows the requirement of GHG Protocol. Grid EF for Singapore was obtained from the Energy Market Authority. Scope 3 emissions were computed using the World Resources Institute (2015), GHG Protocol tool for mobile combustion, Version 2.6.

The Group consumed 1,624GJ of Scope 1 energy and 3,822GJ of Scope 2 energy through the activities conducted in all three of its yards in Singapore by both employees and sub-contractors in 2023. The total energy intensity, covering Scopes 1 and 2, was 234GJ/\$million revenue (vs 250GJ/\$million revenue in 2022) thus showing a 6.4% improvement in energy intensity. Acetylene which is used in our operations, has been excluded from the energy consumption data.

In terms of emissions, the Group's total direct emissions from the use of fuel was 117tCO₂e while the total indirect emissions from electricity use was 442tCO₂e. The figures for 2022 have been restated for calculation error. The emissions from acetylene have been included in the consolidated emissions data. The total emission intensity, covering Scopes 1 and 2, was 24tCO₂e/\$million revenue (vs 25tCO₂e/\$million revenue in 2022 showing a 4% improvement in emissions intensity).

Apart from Scopes 1 and 2 emissions, the Group also initiated tracking of emissions outside of the Group in 2022, covering two categories i.e. business travel and employee commuting by company-hired third-party transportation. The Group's Scope 3 emissions from these two categories totalled 51tCO₂ in FY2023, with an emissions intensity of 2tCO₂e/\$million revenue. The slight decrease in Scope 3 emissions were attributed from employee computing as we reduced the total number of pick-up and drop-off points for our employees due to low ridership. However, we recorded higher emissions from business travel due to the re-opening of international borders enabling face to face networking.

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

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

Waste Management and Disposal

GRI 306-1 to 306-5

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

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

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

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 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, the Group recycled 430 tonnes of operational waste mainly in the form of steel scrap, timber and paper. The Group disposed of 171 tonnes of non-hazardous waste. In contrast to recycling 117kg of e-waste in the previous year, we had no e-waste to recycle in 2023.

Responsible Waste Management Hierarchy



From zerowastesg.com

In relation to hazardous waste, the Group is also committed to minimising the use of hazardous materials to reduce the amount of hazardous waste generated. The bulk of such waste generated by the Group is in the form of empty paint containers and paint consumables. Such hazardous waste is handled, stored and disposed of to licenced toxic waste collectors in accordance with best practices and local regulatory requirements. 3m³ of hazardous waste was disposed of in FY2023.

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

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

Type Of Waste Generated	Amount		Outcome
	2022	2023	
Hazardous			
Paint containers (m ³)	18	3	The waste collector removes paint before recycling the metal paint cans
E-Waste (kg)	117	0	E-waste collected is sent for recycling on a yearly basis
Non-Hazardous			
Steel Scrap (tonnes)	473	425	Recycled by waste vendor
Timber (tonnes)	46	4	Recycled by waste vendor
Paper (tonnes)	0.73	1.23	Recycled by waste vendor
General Waste (tonnes)	163*	171	Incinerated

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



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

In FY2023, we achieved our target of

0

significant spills.

We aim to continue achieving this target for the following year



Baker Engineering recycled a total of

1230kg

in waste paper for 2023

as part of our recycling initiative for FY2023. Greater awareness, adoption of the paperless payroll system and move to online leave approval has significantly reduce our overall paper consumption for the year

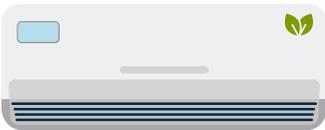
We are committed to achieving energy efficiency in our yards

Since FY2022, we started exploring alternative energy sources in place of grid electricity across our different yards and facilities.



Promote eco-consciousness among our stakeholders and investment community by

publishing digital copies of our Annual Report and related Appendix instead of hard copies



We had no significant instances of non-compliance with laws and regulations (environmental and otherwise) and

no fines were paid during the reporting period



Regularly serviced air-conditioning units are set to an optimum temperature to reduce electricity usage

and are automatically programmed to switch off after working hours. LED lightings and energy saving appliances are used to improve energy efficiency

Waste bins in the mess hall (on our vessels) are separated into food waste (perishable items) and general waste

Waste bins on deck are divided into General waste bin, Scrap material bin and Special bin (Battery bin and Razor blade bin)

Waste disposal is conducted onshore to avoid polluting the oceans

We encourage all employees to be mindful of food waste and to minimise their packaging wastage

by advocating the use of reusable containers and water bottles



We believe that everyone has a shared responsibility to make a difference

We increase conservancy awareness among employees through a series of eye-catching e-posters, emails and internal memos



Our vessels are equipped with waste management and disposal systems

that ensure waste generated is disposed according to strict protocols

Waste is segregated in our yards to promote reuse and recycling

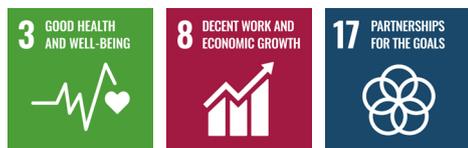


Baker Engineering is an ISO 14001 certified company with prevailing environmental standards which it adheres to. These standards are also applied throughout the Group's operations where relevant



People Focus Policies and Procedures

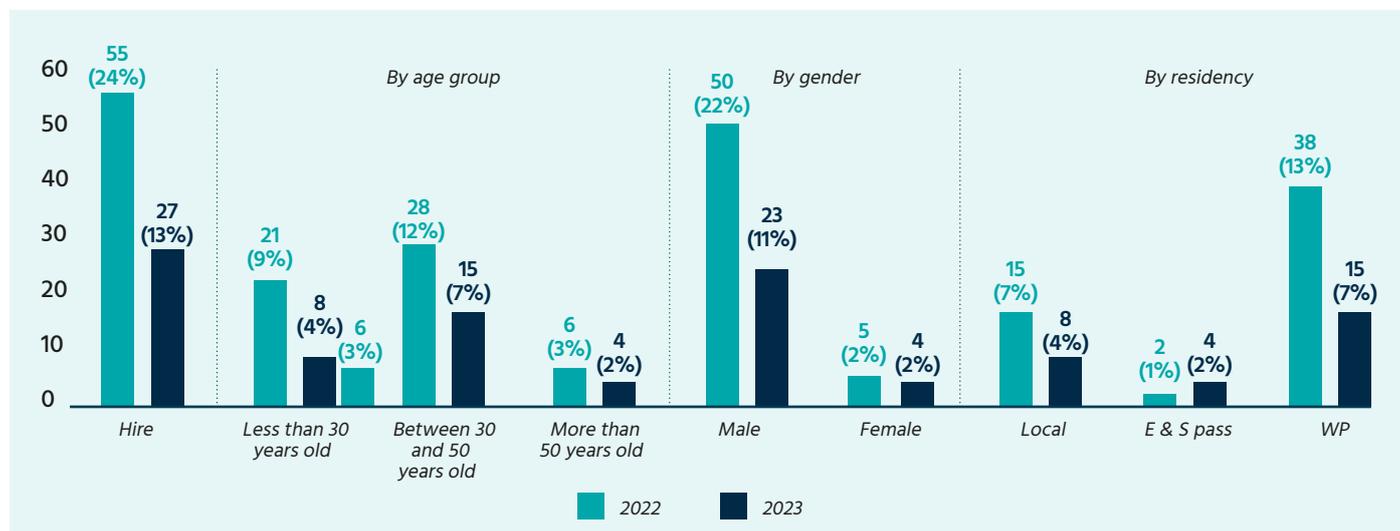
GRI 401-1 to 401-3, 405-1, 406-1



At Baker Tech we recognise that our employees are our most valuable asset and key to the long-term viability of our business. The Group’s unwavering commitment to building an organisation where employees are happy, healthy and motivated to perform is demonstrated through the various initiatives and policies implemented throughout the Group from diversity, fair employment, training and development to mental and physical health. The Group only employs full-time employees and all employees (both permanent and contract based) are entitled to the same benefits.

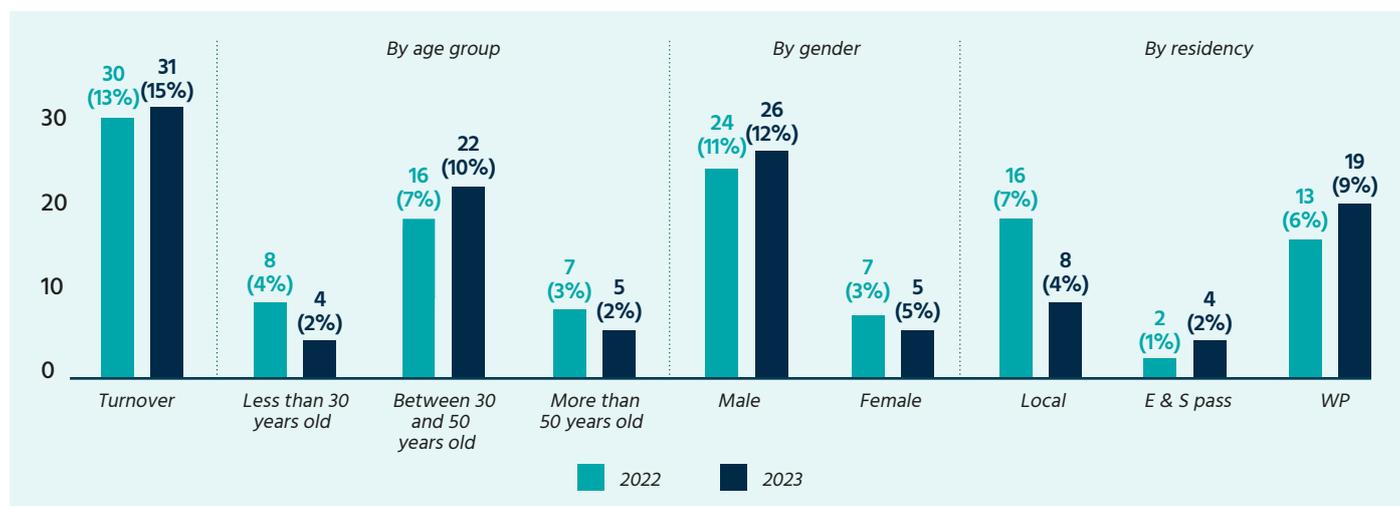
Total Number and Rate(%) of New Employee Hires

GRI 401-1



Total Number and Rate(%) of New Employee Hires and Turnover

GRI 401-1



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

Baker Tech continues to support and work closely with the Institute of Technical Education (“ITE”) to provide internship placement opportunities to local students. A total of 3 local students from ITE were placed on internship in 2023. During their internship, the students were rotated through various departments with different job functions. This provided them the opportunity to experience real-life working conditions. The interns are excluded from the calculation of new hire and turnover.

During the course of FY2023, the Group had 9 female employees and 31 male employee who were entitled to maternity and paternity leave respectively. Of the entitled employees, 1 female and 2 male employees had taken maternity and paternity leave respectively and all three had returned to work resulting in a return to work rate of 100% vs 83% in FY2022. Our retention rate for FY2023 is 83%.

Diversity and Fair Employment Practices

We welcome and value diversity in ethnicity, gender, religious beliefs, nationality, age, amongst others, in the workplace from Board level to the production floor. In FY2022, we put in place a formal board diversity policy reflecting our commitment to diversity, our targets and our processes and procedures to support Board diversity. Since 2013, we have maintained at least 22% female representation on our Board.



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

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

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

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

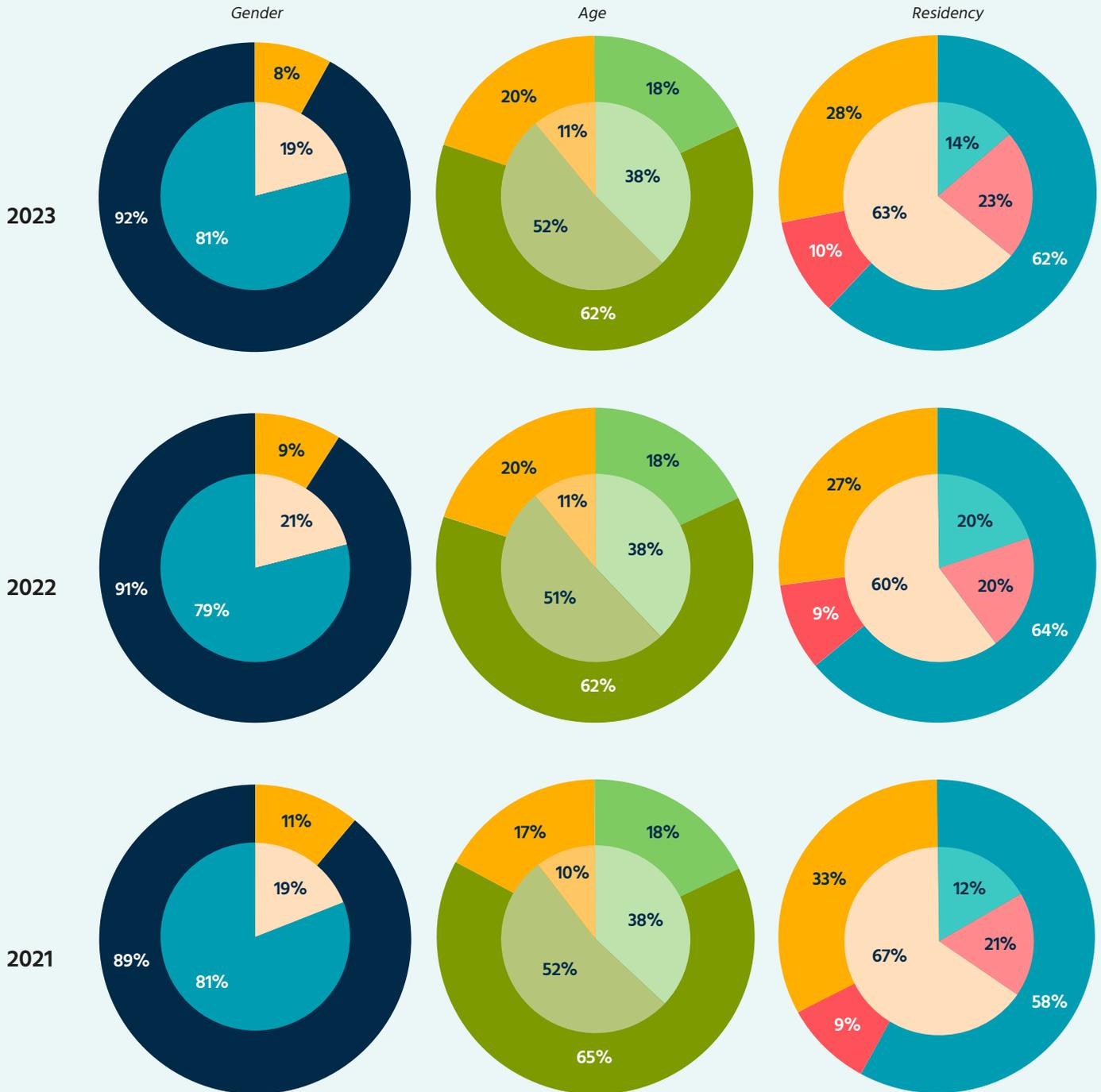
The Group also ensures that all employees are remunerated in an equitable manner, regardless of gender, age and residency status. Due to the small number of employees (excluding non-traditional source work permit holders), we are unable to provide representative ratios of basic salary and remuneration of women to men. However gender is not a consideration when determining employees’ or candidates’ remuneration, rather experience, qualifications and capabilities are the main drivers.

The Group encourages older employees to continue working until such time as they choose to retire. We offer such employees the option of shorter working hours and modified job scopes where possible. As at the end of 2023, we have six employees above the current retirement age.

We achieved our target of zero incidents of discrimination during the reporting period.

Diversity of Employees

GRI 405-1



Inner circle -
exclude NTS workers

Male

Under 30 years old

Singaporean and PR

Outer circle -
include NTS workers

Female

30 - 50 years old

E pass and S pass holders

Over 50 years old

Work permit holders

* Values may not add to 100% due to rounding

Compensation, Benefits and Engagement

GRI 201-3, 401-3

Our Group complies with the Employment Act in Singapore as well as other acts and regulations which may apply in relation to employment in Singapore e.g. Child Development Co-Savings Act, Immigration Act. In addition to providing the benefits as per the requirements of the Employment Act, all of our employees also enjoy a comprehensive range of benefits including medical benefits and group insurance policies. In addition, our migrant worker community also enjoys other benefits including subsidised housing, medical care and flights for home leave. In line with the Ministry of Manpower's requirements, we have also purchased Primary Care Plans for our work permit and S-pass employees to cover outpatient care including annual basic health screenings, telemedicine, acute and chronic consultations etc.

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

Our migrant community is also reminded to stay active and to keep themselves healthy by having an adequate amount of sleep, maintaining good personal hygiene, eating a balanced diet and doing light moderate exercises. To further engage our employees and to support their mental well-being, the Group also 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. We have group chat rooms with our migrant community and all employees 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 are entitled to healthcare insurance and both medical and dental benefits. We have contracts with several chains of clinics located around Singapore to provide outpatient treatment and all employees are eligible to seek outpatient treatment at such clinics.

In addition to our Company doctors, our work permit and S-Pass employees have also been moved progressively onto Primary Care Plans which provide integrated healthcare services for such employees.

As a Group, we consistently strive to provide better welfare for our employees. This financial year, we have implemented shortened working hours in addition to a five-day work week to promote a healthier work life balance. Following a comprehensive review, the Group will also revise its annual leave policy to foster better work life balance.

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

Despite the stand-down of Safe Management Measures, we continued with frequent cleaning of shared facilities and high-contact surfaces within our yards. We will reinstate Covid-19 protective measures if required.

In line with the Singapore Child Development Co-Savings Act, in place to encourage family building by providing support including financial support, and the Employment Act, eligible employees are entitled to parental leave in the form of paid maternity, paternity and childcare leave. We support our employees in taking parental leave so as to promote family values and mental health.

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

Training and Development

GRI 404-1 to 404-3

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

Increasing employees' knowledge base has become more important as we digitalise more aspects of our Company's processes and so training for our employees is important to ensure that they can keep up with the pace of technology advancement. Employees are encouraged to attend both internal and external training programmes which empowers them to undertake different challenges and provides them with opportunities for career advancements. As a result of the pandemic, online webinars have become commonplace and continue to play a role in our employees' training as employees are encouraged to sign up for relevant webinars to meet new challenges and increase their knowledge base. On the job training is also a key focus within the Company both for new and existing employees. In 2023, employees attended a total of 546 hours of training with external providers. In-house training programmes such as cyber security and IT training hours were not taken into account.

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

Total Workplace Safety and Health

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

To maintain and enhance the trust and confidence of our employees and other stakeholders, we place great importance on the health and safety of all our employees and have prioritised maintaining the highest standards of workplace health and safety. In the second half of 2022, the WSH Council issued an Approved Code of Conduct ("**ACOP**") in relation to Chief Executives' and Board of Directors' Workplace Safety and Health duties with a specific focus on four guiding principles. The systems and processes we had in place prior to the issuance of the ACOP already address the bulk of the measures indicated in the ACOP and since then, we have included further initiatives to address some of the measures more explicitly.

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

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

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

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

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

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

Some of the WHSE internal trainings, initiatives and promotions conducted in FY2023:

- "iCare" online reporting
- First Aid In-house training
- First Aid – Heat Stress Casualties training
- Fire Safety – Fire watchmen training
- Confined Space Drills training
- Hearing Conservation Programmes
- Safe Lifting Operations (Safety Time-Out) training
- Safe Forklift Operations (Safety Time-Out) training

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

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

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

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

This financial year, we have also launched an online reporting feedback platform aptly named "iCARE". All employees are encouraged to scan a QR code should they observe any workplace hazards, near-miss or dangerous occurrence or notice any good safety practices in our yards. Employees may also use this reporting platform to share their feedback and on yard improvement ideas.

Our WHSE team also organised quarterly Safety Awards to recognize and reward employees who demonstrated exemplary behaviour in workplace health and safety.

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

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

	FY2021	FY2022	FY2023
Number of man-hours worked¹	533,411	583,020	504,304
Number of fatalities	0	0	0
Number of high-consequence injuries	0	1	0
Total number of recordable injuries	5	8	1
Fatality frequency rate	00.00	00.00	00.00
High-consequence injury frequency rate	00.00	1.72	00.00
Total recordable injury frequency rate	9.37	13.72	1.98
Accident Frequency Rate ("AFR")²	9.37	13.72	1.98
Accident Severity Rate ("ASR")³	58.12	530	7.93

¹ Recordable injuries include fatalities, lost time injuries, restricted work injuries and medical treatment injuries receiving at least one day of medical leave

² Accident Frequency Rate = No. of MOM reportable accidents / Manhours worked x 1,000,000

³ Accident Severity Rate = No. of man days lost due to MOM reportable accidents / Manhours worked x 1,000,000.

We have successfully maintained our target by recording zero fatalities. In 2023, one of the Group's operating subsidiary, Baker Engineering, also outperformed its work-related injury target by recording zero work-related injuries. Sea Deep Shipyard Group accounted for 1 work-related injury resulting in a loss of 4 man-days.

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

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

During the pandemic, physical emergency drills were suspended to prevent crowding and mixing of teams. Tabletop drills and exercises continued to ensure that we were able to maintain a high level of preparedness despite the circumstances. However, since the relaxation of Covid-19 related measures in the workplace, we have resumed emergency drills conducted by the WHSE committee. Such drills cover different scenarios including fire, performing first-aid, rescue and security issues (together with our security team as part of the International Ship and Port Facility Security Code) in conjunction with continuing health and safety emergency response protocols.

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

Local Communities

We stand committed to delivering long-term sustainable value with a positive impact to our society. As such, we have continued to be proactive in our philanthropic activities focused on helping the less fortunate and vulnerable families in Singapore. Apart from pledging our support towards the 1000 Enterprises for Children-in-Need fundraising programme organised by the Singapore Children's Society, the Group also supported Food From The Heart, Children's Wishing Well and the Society for the Prevention of Cruelty to Animals ("SPCA").

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

We also participated in Food From The Heart's Toy Buffet 2023 by both the Group and its employees purchasing and donating toys for less-fortunate children in Singapore.

For SPCA, the Group continued to provide monetary support for its Annual Christmas Wish List which included the cost of medical supplies and daily necessities.

We owe our success over the years to the unwavering commitment of our employees backed by our local community which we operate in. We value the work and experience of our people, and will continue to invest in them and their well-being. To foster togetherness and camaraderie within our subsidiaries and amongst departments, a year-end themed party was organised. Making the party memorable was the Company's lucky draw which saw 50 lucky employees walk away with household appliances, electronics, shopping vouchers and movie tickets.

Responsible Business

Policies and Procedures

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

Baker Tech is committed to conducting its business in accordance with the highest ethical standards and in compliance with all applicable laws and regulations. Key corporate policies including our Group Code of Conduct, Anti-Bribery and Corruption Policy, Gift and Hospitality Policy, Whistleblowing Policy, Personal Data Protection Policy and Human Rights Statement are provided to new employees upon joining the Group. Critical aspects of each policy are covered during the orientation programme and employees are required to declare that they have read and understood the policies. As of FY2022, on an annual basis, prior to providing their annual declaration of adherence to the policies, employees will undergo refresher training on these topics. Posters covering key elements of each of policy are also displayed around the yard. Our human resource, health and safety and security policies support corporate policies where relevant. The policies are reviewed and updated as and when required. Key policies are approved by the Board and are also made publicly available on our Company website. For FY2023, the Group achieved its target of zero cases of corruption and non-compliance to applicable law and regulations. There were also zero breaches in ethics and governance and no breaches of privacy or loss of personal data.

Code of Conduct

GRI 2-15

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

Anti-Bribery and Corruption Policy

GRI 205-1, 415-1

We are committed to conducting our business and operations in an ethical, honest and professional manner. We adopt a zero-tolerance policy towards any form of bribery and corruption and are committed to acting transparently, fairly and with integrity in all our business activities and relationships. We have in place an Anti-Bribery and Corruption Policy which applies to all directors and officers, employees, contract workers (including crew), consultants etc and has clear prohibitions against bribery and corruption and, amongst others, covers scenarios in relation to conflicts of interest and the responsibility of each employee/director/officer in relation to such conflicts of interest. The Anti-Bribery and Corruption Policy works hand in hand with our Group Gift and Hospitality Policy. Corruption risk has been identified through our Enterprise Risk Management framework and control measures have been put in place to address such risk. Operational activities which are of higher risk in relation to bribery and corruption are subject to internal audit and reviewed regularly. The effectiveness of our controls is also subject to internal audit and are also included as topics of conversation during board meetings if required. In line with the Anti-Bribery and Corruption Policy, the Group did not offer or provide any gifts, entertainment or donations to any political or government official in FY2023.

Whistleblowing Policy

GRI 2-16, 2-25, 2-26

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

Personal Data Protection Policy

At Baker Tech, we protect the privacy and confidentiality of all personal data of our employees and stakeholders. We are guided by the Personal Data Protection Act (“PDPA”) that outlines how we should manage all personal data. The Group has also appointed a Data Protection Officer (“DPO”) to oversee and ensure that all personal data is managed in accordance to the PDPA. During the year, the DPO has noted that there were no reports or concerns or any breach in personal data.

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

Human Rights Commitment

GRI 2-23

The Group has in place a Human Rights Statement committing to upholding the International Human Rights Principles as set out in the Universal Declaration of Human Rights and International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work.

The Group does not tolerate unethical labour practices such as slavery, forced labour, child labour and human trafficking in any of our operations and business practices and all of our employees, subcontractors, suppliers and vendors are expected to adhere to our policies.

Risk Management

GRI 201-2, 205-1

At Baker Tech, we are committed to maintaining our corporate governance standards with the aid of strong internal controls and a robust risk management system. On a six-monthly basis and as and when required, the Audit Committee and the Board, supported by Management and Executive Officers, reviews existing risks and considers changes and trends in the market environment as well as business operations to further enhance and built 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 group's strategy and financial performance regularly to ensure continued liquidity
- Continue to explore new market opportunities for sustainable growth and development
- Adopt and practise a policy of collecting payment before delivery or an up-front collection of non-refundable deposits (where possible)
- Where possible, hedge foreign currency fluctuations naturally by a sale or purchase of a matching asset or liability of the same currency and amount
- Undertake spot conversion of excess foreign currencies to Singapore Dollar
- Closely follow impacts on supply chains from pricing of raw materials to freight costs to ensure more rigorous pricing for projects
- Carry out credit checks and financial reviews of new clients/customers

Industry-Related Risks

- Cautiously reducing our cost base and curtailing discretionary expenditure to ensure that the Group remains resilient amidst adversity
- Exploration of new market opportunities (including in the renewables sector) for sustainable growth and development

Health and Safety Risks

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

Operational Risks

- Maximise operational efficiency by sourcing of alternative sites to ensure continuity to fulfil customers' requirements in the event of yard closure due to force majeure events
- Diversify vendor, supplier and subcontractor base to reduce reliance on any given suppliers
- Identify vendors/suppliers local to our yards or vessels to ensure continuity of supplies
- Plan for business continuity and response measures to address disruption of business operations
- Improve IT security and accessibility to allow working from home as part of business continuity plan
- Reduce reliance on manual foreign workers by adopting automation (where possible) and technology
- Ensure that new contracts/charters have sufficient protections in relation to force majeure clauses including the potential adverse development of the Covid-19 pandemic

Governance Risks

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

Climate-related Physical and Transition Risks GRI 2-23

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

GRI Content Index

Statement of use Baker Technology Limited has reported the information cited in this GRI content index for the period 1 January 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	04, 05	
GRI 2-2	Entities included in the organization's sustainability reporting	26	
GRI 2-3	Reporting period, frequency and contact point	26	
GRI 2-4	Restatements of information	35	
GRI 2-5	External assurance	26	Assurance
GRI 2-6	Activities, value chain and other business relationships	15 - 18	
GRI 2-7	Employees	39	
GRI 2-8	Workers who are not employees	39	
GRI 2-9	Governance structure and composition	25	
GRI 2-10	Nomination and selection of the highest governance body	25	
GRI 2-11	Chair of the highest governance body	25	
GRI 2-12	Role of highest governance body in overseeing the management of impacts	25	
GRI 2-13	Delegation of responsibility for managing impacts	25	
GRI 2-14	Role of the highest governance body in sustainability reporting	25	
GRI 2-15	Conflicts of interest	46	
GRI 2-16	Communication of critical concerns	47	
GRI 2-17	Collective knowledge of the highest governance body	25, 30, 33	
GRI 2-18	Evaluation of the performance of the highest governance body	33	
GRI 2-19	Remuneration policies	63 - 66	
GRI 2-20	Process to determine remuneration	63 - 66	
GRI 2-22	Statement on sustainable development strategy	25	
GRI 2-23	Policy commitments	46, 47	
GRI 2-24	Embedding policy commitments	46, 47	
GRI 2-25	Processes to remediate negative impacts	46, 47	
GRI 2-26	Mechanisms for seeking advice and raising concerns	46, 47	Alignment with Frameworks

GRI Standard	Disclosure	Page Reference and Response	Alignment To SGX Core ESG Metrics
GRI 2-27	Compliance with laws and regulations	34	
GRI 2-28	Membership associations	24, 26	
GRI 2-29	Approach to stakeholder engagement	27 - 29	
GRI 2-30	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements	
GRI 3-1	Process to determine material topics	30	
GRI 3-2	List of material topic	30	
GRI 2: General Disclosures (2021)			
Economics: Economic Excellence			
GRI 201 Economic Performance (2016)	201-1: Direct economic value generated and distributed	32	
	201-2: Financial implications and other risks and opportunities due to climate change	32, 47, 48	
	201-3: Defined benefit plan obligations and other retirement plans	32, 42	
	201-4: Financial assistance received from government	32	
Environment: Environmental Sustainability			
GRI 302 Energy (2016)	302-1: Energy consumption within the organization	34, 35	
	302-2: Energy consumption outside of the organization	34, 35	Energy Consumption
	302-3: Energy intensity	34, 35	
	302-4: Reduction of energy consumption	34, 35	
GRI 305 Emissions (2016)	305-1: Direct (Scope 1) GHG emissions	34, 35	
	305-3: Other indirect (Scope 3) GHG emissions	34, 35	
	305-4: GHG emissions intensity	34, 35	Greenhouse Gas Emissions ("GHG")
	305-5: Reduction of GHG emissions	34, 35	
	305-6: Emissions of ozone-depleting substances (ODS)	34, 35	
	305-7: Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	24, 34, 35	
GRI 306 Waste (2020)	306-1: Waste generation and significant waste-related impacts	36 - 38	
	306-2: Management of significant waste-related impacts	36 - 38	
	306-3: Waste generated	36 - 38	Waste Generation
	306-4: Waste diverted from disposal	36 - 38	
	306-5: Waste directed to disposal	36 - 38	

GRI Standard	Disclosure	Page Reference and Response	Alignment To SGX Core ESG Metrics
Social: People Focus			
GRI 401 Employment (2016)	401-1: New employee hires and employee turnover	39, 40, 41	Employment
	401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	39, 40, 41	
	401-3: Parental leave	39, 40, 41, 42	
GRI 404 Training and Education (2016)	404-1: Average hours of training per year per employee	42, 43	Development and Training
	404-2: Programs for upgrading employee skills and transition assistance programs	42, 43	
	404-3: Percentage of employees receiving regular performance and career development reviews	42, 43	
GRI 405 Diversity and Equal Opportunity (2016)	405-1: Diversity of governance bodies and employees	39, 40, 41	Board Composition, Management Diversity, Gender Diversity, Age-Based Diversity
GRI 406 Non-discrimination (2016)	406-1: Incidents of discrimination and corrective actions taken	Zero incidents of discrimination in the workplace across our operations	
Social: Total Workplace Safety and Health			
GRI 403 Occupational Health and Safety (2018)	403-1: Occupational health and safety management system	43, 44, 45	Occupational Health and Safety Certifications
	403-2: Hazard identification, risk assessment and incident investigation	43, 44, 45	
	403-3: Occupational health services	43, 44, 45	
	403-4: Worker participation, consultation, and communication on occupational health and safety	43, 44, 45	
	403-5: Worker training on occupational health and safety	43, 44, 45	
	403-6: Promotion of worker health	43, 44, 45	
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	43, 44, 45	
	403-9: Work-related injuries	43, 44, 45	
	403-10: Work-related ill health	43, 44, 45	
	Governance: Responsible Business		
GRI 205 Anti-Corruption (2016)	205-1: Operations assessed for risks related to corruption	46, 47, 48	Ethical Behaviour
	205-2: Communication and training about anti-corruption policies and procedures	46, 47, 48	
	205-3: Confirmed incidents of corruption and actions taken	46, 47, 48	
GRI 201 Economic Performance (2016)	201-2: Financial implications and other risks and opportunities due to climate change	47	

GRI Standard	Disclosure	Page Reference and Response	Alignment To SGX Core ESG Metrics
GRI 415 Public Policy (2016)	415-1: Political contributions	47	
Topic			
Explanation			
GRI 11: Oil and Gas Sector 2021			
Topic 11.3 Air emissions	None of our operations results in emissions of sulphur oxides, nitrogen oxides, particulate matter, volatiles compounds, carbon monoxide and heavy metals.		
Topic 11.4 Biodiversity	Our yards are located in specifically designated industrial areas and we fabricate equipment and vessels. Our operations do not involve any development of oil and gas assets and so our impact on biodiversity is limited. This topic is not deemed to be material.		
Topic 11.6 Water and effluent	Our operations do not involve extraction and processing of oil or gas. The amount of water which we use during our operations is not significant. We dispose of waste water in accordance with local regulations. This topic is not deemed to be material.		
Topic 11.7 Closure and rehabilitation	We do not own or operate any oil and gas facilities/fields. This topic is not deemed to be material to us.		
Topic 11.12 Forced labour and modern slavery	We operate in markets and with suppliers and customers in markets with high rates of enforcement of human rights. As part of our HR policies and Human Rights Statement, our Group does not tolerate unethical labour practices such as forced labour and slavery. This topic is not deemed to be material.		
Topic 11.13 Freedom of association and collective bargaining	Our operations are in Singapore where unions are legal and as a Group, we do not prevent our employees from joining trade unions nor engaging in collective bargaining. This topic is not deemed to be material.		
Topic 11.14 Economic impact	Although economic performance and our contribution to local employment, procurement and communities are important, as a small medium enterprise, our economic impact and contribution to local activities is not material. The importance of employment, procurement and communities to our Group are covered in other material topics.		
Topic 11.16 Land and resource rights	Our operations do not involve owning or operating oil and gas fields. Land and resource rights are not pertinent. Our shipyards are leased from Jurong Town Council.		
Topic 11.17 Rights of indigenous peoples	Our operations are in Singapore where there are no indigenous people.		
Topic 11.18 Conflict and security	Our operations are in Singapore and do not involve owning or operating oil and gas fields. Our yards are ISPS certified.		
Topic 11.19 Anti-competitive behaviour	The Group is in the process of putting in place procedures to formalise our policy on anti-competitive behaviour and as such has not disclosed this factor as a material factor in this financial year.		
Topic 11.21 Payments to governments	Our operations do not involve complex financial transactions and only involve typical payments to governments in the form of tax and lease payments. As such, this factor is not material.		
Topic 11.22 Public policy	As a Singapore based public limited company with shipyards only in Singapore, our Group is governed by strict rules relating to public disclosure and policy. Further, our Anti-Bribery and Corruption Policy prevents contributions to political parties or persons. Consequently, this is not deemed a material topic.		

Corporate Governance Report

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

This report sets out the Company’s corporate governance practices for the financial year ended 31 December 2023 (“FY2023”), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the “Code”). Where there were variations in the Company’s corporate governance practices from the provisions as set out in the Code (“Provisions”), explanations as to how the Company’s practices were consistent with the intent of the Principle in question are provided in the relevant paragraph of this report. The Company reviews its practices on ongoing basis, as and when required.

(A) Board Matters

The Board’s Conduct of Affairs

Principle 1:

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

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

Provision 1.1 of the Code

In discharging their fiduciary duties, all Directors are expected to exercise objective judgement and make decisions in the best interest of the Company. A Director who is interested in a transaction or proposed transaction will declare his/her interest and abstain from deliberation and voting unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussion. Directors facing conflicts of interest are required to abstain from voting in relation to conflict-related matters.

The Board has put in place a Code of Conduct Policy and Procedures to assist and guide the Group Directors and employees to better understand the general principles relating to financial and non-financial conflicts of interest and in identifying, disclosing and managing conflict of interest situations. The Code of Conduct Policy and Procedures further serves to emphasise the Group’s commitment to ethics and compliance with the law, including but not limited to fair competition and modern slavery, for the protection of the Company’s interest and the promotion of transparency for the benefit of shareholders and ensures proper accountability within the Group. The Code of Conduct Policy and Procedures is available to the public via the Company’s corporate website. In alignment with Section 156 of the Companies Act 1967, directors are required to disclose all directorships (irrespective if the companies are active or dormant as of the date of declaration), significant officer roles and memberships, as soon as is practicable.

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

Provision 1.2 of the Code

The Company has an orientation programme for newly appointed Directors where the Director will be briefed on the Group's industry, business operations, governance practices and expected duties of a director of a listed company. If a newly appointed Director does not have any prior experience as a director of a listed company, the Company will arrange for such first-time Director to attend the Mandatory Training in accordance to Rule 210(5)(a) of the Listing Manual, at the expense of the Company, conducted by the 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 Ajay Kumar Jain, Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe were appointed as Independent Directors on 12 June 2023 (for Mr Ajay Kumar Jain) and 1 December 2023 (for Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe). Mr Ajay Kumar Jain did not have prior experience as a director of a company listed on the SGX-ST and was required to attend the Listed Entity Director Programme, conducted by Singapore Institute of Directors and as mandated under the Listing Manual within one year from the date of his appointment. Mr Ajay Kumar Jain had accordingly attended the Listed Entity Director Programme during FY2023. Both Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe have prior experience as a director of company listed on 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, board meeting calendar for FY2024. They have been briefed by the Management separately on the Group's business activities, financial performance and key risk areas.

The Directors are provided with updates on any changes in relevant laws and regulations, code of corporate governance, financial reporting standards and industry related matters, from time to time. In addition, the Directors are also encouraged to attend relevant training programmes, seminars and workshops to enhance their skills and knowledge. Where appropriate, the Directors' training expenses will be borne by the Company. At the Audit Committee ("AC") meetings, the external auditor will update the AC and the Board on new or revised accounting standards which are applicable to the Company or the Group.

The Nominating Committee ("NC") reviews and makes recommendations on the training and professional development program to the Board. The Board was apprised of the training programmes attended by each Director in FY2023.

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

Provision 1.3 of the Code

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

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

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

There is a formalised global authority matrix that sets out financial approval limits for the Board and Management regarding operational expenditure, capital expenditure, investments, financial costs and cheque and banking signatory arrangements among others.

Provision 1.4 of the Code

The Board is supported by three Board Committees, namely the AC, the NC and the Remuneration Committee (“RC”), each with its own specific terms of reference setting out the authority and duties of the Board Committees. All the terms of reference for the Board Committees are approved by the Board. The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations for the Board’s endorsements, the ultimate responsibility on all matters lies with the Board. The summary of the terms of reference of the respective Board Committees and other relevant information on the Board Committees can be found in the subsequent sections of this Corporate Governance Report.

Provision 1.5 of the Code

Board meetings are typically scheduled to coincide with half-yearly financial results reporting in order to facilitate review of unaudited half year and full year financial results of the Group. Quarterly board meetings are held after the close of each of the first and third quarters to provide updates to the Directors on the interim financial positions and performance of the Group. To facilitate Directors’ attendance at meetings, the dates of Board and Board Committee meetings as well as Annual General Meeting (“AGM”) are scheduled in advance, typically before the start of the financial year. Ad-hoc Board and Board Committee meetings are arranged as and when circumstances require. The Company’s Constitution provides for the convening of the Board and Board Committee meetings by way of telephonic, video conferencing or other similar means of communication.

The number of the Board and Board Committee meetings held and attended during 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 WONG MENG YENG	5	5	5	5	1	1	1	1
MS JEANETTE CHANG	5	5	5	5*	1	1*	1	1
DR BENETY CHANG	5	5	5	5*	1	1*	1	1*
MR TAN YANG GUAN	5	5	5	5*	1	1*	1	1*
MR ANG MIAH KHIANG	5	4	5	4	1	1	1	1*
MS HAN SAH HEOK VICKY	5	5	5	5	1	1	1	1
MR AJAY KUMAR JAIN ⁽²⁾	2	2	2	2*	-	-	-	-
MR LIM JUN XIONG STEVEN ⁽³⁾	-	-	-	-	-	-	-	-
MR CHONG WENG HOE ⁽³⁾	-	-	-	-	-	-	-	-

Notes:

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

⁽²⁾ Mr Ajay Kumar Jain was appointed as Independent Director on 12 June 2023. He attended AC meetings held after to his appointment as invitee.

⁽³⁾ Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe were appointed as Independent Directors on 1 December 2023. No meetings were convened between 1 December 2023 and 31 December 2023.

* Attended as invitees.

Provision 1.6 of the Code

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

Prior to each meeting of the Board and Board Committees, Management will provide the Directors with the meeting agendas and the relevant materials relating to the matters to be discussed during the meetings, so as to facilitate an informed discussion. Whenever necessary, senior management will be invited to attend the Board and AC meetings to answer queries from the Directors and members of the AC. The Directors have separate and independent access at all times to the Company's senior management to address any enquiries or requests for additional information, if necessary.

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

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

Provision 1.7 of the Code

The Board has separate and independent access to all levels of senior executives in the Group and the Company Secretary. The Company Secretary attends all Board meetings and her duties and responsibilities are clearly defined. The Company Secretary assists in ensuring coordination and liaison between the Board, Board Committees and Management. The Company Secretary, together with Management, also ensures that the Company complies with all applicable statutory and regulatory rules. The minutes of all Board and Board Committee meetings are circulated by the Company Secretary to the respective Board and Board Committees. The appointment and removal of the Company Secretary are subject to the approval of the Board.

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

Board Composition And Guidance

Principle 2:

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

As at the date of this report, the Board has nine Directors comprising six Independent Directors, one Non-Executive Non-Independent Director and two Executive Directors, namely:

MR WONG MENG YENG	Chairman, Independent Director
MS JEANETTE CHANG	Chief Executive Officer ("CEO"), Executive Director
DR BENETY CHANG	Executive Director
MR TAN YANG GUAN	Non-Executive Non-Independent Director
MR ANG MIAH KHIANG	Independent Director
MS HAN SAH HEOK VICKY	Independent Director
MR AJAY KUMAR JAIN	Independent Director
MR LIM JUN XIONG STEVEN	Independent Director
MR CHONG WENG HOE	Independent Director

Provision 2.1, 2.2 & 2.3 of the Code

A Director who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Group, is considered to be independent.

The NC determines on an annual basis, and as and when circumstances require, whether or not a Director is independent, taking into account the criteria given in the Listing Manual, the Code and guidelines pertaining to relationships. For the purpose of determining Directors' independence, every Independent Director has provided a declaration of their independence which is deliberated upon by the NC and the Board. After rigorous review and assessment, the NC is satisfied with the independence of the Independent Directors, namely Mr Wong Meng Yeng, Mr Ang Miah Khiang, Ms Han Sah Heok Vicky, Mr Ajay Kumar Jain, Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe and concluded that all of them have at all times demonstrated independence in character and judgement in the best interests of the Company in the discharge of his/her director's duties and should therefore continue to be deemed Independent Directors. The NC is also satisfied that all the Independent Directors have no relationship (whether

familial, business, financial, employment, or otherwise) with the Company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Director's independent judgement. Mr Wong Meng Yeng, Ms Han Sah Heok Vicky, Mr Ajay Kumar Jain, Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe did not take part in the review of his/her own independence.

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

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 exceeded the nine-year limit, Mr Wong Meng Yeng, Mr Ang Miah Khiang and Ms Han Sah Heok Vicky will continue to be deemed independent until the conclusion of the forthcoming AGM to be held on 26 April 2024.

In alignment with the Board's refreshment plan, Mr Ang Miah Khiang and Ms Han Sah Heok Vicky will be retiring from their directorship roles after the conclusion of the upcoming AGM. Concurrently, Mr Wong Meng Yeng will be redesignated as Non-Independent Non-Executive Director after the conclusion of AGM.

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

Provision 2.4 of the Code

The NC reviews the size and composition of the Board and Board Committees annually to ensure that the size of the Board is conducive to effective discussion and decision making and the Board has the appropriate number of Independent Directors. When there is a vacancy or a need for new appointments to the Board, the NC will select and recommend candidates based on their skills, experience, knowledge and diversity in terms of expertise. To ensure a smooth transition following (i) the retirements of Mr Ang Miah Khiang and Ms Han Sah Heok Vicky; and (ii) the re-designation of Mr Wong Meng Yeng's role to Non-Independent Non-Executive Director, both scheduled after the conclusion of the AGM on 26 April 2024, the NC and Board made a strategic decision to increase the Board strength to nine members on a temporary basis. This decision reflects a commitment to continuity and stability in governance during this period of change. It also allows for better integration of new members, ensuring that the Board maintains its effectiveness and diversity of perspectives throughout the transition process. 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 candidates of both genders are included for consideration when identifying candidates to be appointed as new directors, with the aim of having at least one female Director on the Board. Currently two out of nine directors on the Board are female, which aligns with the Company's commitment to maintaining at least one female Director on the Board, underscoring the Group's dedication to gender diversity in terms of leadership structure. Additionally, one board member is from a racial minority group. The Board Diversity Policy does not set any specific target for gender and ethnic diversity in the boardroom but the NC will work towards fostering and maintaining gender and ethnic diversity within the board, where 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 among 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 Company and its businesses. The Board is of the view that its present size is appropriate, taking into account the nature and scope of the Group's operations. The present Board boasts a multifaceted composition, encompassing a wide range of core competencies such as in-depth expertise in the marine and offshore industry, proficiency in accounting, finance and

banking, and a strong grasp of compliance and legal matters. Additionally, Board members bring substantial corporate organisation, operations and management experience, a keen understanding of regulatory requirements, and well-rounded knowledge of risk management and sustainability. This rich blend of skills and experiences significantly enhances the Board's capacity for effective decision-making, well-rounded governance, strategic and effective guidance and oversight for the Group.

The NC and the Board believe that geographical diversity is not necessarily a contributory factor for the Group's specific corporate structure and business model. Board members with international experience also bring global insights and perspectives regardless of their geographical origin. The Board is committed to building an open, inclusive and collaborative culture and recognises the importance of all aspects of diversity in supporting the achievement of its strategic objectives, growth and sustainable development. The profile and key information regarding the Directors are set out in the "Board of Directors" section on pages 19 to 21 and "Directors' Statement" section on pages 75 to 77 of this Annual Report.

Provision 2.5 of the Code

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

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

Chairman and Chief Executive Officer

Principle 3:

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

Provision 3.1 of the Code

There is a clear separation of roles and responsibilities of the Chairman and CEO to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. Mr Wong Meng Yeng, who is the Chairman of the Board, and Ms Jeanette Chang, the CEO of the Company, are not related to each other.

Provision 3.2 of the Code

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

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

Provision 3.3 of the Code

Mr Wong Meng Yeng relinquished his role as Lead Independent Director following his appointment as Chairman of the Board on 30 September 2019. Given that Mr Wong Meng Yeng is an Independent Director, the position of Lead Independent Director is not required in line with the Code. As Independent Board Chairman, Mr Wong Meng Yeng 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 Wong Meng Yeng's impending change in status to Non-Independent Non-Executive 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's responsibilities, as set out in its terms of reference approved by the Board, are to review and recommend candidates for appointment and Directors for re-appointment to the Board and the Board Committees, determine Directors' independence, evaluate performance of the Board as a whole, its Board Committees and the individual Directors, review of succession plans for Directors, in particular the appointments and resignations of the Chairman, CEO and Key Management Personnel and review Directors' training and continuous professional development programme.

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

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

Provision 4.2 of the Code

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

Provision 4.3 & 4.4 of the Code

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

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

The NC, with each NC member abstaining in respect of his own re-election, has recommended the nomination of Directors retiring under Articles 110 and 114 of the Company's Constitution, namely Ms Jeanette Chang, Mr Wong Meng Yeng, Mr Ajay Kumar Jain, Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe, for re-election at the forthcoming AGM. The Board has accepted the recommendations of the NC, and accordingly, Ms Jeanette Chang, Mr Wong Meng Yeng, Mr Ajay Kumar Jain, Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe will be offering themselves for re-election. The details of Ms Jeanette Chang, Mr Wong Meng Yeng, Mr Ajay Kumar Jain, Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe who will be seeking for re-election at the forthcoming AGM to be held on 26 April 2024 are set out on pages 145 to 159 of this Annual Report.

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

The NC also conducts an annual review of the independence of a Director having regard to the circumstances set forth in Provision 2.1 of the Code and Rule 210(5)(d) of the Listing Rules of SGX-ST. The NC has reviewed the independence of the Directors and affirmed that Mr Wong Meng Yeng, Mr Ang Miah Khiang, Ms Han Sah Heok Vicky, Mr Ajay Kumar Jain, Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe are independent and free from any relationship outlined in the Code, which may affect their independence. Each of the Independent Directors has also confirmed his/her independence.

Provision 4.5 of the Code

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

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

There are currently no alternate Directors appointed to the Board.

All Directors to be re-elected have to be assessed and recommended by the NC before submission to the Board for approval. In recommending a Director for re-election to the Board, the NC takes into consideration the Directors' contribution and performance at formal meetings as well as informal settings, such as informal discussions, induction sessions and pre-appointment engagements and interactions (such as attendance, preparedness, participation and candour) to form a holistic understanding of each Director's impact and effectiveness and also reviews their independence.

Key information regarding the Directors required under Provision 4.5 of the Code is set out below:

Name Of Director	Date of First Appointment	Date of Last Re-Election	Present Directorships in Other Listed Companies And Other Principal Commitments	Past Directorships in Other Listed Companies over the preceding 3 Years
MR WONG MENG YENG	3 Jun 2010	28 April 2021	<u>Present Directorship in Other Listed Companies:</u> Independent Director of Multi-Chem Limited	Nil
			<u>Other Present Principal Commitments:</u> Director of Alliance LLC	
MS JEANETTE CHANG	1 Sep 2013	28 April 2021	<u>Present Directorship in Other Listed Companies:</u> Non-Executive Non-Independent Director of CH Offshore Ltd.	Nil
			<u>Other Present Principal Commitments:</u> Nil	
DR BENETY CHANG	5 May 2000	28 Apr 2023	<u>Present Directorship in Other Listed Companies:</u> Executive Director of CH Offshore Ltd.	Nil
			<u>Other Present Principal Commitments:</u> CEO of CH Offshore Ltd.	

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 over the preceding 3 Years
MR TAN YANG GUAN	5 May 2000	28 Apr 2023	<p><u>Present Directorship in Other Listed Companies:</u> Nil</p> <p><u>Other Present Principal Commitments:</u> Nil</p>	Nil
MR ANG MIAH KHIANG	1 Nov 2013	28 April 2022	<p><u>Present Directorship in Other Listed Companies:</u> Nil</p> <p><u>Other Present Principal Commitments:</u> Director, Strategic Development of Dynamic Resources Pte Ltd</p>	Nil
MS HAN SAH HEOK VICKY	1 Dec 2013	28 April 2022	<p><u>Present Directorship in Other Listed Companies:</u> Nil</p> <p><u>Other Present Principal Commitments:</u> Director of BA Contracts Pte Ltd</p>	Nil
MR AJAY KUMAR JAIN	12 Jun 2023	N.A.	<p><u>Present Directorship in Other Listed Companies:</u> Nil</p> <p><u>Other Present Principal Commitments:</u> Head - Corporate & Institutional Banking, Emirates NBD Bank, Singapore Branch</p>	Nil
MR LIM JUN XIONG STEVEN	1 Dec 2023	N.A.	<p><u>Present Directorship in Other Listed Companies:</u> Bund Center Investment Ltd⁽¹⁾ Livingstone Health Holdings Limited Sinarmas Land Limited Riverstone Holdings Limited Cosmosteel Holdings Limited</p> <p>Note: ⁽¹⁾ Mr Steven Lim will step down as a director of Bund Center Investment Ltd after its Annual General Meeting to be held on 23 April 2024.</p> <p><u>Other Present Principal Commitments:</u> Nil</p>	Emerging Towns & Cities Singapore Ltd. Mirach Energy Limited Keong Hong Holdings Limited

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 over the preceding 3 Years
MR CHONG WENG HOE	1 Dec 2023	N.A.	<u>Present Directorship in Other Listed Companies:</u> HC Surgical Specialists Limited ISEC Healthcare Ltd. Hong Fok Corporation Limited <u>Other Present Principal Commitments:</u> Executive Vice President, Global Head of Service Line for EMC (Electromagnetic Compatibility), TUV SUD Asia Pacific Pte Ltd (part-time)	Singapore Paincare Holdings Limited Keong Hong Holdings Limited

Board Performance

Principle 5:

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

Provision 5.1 & 5.2 of the Code

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

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

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

The effectiveness of the Board Chairman is assessed by the NC members, namely Ms Han Sah Heok Vicky and Ms Jeanette Chang on attributes such as leadership, ethics and values, knowledge, interaction and communication skills.

The NC is of the view that the Board Chairman has been carrying out his role and duties as Chairman on the Board competently and has no issue with Mr Wong Meng Yeng carrying on with his dual role as Board Chairman and NC Chairman. Mr Wong Meng Yeng had abstained from any discussion or voting in view of his dual role as Board Chairman and NC Chairman. Areas of strength and recommendation, if any, for improvements will be identified by the NC and tabled to the Board for discussion and comment. Due to Mr Wong Meng Yeng's impending change in status to a non-independent, non-executive role after the conclusion of the upcoming AGM, the NC, in conjunction with the Board, will initiate plans to appoint a new Independent NC Chairman in due course.

Based on the NC's review, the Board and the various Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

The NC is of the view that the primary objective of the assessment exercise is to create a platform to identify the Board's strengths and make recommendations for improvements to be tabled to the Board for discussion and comment with a view to strengthening the effectiveness of the Board. The Company has not engaged any external facilitator to conduct the performance evaluation of the Board, Board Committees and individual Directors. Where relevant and when the need arises, the NC will consider such an engagement.

(B) Remuneration Matters

Procedures for Developing Remuneration Policies

Principle 6:

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

Provision 6.1 of the Code

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

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

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

Provision 6.2 of the Code

As at the date of this report, the RC comprises six Directors, who are Independent Directors. As at the date of this report, the members of the RC are Ms Han Sah Heck Vicky (Chairman of RC), Mr Ang Miah Khiang, Mr Wong Meng Yeng, Mr Ajay Kumar Jain, Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe.

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

Provision 6.3 of the Code

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

Provision 6.4 of the Code

In discharging its functions, the RC may, at the Company's expense, obtain such independent legal and other professional advice as it deems necessary. For FY2023, no remuneration consultant was appointed to review the remuneration of Directors and Key Management Personnel.

Level and Mix of Remuneration

Principle 7:

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

Provision 7.1 & 7.3 of the Code

The Group's remuneration policy for Executive Directors and Key Management Personnel comprises a base/fixed salary, an allowance and a variable performance related bonus that is linked to the Company/Group and individual performance and designed to align the interests of the Executive Directors and Key Management Personnel with those of shareholders and other stakeholders to promote the long-term success of the Company. In setting remuneration packages, the Group takes into consideration the market and pay conditions within the industry as well as the Group's performance in the relevant financial year and individual performance. Consideration is also given to whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent, without being excessively generous and be able to motivate the Executive Directors to provide good stewardship of the Company and together with Key Management Personnel to successfully manage the Company for the long term. The Executive Directors do not receive any Directors' fees.

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

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

There has been no new share option scheme since the expiry of the Company's Share Option Scheme in 2012. The Company will consider an employee share option scheme or other long-term incentive scheme as and when deemed necessary.

Provision 7.2 of the Code

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

The Directors' fee framework for the financial year ending 31 December 2024 ("FY2024") is as follows:

	FY2024 ⁽²⁾
Basic Fee for Board Members⁽¹⁾	\$44,000 per annum
Additional fee:	
– Allowance for Board Chairman	75.0% of Basic Fee
– Audit Committee Chairman	50.0% of Basic Fee
– Audit Committee Members	25.0% of Basic Fee
– Remuneration/Nominating Committee Chairman	25.0% of Basic Fee
– Remuneration/Nominating Committee Members	12.5% of Basic Fee

Notes:

⁽¹⁾ Following the re-designation to Non-Executive Non-Independent Director upon the conclusion of the upcoming AGM, Mr Wong Meng Yeng will continue to be compensated in accordance with the above Directors' fee framework.

⁽²⁾ The Directors' fee framework for FY2024 will remain consistent with that of FY2023

Shareholders' approval will be sought at the AGM of the Company on 26 April 2024 for the abovementioned payment of Directors' fees.

Having reviewed and considered the variable components in the remuneration packages of the Executive Directors and Key Management Personnel, the RC is of the view that it is not necessary to institute contractual provisions to reclaim incentive components of remuneration from Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Company should be able to avail itself to remedies against the Executive Directors and Key Management Personnel in the event of such breach of fiduciary duties.

Disclosure on Remuneration

Principle 8:

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

Provisions 8.1(a) and 8.3 of the Code

The Directors' remuneration for FY2023 is set out below:

Name of Directors	Fees (\$)	Salary, CPF & Allowance (\$)	Bonus (\$)	Benefits (\$)	Total (\$)
MR WONG MENG YENG	104,500	-	-	-	104,500
MS JEANETTE CHANG ⁽⁴⁾	-	534,938	220,933	48,000 ⁽²⁾	803,871
DR BENETY CHANG ⁽⁴⁾	-	631,735 ⁽³⁾	247,024	-	878,759
MR TAN YANG GUAN	-	-	-	186,173 ⁽¹⁾	186,173
MR ANG MIAH KHIANG	71,500	-	-	-	71,500
MS HAN SAH HEOK VICKY	71,500	-	-	-	71,500
MR AJAY KUMAR JAIN	24,471	-	-	-	24,471
MR LIM JUN XIONG STEVEN	3,737	-	-	-	3,737
MR CHONG WENG HOE	3,737	-	-	-	3,737

Notes:

⁽¹⁾ This relates to consultancy fees paid by the Group.

⁽²⁾ This relates to directors' fees paid by CH Offshore Ltd. ("CHO"), a subsidiary of the Company.

⁽³⁾ This relates to Salary, CPF & Allowances and Bonus paid by the Company and CHO.

⁽⁴⁾ Ms Jeanette Chang, the CEO and Executive Director, is the daughter of Dr Benety Chang (Executive Director of the Company).

Provisions 8.1(b) and 8.3 of the Code

The remuneration in FY2023 of Key Management Personnel (who are not Directors or the CEO) are set out below in bands of \$250,000:

Name Of Key Management Personnel	Designation	Salary, CPF & Allowance (%)	Bonus (%)	Other Benefits
\$500,000 AND UP TO \$750,000 MR TAN WEE LEE	Managing Director (Baker Engineering Pte. Ltd., Sea Deep Shipyard Pte. Ltd, Sea Hercules Cranes Pte. Ltd.)	66	34	-
MR TAN KIANG KHERNG	Chief Financial Officer (Baker Technology Limited)	68	23	9 ⁽¹⁾
\$250,000 AND UP TO \$500,000 MR LIM TZE KERN KENNY	Managing Director (CHO Ship Management Pte. Ltd.)	93	7	-

Notes:

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

As at the date of this Corporate Governance Report, there were three Key Management Personnel in the Company. The aggregate remuneration paid to the three Key Management Personnel for FY2023 was \$1,508,454.

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

The Company believes that it may not be in the Group's interest to disclose the remuneration of the Key Management Personnel to the level as recommended by the Code, given highly competitive hiring conditions and the need to retain the Group's talent pool.

Provision 8.2 of the Code

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

(C) Accountability And Audit

Risk Management and Internal Controls

Principle 9:

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

Provision 9.1 of the Code

Risk management is an integral part of the Group's business strategy. In order to safeguard and create value for stakeholders, the Group proactively manages risks and embeds the risk management process into the Group's planning and decision-making process. The Board has overall responsibility for the management of the Group's key risks to safeguard shareholders' interests and its assets. The Board considers the nature and extent of the significant risks which the Company may take in achieving its strategic objectives and value creation. The AC has been tasked to assist the Board in the oversight of the risk management and internal control systems within the Group while the ownership of day-to-day management and monitoring of existing internal control systems is delegated to Management which comprise the Executive Directors and Key Management Personnel of the Group.

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

In response to the evolving business environment, which continuously alters 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 adopted by publicly traded companies around the world, is a system designed to establish robust internal controls. These controls are integrated into business processes to ensure resilient and adaptive risk management strategies in line with the dynamic nature of the Group's business landscape.

The ERMFP sets out the policies and processes relating to enterprise risk management throughout the Group for the identification, assessment, monitoring and reporting of significant risks (including but not limited to sustainability risks and sanctions-related risks). As part of the ERMFP, risk registers were established to document the key risks, risk appetite, risk tolerance, risk evaluation and mitigating controls. Management will regularly review the key risks, both existing and emerging new risks; determine the key owners for the risks identified; ensure risk mitigation actions are promptly and properly implemented; and ensure policies and controls are complied with. Management reports to the AC on the risk registers on a half yearly basis. Appropriate mitigating actions in managing the key risks, as well as action plans to address the gaps are considered, documented and implemented to safeguard shareholders' interests and the Group's assets.

The ERMFP is complemented by the Group's system of internal controls, which includes the Code of Conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorities as well as checks and balances built into the business processes.

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

For the half year unaudited financial statements issued during FY2023, the Board provided a negative assurance confirmation to shareholders, confirming to the best of their knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

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

- (a) The financial records of the Group have been properly maintained and the financial statements for FY2023 give a true and fair view of the Group's operations and finances; and
- (b) The internal controls (including material financial, operational, compliance and information technology controls) and risk management systems (including sustainability risks and any sanctions-related risks) are adequate and effective.

The Board also confirmed that there has been no material change in its risk of being subject to any sanctions-related law or regulation.

Based on the ERMFP, reviews carried out by the AC, the work performed by the internal and external auditors and assurance from Management, the Board, with the concurrence of the AC, is of the opinion that the Group's risk management systems and internal controls are adequate and effective to address financial, operational, compliance and information technology controls and risk management systems (including but not limited to sustainability risks and sanctions-related risks) within the current scope of the Group's business operations. The Board notes that no system of internal controls is capable of providing absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

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

As part of the risk management process, general IT controls and cyber security measures are also reviewed to ensure that IT risks and cybersecurity threats are identified and mitigated. In addition, as part of IT policy, robust data back-up systems are put in place to ensure that the Group's critical data and information can be restored and accessed during a crisis.

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

Audit Committee

Principle 10:

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

Provision 10.1 of the Code

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

- (i) review (a) half year and full year financial statements of the Group before submission to the Board for approval of publication via SGXNet; and (b) interim financial positions and performance of the Group;
- (ii) review the significant financial reporting issues and judgements (including legal, regulatory and tax related matters that may have material impact on the financial statements), changes in accounting policies and standards and major risk areas so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;

- (iii) review the adequacy, effectiveness, scope and results of the external audit work, cost effectiveness of the audit, and the independence and objectivity of the external auditor taking into consideration the requirements under the Accountants Act 2004 of Singapore;
- (iv) review the adequacy, effectiveness and independence of the internal auditor, the scope of the internal audit procedures, the results of the internal audit and monitor the responses to their findings to ensure that appropriate follow-up measures are taken;
- (v) review the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance, information technology controls and risk management systems (including but not limited to sustainability-related risks and sanctions-related risks), such review can be carried out by the internal and/or external auditors;
- (vi) recommend to the Board on the appointment and re-appointment of the external auditor and matters relating to the resignation or dismissal of the auditor;
- (vii) review interested person transactions (if any) falling within the scope of the Listing Manual of the SGX-ST;
- (viii) review arrangement by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, so as to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action. The Company publicly discloses, and clearly communicates to employees, the existence of a whistleblowing policy and procedures for raising such concerns;
- (ix) review the assurance from the CEO and the CFO on the financial records and financial statements;
- (x) investigate any matter which falls within the 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;
- (xi) undertake such other reviews and projects as may be requested by the Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the AC; and
- (xii) undertake such other functions and duties as may be prescribed by statute and the Listing Rules or recommended by the Code and by such amendments made thereto from time to time.

The AC met five times during the year under review. Details of AC members and their attendance at meetings are provided on page 55. The external and internal auditors (if required), the CEO, the CFO and Company Secretary were also in attendance.

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

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 Key Audit Matters.

Provision 10.2 of the Code

As at the date of this report, the AC comprises Mr Ang Miah Khiang, Mr Wong Meng Yeng, Ms Han Sah Heok Vicky, Mr Ajay Kumar Jain, Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe, all of whom are Independent Directors. The Chairman of the AC is Mr Ang Miah Khiang.

The Board considers Mr Ang Miah Khiang, a Fellow Chartered Accountant of Singapore, as having extensive and practical financial management knowledge and experience, well-qualified to chair the AC. All members of the AC are appropriately qualified, with at least five members having the requisite financial management expertise and experience.

Provision 10.3 of the Code

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

Provision 10.4 of the Code

The Company's internal audit function is outsourced and for FY2023, was performed by MS Risk Management Pte Ltd ("**MSRM**"). MSRM has access to all the Company's documents, records, properties and personnel, including access to the AC. MSRM's primary line of reporting would be to the AC. The AC is satisfied that the Group's internal audit function was independent, effective and adequately resourced.

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

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

During FY2023, MSRM completed an internal audit review of the Group on key processes such as project management and security operations. The findings and recommendations of MSRM, Management's responses and Management's implementations have been reviewed and approved by the AC.

Provision 10.5 of the Code

The AC had met with the Company's external and internal auditors once without the presence of Management during FY2023 to review any matter that might be raised privately. It also has full discretion to invite any Director, Key Management Personnel or any other person to attend its meetings.

The 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 of its external auditor. The AC, having reviewed the scope and value of non-audit services provided to the Group by Ernst & Young LLP ("**EY**") by taking into account of the requirements under the Accountants Act 2004 of Singapore, is satisfied that the nature and extent of such services has not prejudiced and effected their independence and objectivity. For details of fees paid/payable to the external auditor in respect of audit and non-audit services, please refer to Note 7 of the Notes to the Financial Statements on page 112.

In reviewing the nomination of EY for re-appointment as the Company's auditor for FY2023, 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.

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

Whistleblowing Policy

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

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

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

(D) Shareholders Rights And Engagement

Shareholder Rights and Conduct of General Meetings

Principle 11:

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

Provision 11.1 of the Code

The Group recognises the importance of maintaining transparency and accountability to its shareholders. The Company endeavours to treat all shareholders fairly and equitably and the rights of all investors, including non-controlling shareholders are protected.

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

Provision 11.2 of the Code

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

Each item of special business included in the notice of the general meetings will be accompanied by explanation of the effects of a proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings. Detailed information on each item in the AGM agenda is provided in the explanatory notes to the Notice of AGM on pages 141 to 144 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. 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 AGMs in 2020, 2021 & 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.

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

Provision 11.5 of the Code

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

Provision 11.6 of the Code

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

The Board endeavours to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend payout. For FY2023, the Board has recommended a final dividend of 1.5 cents per share which is subject to shareholders' approval at the forthcoming AGM of the Company.

Engagement With Shareholders**Principle 12:**

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

Provision 12.1, 12.2 and 12.3 of the Code

The Company does not practise selective disclosure. In line with continuing disclosure obligations of the Company pursuant to the Listing Rules and the Companies Act 1967 of Singapore, the Board's policy is that all shareholders should be informed (through SGXNet) of all major developments that impact the Group on an equal and timely basis. All material information including results announcements, are disclosed regularly and in a timely manner via SGXNet and the Company's website.

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

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

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

The Company is committed to engaging its shareholders and the investing community and providing pertinent and accurate information about the Company in an effective, fair and timely manner. The Group has specifically entrusted its Executive Directors, CEO and the CFO with the responsibility of facilitating communications with shareholders and analysts and attending to their queries or concerns.

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

(E) Managing Stakeholder Relationships

Engagement with Stakeholders

Principle 13:

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

Provision 13.1, 13.2 & 13.3 of the Code

The Company regularly engages its stakeholders through various mediums and channels to ensure that its business interests are aligned with those of its stakeholders. The Company's stakeholders have been identified as those who are impacted by the Company's business and operations and those who similarly are able to impact the Company's business and operations. The Company's efforts on sustainability are focused on creating sustainable value for its key stakeholders, which include community and environment, customers, employees, suppliers and shareholders/investors.

The Company has identified key areas of focus in relation to the management of stakeholder relationships. For details on the key areas of focus, please refer to the Sustainability Report on pages 24 to 52 of this Annual Report.

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

- (i) Code of Conduct Policy & Procedures
- (ii) Anti-Bribery & Corruption Policy
- (iii) Whistleblowing Policy
- (iv) Personal Data Protection Policy
- (v) Tax Governance Policy
- (vi) Human Rights Statements

These policies are available on the Company's website.

(F) Dealings In Securities

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

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

(G) Interested Person Transactions

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

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

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

(H) Material Contracts

There were no material contracts of the Company and its subsidiaries involving the interests of the CEO, any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

(I) Major Properties

The Group holds the following properties in Singapore:

Location	Description	Area (sqm)	Tenure
6 Pioneer Sector 1 Singapore 628418	A purpose-built shipyard complex with single-storey workshops, 3-storey office, stores, water frontage and paint blasting/open fabricating	31,094	Expiring on 31 December 2043
10 Jalan Samulun Singapore 629124	An existing custom-built premises with single-storey workshop, 3-storey office and water frontage	10,430	Expiring on 31 December 2025
12A Jalan Samulun Singapore 629131	An existing custom-built premises with single-storey workshop, 3-storey office and water frontage	5,995	Expiring on 31 May 2025

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Directors' Statement

For the financial year ended 31 December 2023

Baker Technology Limited

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

Opinion of the directors

In the opinion of the directors,

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

Directors

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

WONG MENG YENG	Chairman, Independent Director	
JEANETTE CHANG	Chief Executive Officer, Executive Director	
DR BENETY CHANG	Executive Director	
TAN YANG GUAN	Non-Executive Non-Independent Director	
ANG MIAH KHIANG	Independent Director	
HAN SAH HEOK VICKY	Independent Director	
AJAY KUMAR JAIN	Independent Director	Appointed on 12 June 2023
LIM JUN XIONG STEVEN	Independent Director	Appointed on 1 December 2023
CHONG WENG HOE	Independent Director	Appointed on 1 December 2023

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

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

Directors' Statement

For the financial year ended 31 December 2023

Baker Technology Limited

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						
Baker Technology Limited						
<i>Ordinary shares</i>						
Dr Benety Chang	90,642,437	93,987,401	94,037,601	19,151,771	19,151,771	19,151,771
Tan Yang Guan	4,128,554	4,128,554	4,128,554	–	–	–
Han Sah Heok Vicky	100,000	100,000	100,000	–	–	–
CH Offshore Ltd.						
<i>Ordinary shares</i>						
Dr Benety Chang	–	–	–	387,535,300	387,535,300	387,535,300

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

Share options

There is currently no share option scheme on unissued shares of the Company.

Audit committee

The audit committee (AC) carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967, including the following:

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

Directors' Statement

For the financial year ended 31 December 2023

Baker Technology Limited

Audit committee (cont'd)

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

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

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

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

Auditor

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

On behalf of the board of directors:

Wong Meng Yeng
Chairman

Jeanette Chang
Chief Executive Officer

Singapore
18 March 2024

Independent Auditor's Report

For the financial year ended 31 December 2023

Baker Technology Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Baker Technology Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statement of financial position of the Group and the Company as at 31 December 2023, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 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.

Impairment assessment of vessels

As at 31 December 2023, the Group owned 6 vessels with an aggregate carrying value of \$130,737,000. 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 Group's 54.98%-owned subsidiary, CH Offshore Ltd., commenced legal proceedings against the charterer of one of the vessels for unpaid charter hire and for redelivery of the vessel after the termination of the charterparty in April 2023. Due to the unavailability of this vessel for chartering operations until completion of the legal proceedings and the additional incidental and maintenance expenditures required, \$4,160,000 was recorded as impairment loss in the current year. Details on the legal proceedings are set out in Note 10 to the consolidated financial statements.

Independent Auditor's Report

For the financial year ended 31 December 2023

Baker Technology Limited

Key Audit Matters (cont'd)

Impairment assessment of vessels (cont'd)

This area was significant to our audit as the carrying value of the vessels represented 47% 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 reviewed the legal advice from the Group's external legal counsel, and evaluated the basis for management's key assumptions surrounding the expected timing of the resolution of the legal proceedings, repossession and redeployment of the vessel, and the related expenditures and loss exposures.

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

Recoverability of trade receivables

As at 31 December 2023, the carrying amount of the Group's trade receivables, net of allowance for expected credit losses (ECL) of \$8,085,000 amounted to \$22,486,000, which represented 17% of its current assets.

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

Our audit procedures included, amongst others, obtaining an understanding of the Group's processes and key controls relating to the monitoring of trade receivables and considering their ageing to identify collection risks, as well as the Group's process in determining whether a debtor is credit impaired. We performed audit procedures including, amongst others, reviewing the ECL model used by the management in assessing the recoverability of trade receivables and reviewing management's assessment of the recoverability of long outstanding and overdue trade receivables. We tested the reasonableness of management's assumptions and inputs used in the ECL model by comparing to historical credit loss rates, and reviewed data and information that management has used, including consideration of forward-looking information based on specific economic data. We checked the arithmetic accuracy of management's computation of ECL. We reviewed the debtor ageing analysis and checked to subsequent receipts from major debtors. We obtained documentary evidence, representation and explanations from management to assess the recoverability of long outstanding debts, where applicable. In addition, we reviewed the adequacy of the disclosures relating to impairment of trade receivables and credit risk in Note 19 and Note 26(c) to the consolidated financial statements respectively.

Other information

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

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

Independent Auditor's Report

For the financial year ended 31 December 2023

Baker Technology Limited

Other information (cont'd)

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.

Independent Auditor's Report

For the financial year ended 31 December 2023

Baker Technology Limited

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

- 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 Yee Woon Yim.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

18 March 2024

Consolidated Statement Of Comprehensive Income

For the financial year ended 31 December 2023

Baker Technology Limited

	Group Note	2023 \$'000	2022 \$'000
Revenue	5	91,415	98,501
Cost of sales		(63,371)	(66,691)
Gross profit		28,044	31,810
Other income	6	3,205	1,776
Administrative expenses		(21,133)	(21,521)
Finance cost		(554)	(536)
Other expenses	6	(6,340)	(526)
Profit before tax	7	3,222	11,003
Income tax credit	8	350	329
Profit for the year		3,572	11,332
Attributable to:			
Owners of the Company		8,287	13,400
Non-controlling interests		(4,715)	(2,068)
		3,572	11,332
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net fair value gain/(loss) on equity instruments at fair value		440	(20)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Net fair value gain/(loss) on debt instruments at fair value		29	(41)
Foreign currency translation		(1,426)	(704)
Other comprehensive loss for the year, net of tax		(957)	(765)
Total comprehensive income for the year attributable to owners of the Company		2,615	10,567
Attributable to:			
Owners of the Company		7,779	12,784
Non-controlling interests		(5,164)	(2,217)
		2,615	10,567
Earnings per share attributable to owners of the Company			
Basic and diluted (in cents)	9	4.1	6.6

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

Statements Of Financial Position

As at 31 December 2023

Baker Technology Limited

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current assets					
Property, plant and equipment	10	134,048	149,063	3	2
Right-of-use assets	11	8,277	2,043	–	–
Intangible assets	12	258	517	–	–
Investment in subsidiaries	13	–	–	88,600	88,600
Investment in associated companies	14	–	–	–	–
Investment securities	16	7,691	2,756	7,691	2,756
		150,274	154,379	96,294	91,358
Current assets					
Contract assets	5	2,476	6,822	–	–
Investment securities	16	2,729	1,730	2,729	1,730
Inventories and work-in-progress	18	6,761	4,077	–	–
Trade and other receivables	19	24,901	27,897	960	257
Prepaid operating expenses		802	728	18	33
Amounts due from subsidiaries	20	–	–	74,913	95,106
Loan to an associated company	15	3,990	4,644	–	–
Cash and short-term deposits	21	87,521	71,467	72,984	51,200
		129,180	117,365	151,604	148,326
Less: Current liabilities					
Contract liabilities	5	884	576	–	–
Payables and accruals	22	15,423	12,830	637	825
Loans and borrowings	23	8,006	8,317	–	–
Amounts due to subsidiaries	20	–	–	7,416	3,648
Income tax payable		1,551	679	36	410
		25,864	22,402	8,089	4,883
Net current assets		103,316	94,963	143,515	143,443
Non-current liabilities					
Deferred tax liabilities	17	1,028	2,825	–	–
Loans and borrowings	23	8,170	2,961	–	–
Provision	22	1,800	1,550	–	–
		10,998	7,336	–	–
Net assets		242,592	242,006	239,809	234,801
Equity attributable to owners of the Company					
Share capital	24	108,788	108,788	108,788	108,788
Reserves		109,825	104,075	131,021	126,013
		218,613	212,863	239,809	234,801
Non-controlling interests		23,979	29,143	–	–
Total equity		242,592	242,006	239,809	234,801

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

Statements Of Changes In Equity

Baker Technology Limited

For the financial year ended 31 December 2023

Attributable to owners of the Company

Group	Share capital (Note 24) \$'000	Capital reserve ⁽¹⁾ \$'000	Retained earnings \$'000	Fair value reserve \$'000	Foreign currency translation reserve \$'000	Total reserves \$'000	Non-controlling interests \$'000	Total equity \$'000
2023								
At 1 January 2023	108,788	2,344	102,062	869	(1,200)	104,075	29,143	242,006
Profit for the year	-	-	8,287	-	-	8,287	(4,715)	3,572
<u>Other comprehensive income</u>								
Net fair value changes on equity instruments at FVOCI	-	-	-	440	-	440	-	440
Net fair value changes on debt instruments at FVOCI	-	-	-	29	-	29	-	29
Foreign currency translation	-	-	-	-	(977)	(977)	(449)	(1,426)
Total comprehensive income for the year	-	-	8,287	469	(977)	7,779	(5,164)	2,615
Dividend on ordinary shares (Note 29)	-	-	(2,029)	-	-	(2,029)	-	(2,029)
At 31 December 2023	108,788	2,344	108,320	1,338	(2,177)	109,825	23,979	242,592
2022								
At 1 January 2022	108,788	2,344	89,676	930	(645)	92,305	31,360	232,453
Profit for the year	-	-	13,400	-	-	13,400	(2,068)	11,332
<u>Other comprehensive income</u>								
Net fair value changes on equity instruments at FVOCI	-	-	-	(20)	-	(20)	-	(20)
Net fair value changes on debt instruments at FVOCI	-	-	-	(41)	-	(41)	-	(41)
Foreign currency translation	-	-	-	-	(555)	(555)	(149)	(704)
Total comprehensive income for the year	-	-	13,400	(61)	(555)	12,784	(2,217)	10,567
Dividend on ordinary shares (Note 29)	-	-	(1,014)	-	-	(1,014)	-	(1,014)
At 31 December 2022	108,788	2,344	102,062	869	(1,200)	104,075	29,143	242,006

Statements Of Changes In Equity

Baker Technology Limited

For the financial year ended 31 December 2023

Attributable to owners of the Company

Company	Share capital (Note 24) \$'000	Capital reserve ⁽¹⁾ \$'000	Retained earnings \$'000	Fair value reserve \$'000	Total reserve \$'000	Total equity \$'000
2023						
At 1 January 2023	108,788	2,344	122,800	869	126,013	234,801
Profit for the year	-	-	6,568	-	6,568	6,568
<u>Other comprehensive income</u>						
Net fair value changes on equity instruments at FVOCI	-	-	-	440	440	440
Net fair value changes on debt instruments at FVOCI	-	-	-	29	29	29
Total comprehensive income for the year	-	-	6,568	469	7,037	7,037
Dividend on ordinary shares (Note 29)	-	-	(2,029)	-	(2,029)	(2,029)
At 31 December 2023	108,788	2,344	127,339	1,338	131,021	239,809
2022						
At 1 January 2022	108,788	2,344	111,495	930	114,769	223,557
Profit for the year	-	-	12,319	-	12,319	12,319
<u>Other comprehensive income</u>						
Net fair value changes on equity instruments at FVOCI	-	-	-	(20)	(20)	(20)
Net fair value changes on debt instruments at FVOCI	-	-	-	(41)	(41)	(41)
Total comprehensive income for the year	-	-	12,319	(61)	12,258	12,258
Dividend on ordinary shares (Note 29)	-	-	(1,014)	-	(1,014)	(1,014)
At 31 December 2022	108,788	2,344	122,800	869	126,013	234,801

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

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

Consolidated Cash Flow Statement

Baker Technology Limited

For the financial year ended 31 December 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Profit before tax		3,222	11,003
Adjustments for:			
Depreciation of property, plant and equipment	10	12,650	12,709
Depreciation of right-of-use assets	11	1,141	1,141
Amortisation of intangible assets	12	259	259
Inventories written down	18	98	244
Impairment loss on vessel	6	4,160	–
Allowance for expected credit losses	19	1,476	4,784
Interest income	6	(2,788)	(554)
Interest expense		554	536
Unrealised foreign exchange loss		1,509	934
Operating cash flows before working capital changes		22,281	31,056
Increase in inventories and work-in-progress		(2,782)	(836)
Decrease/(increase) in contract assets		4,346	(1,220)
Increase/(decrease) in contract liabilities		308	(352)
Decrease/(increase) in trade and other receivables		2,299	(9,575)
Increase in prepaid operating expenses		(74)	(132)
Increase in payables and accruals		2,217	648
Cash flows from operations		28,595	19,589
Interest received		2,106	340
Interest paid		(554)	(536)
Income tax paid		(555)	(190)
Net cash flows from operating activities		29,592	19,203
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(3,458)	(1,154)
Maturity of investment securities		3,870	–
Purchase of investment securities		(9,375)	(1,801)
Repayment from associates		578	1,189
Net cash flows used in investing activities		(8,385)	(1,766)
Cash flows from financing activities			
Repayment of borrowings	23	(1,271)	(2,898)
Payment of principal portion of lease liabilities	23	(956)	(900)
Dividend on ordinary shares	29	(2,029)	(1,014)
Net cash flows used in financing activities		(4,256)	(4,812)
Net increase in cash and cash equivalents		16,951	12,625
Effect of exchange rate changes on cash and cash equivalents		(897)	(918)
Cash and cash equivalents at beginning of financial year		71,467	59,760
Cash and cash equivalents at end of financial year	21	87,521	71,467

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

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

1. Corporate information

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

The consolidated financial statements of Baker Technology Limited and its subsidiaries (collectively, the "Group") for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 18 March 2024.

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

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

2. Accounting policies

2.1 Basis of preparation

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

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

The consolidated financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

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

The consolidated financial statements provide comparative information in respect of the previous period.

(a) Changes in accounting policies

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

(b) Standard 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

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

2. Accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

(b) Standard issued but not yet effective (cont'd)

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 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

2.2 Basis Of Consolidation

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

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

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

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

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

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

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

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

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

2. Accounting policies (cont'd)

2.3 Summary of accounting policies

(a) Business combinations and goodwill

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

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

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

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

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

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

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

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(b) Foreign currency

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

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

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currencies spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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

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

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

(ii) Group companies

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

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

2. Accounting Policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(c) Associates

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

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

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate' in the statement of profit or loss.

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

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

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

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

(d) Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the reinstatement of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

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

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

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

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

The Group reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the Group considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the Group considers climate-related matters, including physical and transition risks.

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

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

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

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

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

(e) Intangible assets

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

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

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(e) Intangible assets (cont'd)

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

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

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Vessel design

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

(f) Leases

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

Group as a lessee

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

(i) Right-of-use assets

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

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(f) Leases (cont'd)

Group as a lessee (cont'd)

(i) Right-of-use assets (cont'd)

- Leasehold land and buildings - remaining lease period

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

The right-of-use assets are also subject to impairment as set out in Note 2.3(g).

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

(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. Accounting Policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(g) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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

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

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

(h) Financial instruments

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

(i) Financial assets

Initial recognition and measurement

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

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(h) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Initial recognition and measurement (cont'd)

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date (i.e., the date that the Group commits to purchase or sell the asset).

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

The Group's financial assets at amortised cost includes trade and other receivables, loan to associated company, amounts due from subsidiaries, and cash and short-term deposits.

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(h) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Financial assets at fair value through OCI (debt instruments)

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

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

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

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(h) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Derecognition

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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

Impairment

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

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

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

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

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(h) Financial instruments (cont'd)

(i) Financial assets (cont'd)

Impairment (cont'd)

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) 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 trade and other payables, amounts due to subsidiaries and loans and borrowings.

Subsequent measurement

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

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

Financial liabilities at fair value through profit or loss

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

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

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(h) Financial instruments (cont'd)

(ii) Financial liabilities (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 loans and borrowings (Note 23).

Derecognition

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

(iii) Offsetting of financial instruments

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

(i) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(j) Inventories

Inventories, which are made up of mainly materials, bunkering stocks, component and spares are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

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

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

(k) Provisions

General

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

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

Provision for reinstatement

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

(l) Employee benefits

(i) Defined contribution plan

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

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(l) Employee benefits (cont'd)

(ii) Employee leave entitlement

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

(m) Revenue from contracts with customers

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

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

(i) Construction contracts

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

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

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

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

(ii) Sales of goods

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

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

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

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

(iii) Rendering of services

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

(iv) Charter hire

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

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

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

(v) Management fee and agency fee

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

Contract balances

Contract assets

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

Contract assets are subject to impairment assessment.

Trade receivables

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

Contract liabilities

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

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(n) Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

2. Accounting policies (cont'd)

2.3 Summary of accounting policies (cont'd)

(n) Taxes (cont'd)

Deferred tax (cont'd)

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

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

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

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales tax

Expenses and assets are recognised net of the amount of sales tax except:

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

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

(o) Government grants

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

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

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

2. Accounting policies (cont'd)

2.4 Climate-related matters

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

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products and services.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. These are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements

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

Estimates and assumptions

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

Impairment of vessels

The carrying amounts of the Group's vessels are reviewed at the end of the reporting period to determine whether there is any indication that those vessels have suffered an impairment loss or previously recognised impairment loss has reversed. In determining the impairment loss or reversal to be recorded for the Group's vessels, management has computed the value-in-use and considered the respective cash-generating units (CGU) of the Group in deriving the recoverable amount of the Group's vessels that are compared against their carrying amount.

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

Impairment of vessels (cont'd)

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

In current year, management computed the value-in-use by estimating the future cash flows expected to be generated by the vessels based on the discount rate of 12.00% per annum (2022: 10.50% per annum) which reflects the current market assessment of the time value of money and the risks specific to the Group.

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

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

Based on the above internal and external sources of information, management has carried out a review of the recoverable amount of the Group's vessels.

For 5 out of 6 of the Group's wholly owned vessels, no impairment loss or reversal was recognised for the financial years ended 31 December 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 10, due to the unavailability of this vessel for chartering operations until completion of the legal proceedings and the additional incidental and maintenance expenditures required, the Group recognised an impairment loss of \$4,160,000 (2022: \$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 \$1,677,000. 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.

Useful lives and residual value of vessels

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

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

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

Allowance for expected credit losses of trade receivables

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

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

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

Impairment of investment in subsidiaries

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on the forecasted performance of the subsidiaries. The carrying amounts of the Company's interests in subsidiaries at the reporting date are disclosed in Note 13.

4. Segment information

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

- (i) The marine offshore segment is essentially the Group's principal business activity as manufacturers and providers of specialised marine offshore equipment and services for the oil and gas industry. The Group's core business is in the design, construction, operating and chartering of mobile offshore units and offshore services vessels, along a wide range of critical equipment and components for the offshore marine industry.
- (ii) The investments segment relates to the Group's investments in available-for-sale investments.
- (iii) The corporate segment is involved in Group-level corporate services and treasury functions.

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

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

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

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

4. Segment information (cont'd)

	Marine Offshore		Investments		Corporate		Adjustments and eliminations		Consolidated	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Revenue from external customers	91,415	98,501	-	-	-	-	-	-	91,415	98,501
Results:										
Depreciation and amortisation	(14,048)	(14,107)	-	-	(2)	(2)	-	-	(14,050)	(14,109)
Vessel impairment	(4,160)	-	-	-	-	-	-	-	(4,160)	-
Interest income	219	89	251	11	2,318	454	-	-	2,788	554
Finance cost	(554)	(536)	-	-	-	-	-	-	(554)	(536)
Inventories written down	(98)	(244)	-	-	-	-	-	-	(98)	(244)
Segment profit	3,785	13,052	12,200	13,483	13,317	12,868	(26,080)	(28,400)	3,222	11,003
Total assets	194,757	215,431	57,845	51,935	73,965	51,491	(47,113)	(47,113)	279,454	271,744
Total liabilities	36,171	28,485	17	18	674	1,235	-	-	36,862	29,738
Other disclosure:										
Purchase of investment securities	-	-	9,375	1,801	-	-	-	-	9,375	1,801
Capital expenditure	3,455	1,154	-	-	3	-	-	-	3,458	1,154

Geographical information

	Revenue		Non-current assets	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Asia Pacific (excluding China and Singapore)	63,151	40,857	-	-
Africa	8,216	15,895	-	-
Europe	3,900	24,229	-	-
Singapore	4,146	3,584	142,583	151,623
Middle East	11,088	4,432	-	-
Americas	875	9,445	-	-
China	39	59	-	-
	91,415	98,501	142,583	151,623

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

Information about a major customer

Revenue from one major customer amounted to approximately \$36,220,000 (2022: \$35,427,000), arising from the provision of specialised marine offshore equipment and services.

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

5. Revenue

	Group	
	2023 \$'000	2022 \$'000
Marine offshore revenue	83,157	90,788
Spare sales	8,258	7,713
	91,415	98,501

Timing of transfer of goods or services

	2023		2022	
	At a point in time \$'000	Over time \$'000	At a point in time \$'000	Over time \$'000
Asia Pacific (excluding China and Singapore)	146	63,005	957	39,900
Africa	330	7,886	305	15,591
Europe	136	3,764	145	24,084
Singapore	1,097	3,049	1,761	1,823
Middle East	6,507	4,581	4,431	–
Americas	3	872	55	9,390
China	39	–	59	–
	8,258	83,157	7,713	90,788

The Group accounts for the lease of vessels for bareboat charter and time charter under SFRS(I) 16 Leases as leases revenue. Time charter comprises lease of vessels and provision of other ancillary services. Other ancillary services include provision of crew and other services under time charter contracts. The Group separates the lease and non-lease components of time charter by allocating the transaction price based on their relative stand-alone selling prices. Other ancillary time charter revenue is recognised over time.

Included in the marine offshore revenue are charter hire revenue amounting to \$33,784,000 (2022: \$26,203,000) and other ancillary charter hire revenue amounting to \$34,382,000 (2022: \$34,557,000).

Contract assets and contract liabilities

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

	31 December		1 January
	2023 \$'000	2022 \$'000	2022 \$'000
Receivables from contracts with customers	6,381	11,272	4,140
Contract assets	2,476	6,822	6,002
Contract liabilities	884	576	928

The Group has recognised impairment losses on receivables arising from contracts with customers amounting to \$Nil (2022: \$305,000) for the financial year ended 31 December 2023.

Notes To The Financial Statements

For the financial year ended 31 December 2023

Baker Technology Limited

5. Revenue (cont'd)

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

Contract assets and contract liabilities (cont'd)

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

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

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

Significant changes in contract liabilities are explained as follows:

	Group	
	2023 \$'000	2022 \$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	576	928

6. Other income/(expenses)

	Group	
	2023 \$'000	2022 \$'000
Interest income from short term deposits and quoted corporate bonds	2,788	554
Other sundry income	220	638
Rental income	18	35
Grant income	179	549
Other income	3,205	1,776
Foreign exchange loss	(2,180)	(526)
Impairment loss on vessel	(4,160)	-
Other expenses	(6,340)	(526)

Other sundry income includes insurance claim for vessel amounting to \$Nil (2022: \$367,000).

Notes To The Financial Statements

For the financial year ended 31 December 2023

Baker Technology Limited

7. Profit before tax

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

	Group	
	2023 \$'000	2022 \$'000
Depreciation of property, plant and equipment	12,650	12,709
Depreciation of right-of-use assets	1,141	1,141
Amortisation of intangible assets	259	259
Expense relating to leases of low-value assets	25	25
Inventories written down	98	244
Employee benefits expense (including executive directors):		
- Salaries, wages, bonuses and other costs	13,188	13,794
- Contributions to defined contribution plans	874	846
Contract based crew	3,580	3,393
Audit fees paid/payable to auditors of the Company	267	254
Non-audit fees paid/payable to auditors of the Company	82	64
Legal and other professional fees	877	687
Allowance for expected credit losses	1,476	4,784

8. Income tax credit

(a) Major components of income tax credit

The major components of income tax credit for the years ended 31 December are:

	Group	
	2023 \$'000	2022 \$'000
Statement of comprehensive income:		
<i>Current income tax:</i>		
- Current income taxation	1,414	597
- Under/(over) provision in respect of prior years	13	(21)
	1,427	576
<i>Deferred income tax</i>		
- Origination and reversal of temporary difference (Note 17)	(1,777)	(905)
Income tax credit recognised in the statement of comprehensive income	(350)	(329)

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For the financial year ended 31 December 2023

Baker Technology Limited

8. Income tax credit (cont'd)

(b) Relationship between tax credit and accounting profit

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

	Group	
	2023 \$'000	2022 \$'000
Profit before tax	3,222	11,003
Income tax expense at the applicable tax rate of 17% (2022: 17%)	548	1,871
Adjustments for tax effect of:		
Effect of different tax rates of companies operating on different jurisdiction	138	9
Deferred tax assets not recognised	692	463
Utilisation of deferred tax benefits previously not recognised	(106)	(359)
Income not subject to taxation	(586)	(253)
Net marine offshore income not subject to tax ⁽¹⁾	(1,459)	(2,434)
Non-deductible expenses	493	489
Under/(over) provision in respect of prior years	13	(21)
Others, net	(83)	(94)
Income tax credit recognised in profit or loss	(350)	(329)

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

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately \$17,942,000 (2022: \$16,947,000) that are available for offset against future taxable profits of the relevant subsidiary in which the losses arose, for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation.

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

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

9. Earnings per share

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

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

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

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

	2023	2022
	\$'000	\$'000
Profit for the financial year attributable to owners of the Company used in the computation of basic and diluted earnings per ordinary share	8,287	13,400
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic earnings per share computation	202,877,948	202,877,948

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Baker Technology Limited

For the financial year ended 31 December 2023

10. Property, plant and equipment

Group	Vessels \$'000	Dry- docking expenditure \$'000	Leasehold lands and buildings \$'000	Leasehold improvements \$'000	Furniture and fittings \$'000	Office equipment \$'000	Motor vehicles \$'000	Plant and equipment \$'000	Construction in progress \$'000	Total \$'000
Cost:										
At 1 January 2022	194,183	9,546	16,740	8,836	602	1,982	473	12,628	155	245,145
Exchange differences	(787)	(57)	-	-	(1)	-	-	-	-	(845)
Additions	-	59	-	146	9	130	-	189	621	1,154
Disposal/write-off	-	-	-	-	(5)	(2)	-	-	-	(7)
Reclassification	-	-	-	-	-	155	-	-	(155)	-
At 31 December 2022 and 1 January 2023	193,396	9,548	16,740	8,982	605	2,265	473	12,817	621	245,447
Exchange differences	(2,846)	(177)	-	-	(3)	(2)	-	-	(12)	(3,040)
Additions	-	2,369	-	4	11	62	-	187	825	3,458
Disposal/write-off	-	(1,272)	-	-	(15)	(28)	-	(87)	-	(1,402)
Reclassification	51	390	-	-	-	-	-	-	(441)	-
At 31 December 2023	190,601	10,858	16,740	8,986	598	2,297	473	12,917	993	244,463
Accumulated depreciation:										
At 1 January 2022	33,838	4,681	13,348	8,614	500	1,900	355	12,242	-	75,478
Exchange differences	(461)	(64)	-	-	(1)	-	-	-	-	(526)
Depreciation charge for the year	9,853	1,448	932	145	46	72	33	180	-	12,709
Disposal/write-off	-	-	-	-	(5)	(2)	-	-	-	(7)
At 31 December 2022 and 1 January 2023	43,230	6,065	14,280	8,759	540	1,970	388	12,422	-	87,654
Exchange differences	(996)	(141)	-	-	(2)	(1)	-	-	-	(1,140)
Depreciation charge for the year	9,598	1,585	932	122	37	130	33	213	-	12,650
Disposal/write-off	-	(1,272)	-	-	(15)	(28)	-	(87)	-	(1,402)
At 31 December 2023	51,832	6,237	15,212	8,881	560	2,071	421	12,548	-	97,762

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Baker Technology Limited

For the financial year ended 31 December 2023

10. Property, plant and equipment

Group	Vessels \$'000	Dry- docking expenditure \$'000	Leasehold lands and buildings \$'000	Leasehold improvements \$'000	Furniture and fittings \$'000	Office equipment \$'000	Motor vehicles \$'000	Plant and equipment \$'000	Construction in progress \$'000	Total \$'000
Accumulated impairment:										
At 1 January 2022	8,782	-	-	-	-	-	-	-	-	8,782
Exchange difference	(52)	-	-	-	-	-	-	-	-	(52)
At 31 December 2022 and 1 January 2023	8,730	-	-	-	-	-	-	-	-	8,730
Exchange difference	(237)	-	-	-	-	-	-	-	-	(237)
Impairment charge for the year	4,160	-	-	-	-	-	-	-	-	4,160
At 31 December 2023	12,653	-	-	-	-	-	-	-	-	12,653
Net carrying amount:										
At 31 December 2022	141,436	3,483	2,460	223	65	295	85	395	621	149,063
At 31 December 2023	126,116	4,621	1,528	105	38	226	52	369	993	134,048

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

(b) A vessel with carrying value of \$12,240,000 (2022: \$14,166,000) is pledged to the bank as security for the Group's bank loans.

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For the financial year ended 31 December 2023

Baker Technology Limited

10. Property, plant and equipment (cont'd)

	Office equipment \$'000
Company	
Cost:	
At 1 January 2022	70
Additions	-
At 31 December 2022 and 1 January 2023	70
Additions	3
At 31 December 2023	73
Accumulated depreciation:	
At 1 January 2022	67
Depreciation charge for the year	1
At 31 December 2022 and 1 January 2023	68
Depreciation charge for the year	2
At 31 December 2023	70
Net carrying amount:	
At 31 December 2022	2
At 31 December 2023	3

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

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

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

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

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For the financial year ended 31 December 2023

Baker Technology Limited

10. Property, plant and equipment (cont'd)

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

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

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

Based on advice from its legal counsel, CHO is confident that the Arbitration Awards will be enforceable. However, due to the unavailability of this vessel for chartering operations until completion of the legal proceedings, the Group has recorded an impairment charge of approximately \$4,160,000 for the year ended 31 December 2023 (Note 3).

11. Right-of-use assets

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

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

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

	Leasehold properties	
	2023	2022
	\$'000	\$'000
At 1 January	2,043	3,184
Addition	7,375	–
Payments	(1,141)	(1,141)
At 31 December	8,277	2,043

	Group	
	2023	2022
	\$'000	\$'000
At 1 January	1,756	2,656
Addition	7,125	–
Accretion of interest	79	135
Depreciation charge for the year	(1,035)	(1,035)
At 31 December	7,925	1,756

Current	629	956
Non-current	7,296	800
	7,925	1,756

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

Notes To The Financial Statements

For the financial year ended 31 December 2023

Baker Technology Limited

11. Right-of-use assets (cont'd)

The following are the amounts recognised in profit or loss:

	Group	
	2023 \$'000	2022 \$'000
Depreciation expense of right-of-use assets (Note 7)	1,141	1,141
Interest expense on lease liabilities	79	135
Expense relating to leases of low-value assets (Note 7)	25	25
Total amount recognised in profit or loss	1,245	1,301

In the current financial year, the Group had total cash outflows for leases of \$1,060,000 (2022: \$1,060,000).

12. Intangible assets

Group	Vessel design \$'000
Cost:	
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	2,561
Accumulated amortisation and impairment:	
At 1 January 2022	1,785
Amortisation charge for the year	259
At 31 December 2022 and 1 January 2023	2,044
Amortisation charge for the year	259
At 31 December 2023	2,303
Net carrying amount:	
At 31 December 2022	517
At 31 December 2023	258

Vessel design

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

Amortisation charge of \$259,000 (2022: \$259,000) has been included in the Group's consolidated statement of comprehensive income.

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Baker Technology Limited

For the financial year ended 31 December 2023

13. Investment in subsidiaries

	Company	
	2023 \$'000	2022 \$'000
Shares, at cost	30,000	30,000
Amounts due from subsidiaries*	102,000	95,000
Less: Allowance for impairment	(43,400)	(36,400)
	88,600	88,600

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

Movement in allowance account

	Company	
	2023 \$'000	2022 \$'000
At 1 January	36,400	36,400
Charge for the year	7,000	–
At 31 December	43,400	36,400

(a) Composition of the Group

The subsidiaries for the financial year ended 31 December are:

Subsidiaries (Country of incorporation)	Principal activities (Place of business)	Percentage of of equity held by the Group	
		2023 %	2022 %
⁽¹⁾ Sea Deep Shipyard Pte. Ltd. (Singapore)	Manufacturer and provider of specialised marine offshore equipment and services for the oil and gas industry (Singapore)	100	100
⁽¹⁾ Baker Engineering Pte. Ltd. (Singapore)	Design and fabrication of offshore and marine equipment (Singapore)	100	100
⁽¹⁾ BT Investment Pte. Ltd. (Singapore)	Investment holding (Singapore)	100	100
<i>Held through Sea Deep Shipyard Pte. Ltd.:</i>			
⁽¹⁾ Sea Hercules Cranes Pte. Ltd (formerly known as Interseas Shipping (Private) Limited) (Singapore)	Manufacturer and provider of specialised marine offshore equipment and services for the oil and gas industry (Singapore)	100	100

Notes To The Financial Statements

For the financial year ended 31 December 2023

Baker Technology Limited

13. Investment in subsidiaries (cont'd)

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

Subsidiaries (Country of incorporation)	Principal activities (Place of business)	Percentage of of equity held by the Group	
		2023 %	2022 %
<i>Held through Baker Engineering Pte. Ltd.:</i>			
⁽¹⁾ BEL Design Pte. Ltd. (Singapore)	Design and engineering of offshore and marine vessels and equipment (Singapore)	100	100
<i>Held through BT Investment Pte. Ltd.:</i>			
⁽¹⁾ BT Titanium Pte. Ltd. (Singapore)	Provision of offshore marine logistics support services (Singapore)	100	100
⁽³⁾ BT Offshore (B) Sdn Bhd (Brunei)	Provision of offshore marine logistics support services (Brunei)	100	100
⁽¹⁾ BT OSV 1 Pte. Ltd. (Singapore)	Ship owning and chartering (Singapore)	100	100
⁽¹⁾ BT Offshore Management Pte. Ltd. (Singapore)	Chartering of vessels and ship management services (Singapore)	100	100
⁽¹⁾ Interseas Pte. Ltd. (Singapore)	Dormant	100	100
⁽¹⁾ CH Offshore Ltd. (Singapore)	Investment holding and owning and chartering of vessels (Singapore)	54.98	54.98
<i>Held through BT Titanium Pte. Ltd.:</i>			
⁽²⁾ BT Offshore (Malaysia) Pte. Ltd. (Malaysia)	Provision of offshore marine logistics support services (Malaysia)	100	100
<i>Held through CH Offshore Ltd.:</i>			
⁽¹⁾ CHO Ship Management Pte. Ltd.	Ship management and investment holding (Singapore)	54.98	54.98
⁽¹⁾ Delaware Marine Pte Ltd	Investment holding (Singapore)	54.98	54.98
⁽¹⁾ Sea Glory Private Limited	Ship owning and chartering (Singapore)	54.98	54.98
⁽¹⁾ Garo Pte. Ltd.	Ship owning and chartering (Singapore)	54.98	54.98
⁽¹⁾ Offshore Gold Singapore Pte Ltd	Ship owning and chartering (Singapore)	54.98	54.98
⁽¹⁾ Pembroke Marine Pte Ltd	Ship owning and chartering (Singapore)	54.98	54.98
⁽¹⁾ Venture Offshore Pte. Ltd.	Ship owning and chartering (Singapore)	54.98	54.98

Notes To The Financial Statements

For the financial year ended 31 December 2023

Baker Technology Limited

13. Investment in subsidiaries (cont'd)

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

Subsidiaries (Country of incorporation)	Principal activities (Place of business)	Percentage of of equity held by the Group	
		2023 %	2022 %
<i>Held through CH Offshore Ltd. (cont'd):</i>			
⁽¹⁾ CHO investment Pte. Ltd.	Ship owning and chartering (Singapore)	54.98	54.98
<i>Held through CHO Ship Management Pte. Ltd.:</i>			
^{(2) (4)} High Majestic Sdn. Bhd.	Ship owning and chartering (Malaysia)	26.94	26.94
<i>Held through Delaware Marine Pte Ltd:</i>			
⁽²⁾ Pearl Marine Pte. Ltd.	Ship owning and chartering (Malaysia)	54.98	54.98
<i>Held through CHO Investment Pte Ltd:</i>			
⁽²⁾ Interseas Sdn. Bhd.	Ship owning and chartering (Malaysia)	15.94	15.94
⁽²⁾ Sea Offshore Assets Sdn. Bhd.	Trading, ship owning and chartering (Malaysia)	26.94	26.94
<i>Held through Sea Offshore Assets Sdn. Bhd.</i>			
⁽²⁾ Interseas Sdn. Bhd.	Ship owning and chartering (Malaysia)	13.74	13.74

⁽¹⁾ Audited by Ernst & Young LLP, Singapore

⁽²⁾ Audited by Ernst & Young LLP, Malaysia

⁽³⁾ Audited by Ernst & Young LLP, Brunei

⁽⁴⁾ 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.

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 \$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%. The Group continues to have control over Pearl Marine.

On 26 September 2022, Sea Offshore Assets and Interseas Sdn. Bhd. ("Interseas") issued 99,999 new shares and 99,999 new shares respectively at RM 1 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.

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Baker Technology Limited

13. Investment in subsidiaries (cont'd)

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

Name of subsidiary	Principal place of business	Proportion ownership interest held by non-controlling interest	Loss allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividends paid to NCI
31 December 2023:					
CH Offshore Ltd.	Singapore	45.02%	(4,715)	23,979	–
31 December 2022:					
CH Offshore Ltd.	Singapore	45.02%	(2,068)	29,143	–

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

(c) Summarised financial information about subsidiary with material NCI

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

Summarised statement of financial positions

	CH Offshore Ltd.	
	2023 \$'000	2022 \$'000
Current assets	19,454	22,848
Non-current assets	52,349	60,696
Total assets	71,803	83,544
Current liabilities	16,810	13,395
Non-current liabilities	1,901	4,985
Total liabilities	18,711	18,380
Net assets	53,092	65,164

Summarised statement of comprehensive income

	CH Offshore Ltd.	
	\$'000	\$'000
Revenue	32,332	25,632
Loss before income tax	(11,884)	(5,503)
Income tax credit	815	912
Loss after tax, representing total comprehensive income	(11,069)	(4,591)

Notes To The Financial Statements

For the financial year ended 31 December 2023

Baker Technology Limited

13. Investment in subsidiaries (cont'd)

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

Summarised cash flow information

	CH Offshore Ltd.	
	2023 \$'000	2022 \$'000
Operating	446	2,703
Investing	(2,599)	790
Financing	(1,221)	(2,897)
Net (decrease)/increase in cash and cash equivalents	(3,374)	596

14. Investment in associated companies

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

	Group	
	2023 \$'000	2022 \$'000
PT Bahtera Nusantara Indonesia	-	-
Other associates	-	-
	-	-

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

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2023	2022
<u>Held by CH Offshore Ltd.</u>				
Gemini Sprint Sdn. Bhd. ^(a)	Malaysia	Dormant	26.94%	26.94%
<u>Held by Venture Offshore Pte. Ltd.</u>				
PT Bahtera Nusantara Indonesia ^(b)	Indonesia	Ship owning and chartering	26.94%	26.94%

^(a) Audited by other CPA firms in Malaysia.

^(b) Audited by other CPA firm in Indonesia.

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 audit committee and the board of CH Offshore Ltd., having reviewed the appointment of different auditors for the Group's significant associate, are satisfied that these appointments would not compromise the standard and effectiveness of the audit of CH Offshore Ltd.

The accumulated losses of an associated company in excess of the Group's interest in that associated company which is not included in these financial statements using equity method of accounting amounted to \$226,000 (2022: \$215,000).

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Baker Technology Limited

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14. Investment in associated companies (cont'd)

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

Summarised statement of financial position

	PT Bahtera Nusantara Indonesia	
	2023 \$'000	2022 \$'000
Current assets	4,570	3,358
Non-current assets	9,628	11,197
Total assets	14,198	14,555
Current liabilities	15,024	15,332
Total liabilities	15,024	15,332
Net liabilities	(826)	(777)
Group's share of net assets, representing carrying amount of the investment	–	–

Summarised statement of comprehensive income

	PT Bahtera Nusantara Indonesia	
	2023 \$'000	2022 \$'000
Revenue	4,510	3,820
Operating expenses	(4,102)	(2,898)
Other expenses	(472)	(84)
(Loss)/profit after tax	(64)	838
Group's share of results for the year	–	–

15. Loan to an associated company

	Group	
	2023 \$'000	2022 \$'000
Loan to an associated company	5,606	6,291
Less: Allowance for impairment	(1,616)	(1,647)
	3,990	4,644

Movement in allowance account:

At 1 January	1,647	1,656
Exchange differences	(31)	(9)
At 31 December	1,616	1,647

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

15. Loan to an associated company (cont'd)

The loan to an associated company is unsecured, bears interest at 4.26% (2022: 4.26%) per annum. In view of uncertainties in collectability, the Group did not recognise this interest income in the financial year ended 31 December 2023 and 2022. During the year, the Group received \$578,000 (2022: \$1,176,000) from associated company.

16. Investment securities

Financial instruments

	Group and Company	
	2023	2022
	\$'000	\$'000
At fair value through other comprehensive income		
- Corporate bonds (quoted)	7,455	1,961
- Unquoted equity securities	2,965	2,525
	10,420	4,486
Net carrying amount		
Current	2,729	1,730
Non-current	7,691	2,756
	10,420	4,486

Corporate bonds (quoted)

The Group's and Company's investment in quoted corporate bonds are denominated in USD. They bear interest at rates ranging from 1.38% to 8.00% (2022: 1.38% to 3.98%) per annum. The Group elected to measure these corporate bonds at FVOCI due to the Group's intention to hold these debt instruments to collect contractual cash flows and sell.

Unquoted equity securities

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

17. Deferred tax

Deferred tax as at 31 December relates to the following:

	Consolidated statement of financial position		Group Consolidated statement of comprehensive income	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities:				
Differences in depreciation for tax purposes	(1,774)	(3,577)	(1,777)	(905)
Provisions	746	752	-	-
	(1,028)	(2,825)	(1,777)	(905)

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Baker Technology Limited

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17. Deferred tax (cont'd)

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

	Group	
	2023 \$'000	2022 \$'000
At 1 January	2,825	3,730
Credit to profit or loss for the year	(1,777)	(905)
Exchange differences	(20)	-
At 31 December	1,028	2,825

Tax consequence of proposed dividends

There are no income tax consequences attached to the dividends proposed by the Company to the shareholders but not recognised as a liability in the financial statements (Note 29).

18. Inventories and work-in-progress

	Group	
	2023 \$'000	2022 \$'000
Statement of financial position:		
Materials, components and spares	5,817	3,085
Bunkering stocks	944	992
	6,761	4,077
Consolidated income statement:		
Inventories recognised as an expense in cost of sales	5,932	10,845
Inclusive of the following charge:		
- Inventories written down	98	244

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Baker Technology Limited

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19. Trade and other receivables

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables - net	22,486	26,232	-	-
Deposits	294	353	60	60
GST recoverable	422	303	-	-
Amounts due from associated company (non-trade)	357	397	-	-
Income tax recoverable	344	344	-	-
Other receivables	98	50	-	-
Interest receivables	900	218	900	197
Total trade and other receivables (current)	24,901	27,897	960	257
Trade and other receivables (excluding GST recoverable)	24,479	27,594	960	257
Amount due from subsidiaries (Note 20)	-	-	74,913	95,106
Loan to associated company (Note 15)	3,990	4,644	-	-
Cash and short-term deposits (Note 21)	87,521	71,467	72,984	51,200
Total financial assets carried at amortised cost	115,990	103,705	148,857	146,563

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

Amounts due from associated company is unsecured, interest free and repayable on demand except for those disclosed in Note 15.

Trade receivables denominated in foreign currencies, other than the respective functional currencies of the Group entities at 31 December are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
United States Dollar	3,957	10,585	-	-
Malaysia Ringgit	4,181	779	-	-
Nigeria Naira	-	615	-	-

Expected credit loss (ECL) of trade receivables and contract assets

The Group provides for lifetime ECL for all trade receivables and contract assets using a provision matrix. The basis of determination of loss allowance are disclosed in Note 26(c).

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Baker Technology Limited

19. Trade and other receivables (cont'd)

Expected credit loss (ECL) of trade receivables and contract assets (cont'd)

	Gross amount \$'000	Group Loss allowance \$'000	Carrying amount \$'000
2023			
Current	14,271	–	14,271
< 3 months past due	5,894	–	5,894
3 to 6 months past due	1,882	–	1,882
6 to 12 months past due	1,025	(815)	210
>12 months past due	7,499	(7,270)	229
	30,571	(8,085)	22,486
Contract assets	2,476	–	2,476
	33,047	(8,085)	24,962
2022			
Current	15,827	–	15,827
< 3 months past due	8,219	(741)	7,478
3 to 6 months past due	1,265	(500)	765
6 to 12 months past due	4,681	(2,749)	1,932
>12 months past due	3,836	(3,606)	230
	33,828	(7,596)	26,232
Contract assets	7,222	(400)	6,822
	41,050	(7,996)	33,054

The movement in allowance for expected credit losses of trade receivables and contract assets computed based on lifetime ECL are as follows:

	Group Trade receivables	
	2023 \$'000	2022 \$'000
Movement in allowance accounts:		
At 1 January	7,996	3,406
Exchange differences	(167)	(133)
Charge for the year	1,476	4,784
Write-off	(1,220)	(61)
At 31 December	8,085	7,996

20. Amounts due from/(to) subsidiaries

	Company	
	2023 \$'000	2022 \$'000
Amount due from:		
Non-trade receivables	74,913	95,106
Amount due to:		
Non-trade payables	7,416	3,648

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Baker Technology Limited

For the financial year ended 31 December 2023

20. Amounts due from/(to) subsidiaries (cont'd)

The amounts due from subsidiaries are unsecured, either interest bearing at 4.30% (2022: 3.00%) or non-interest bearing and are repayable on demand.

The amounts due to subsidiaries are unsecured, non-interest bearing and are repayable on demand.

21. Cash and short-term deposits

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at banks and on hand	24,961	32,750	11,743	17,855
Short-term deposits	62,560	38,717	61,241	33,345
	87,521	71,467	72,984	51,200

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one week and six months depending on the immediate cash requirements of the Group and Company, and earn interests at the respective short-term deposit rates ranging from 2.04% to 7.00% (2022: 0.20% to 3.92%) per annum.

Cash and short-term deposits denominated in foreign currencies, other than the respective functional currencies of the Group entities at 31 December are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
United States Dollar	50,667	44,651	47,244	38,322
Euro	239	275	14	14
Malaysia Ringgit	2,863	455	-	-
Singapore Dollar	1,248	1,391	-	-

22. Payables and accruals

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables	7,198	4,463	1	55
Trade accruals	5,801	4,961	-	-
Other payables	2,424	3,406	636	770
Total payables and accruals (current)	15,423	12,830	637	825
Provision (non-current)	1,800	1,550	-	-
Total payables and accruals (current and non-current)	17,223	14,380	637	825
Total payables and accruals (excluding provision (non-current))	15,423	12,830	637	825
Amount due to subsidiaries (Note 20)	-	-	7,416	3,648
Loans and borrowings (Note 23)	16,176	11,278	-	-
Total financial liabilities carried at amortised cost	31,599	24,108	8,053	4,473

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Baker Technology Limited

22. Payables and accruals (cont'd)

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

Other payables mainly include accruals for payroll related expenses.

Provision (non-current) relates to provision for reinstatement costs of leasehold lands and buildings. The provision was made based on the estimated cost of reinstating the leased premises when the leases expire, taking into consideration current market assessment of the time value of money.

Trade payables denominated in foreign currencies, other than the respective functional currencies of the Group entities at 31 December are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
United States Dollar	1,270	601	-	-
Euro	265	60	-	-
Malaysia Ringgit	1,207	8	-	-
Singapore Dollar	788	101	-	-
Brunei Dollar	565	981	-	-

23. Loans and borrowings

	Maturity	Group	
		2023 \$'000	2022 \$'000
Current:			
Bank loan A	2024	5,993	6,013
Bank loan B	2024	1,384	1,348
Lease liabilities (Note 11)	2024	629	956
		8,006	8,317
Non-current:			
Bank loan B	2025	874	2,161
Lease liabilities (Note 11)	2025-2042	7,296	800
		8,170	2,961
		16,176	11,278

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 (2022: 72 months), bears interest at 3% (2022: 3%) 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.

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

23. Loans and borrowings (cont'd)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes as follows:

	1.1.2023 \$'000	Proceeds \$'000	Repayment \$'000	Others \$'000	31.12.2023 \$'000
Borrowings					
- Current	7,361	-	(1,271)	1,287	7,377
- Non-current	2,161	-	-	(1,287)	874
Lease liabilities					
- Current	956	-	(956)	629	629
- Non-current	800	7,125	-	(629)	7,296
Total liabilities from financing activities	11,278	7,125	(2,227)	-	16,176

	1.1.2022 \$'000	Proceeds \$'000	Repayment \$'000	Others \$'000	31.12.2022 \$'000
Borrowings					
- Current	8,552	-	(2,898)	1,707	7,361
- Non-current	3,868	-	-	(1,707)	2,161
Lease liabilities					
- Current	900	-	(900)	956	956
- Non-current	1,756	-	-	(956)	800
Total liabilities from financing activities	15,076	-	(3,798)	-	11,278

The "Others" column includes the effect of reclassification of non-current portion of loans and borrowings to current due to the passage of time. The Group classifies interest paid as cash flows from operating activities.

24. Share capital

	Group and Company			
	2023 No. of shares	2023 \$'000	2022 No. of shares	2022 \$'000
Issued and fully paid:				
At 1 January and 31 December	202,877,948	108,788	202,877,948	108,788

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

25. Related party transactions

(a) Sales and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	2023 \$'000	Group	2022 \$'000
Consultancy service fee paid/payable to directors	186		172
Management and agency fee from associated companies	64		66

(b) Compensation of key management personnel

	2023 \$'000	Group	2022 \$'000
Directors' fee	280		236
Short-term employee benefits	3,377		3,325
	3,657		3,561
Comprise amounts paid/payable to			
- Directors of the Company	2,148		2,082
- Other key management personnel	1,509		1,479
	3,657		3,561

26. Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds investments in debt and equity instruments.

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, liquidity risk, credit risk and foreign currency risk. The Group does not speculate in the currency markets or hold or issue derivatives financial instruments. The Board reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The Group's policy on financial authority limit seeks to mitigate risks by setting out the threshold of approvals required for entry into contractual obligations and investments.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management is carried out under policies approved by the Board. The Board reviews and approves policies for managing each of these risks and they are summarised below.

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

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

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risks for financial year 2023.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to the interest rate risk arises primarily from their borrowings. The Group's and Company's floating rate borrowings are contractually re-priced at intervals of 6 months from the end of the reporting period.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 basis points lower/higher with all other variables held constant, the Group's profit before tax would have been \$35,000 (2022: \$30,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings.

(b) Liquidity risk

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

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

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	One year or less \$'000	One to five years \$'000	Total \$'000
2023			
Financial assets:			
Trade and other receivables (excluding GST recoverable)	24,479	–	24,479
Cash and short-term deposits	87,521	–	87,521
Loan to an associated company	3,990	–	3,990
Total undiscounted financial assets	115,990	–	115,990
Financial liabilities:			
Payable and accruals (excluding provision for reinstatement)	15,423	–	15,423
Loans and borrowings	7,457	885	8,342
Lease liabilities	1,088	12,010	13,098
Total undiscounted financial liabilities	23,968	12,895	36,863
Total net undiscounted financial assets/(liabilities)	92,039	(12,912)	79,127

Notes To The Financial Statements

For the financial year ended 31 December 2023

Baker Technology Limited

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

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

Group	One year or less \$'000	One to five years \$'000	Total \$'000
2022			
Financial assets:			
Trade and other receivables (excluding GST recoverable)	27,594	–	27,594
Cash and short-term deposits	71,467	–	71,467
Loan to an associated company	4,644	–	4,644
Total undiscounted financial assets	103,705	–	103,705
Financial liabilities:			
Payable and accruals (excluding provision for reinstatement)	12,830	–	12,830
Loans and borrowings	7,635	2,219	9,854
Lease liabilities	1,035	847	1,882
Total undiscounted financial liabilities	21,500	3,066	24,566
Total net undiscounted financial assets/(liabilities)	82,205	(3,066)	79,139

Company	2023 One year or less \$'000	2022 One year or less \$'000
Financial assets:		
Trade and other receivables (excluding GST recoverable)	960	257
Amount due from subsidiaries	74,913	95,106
Cash and short-term deposits	72,984	51,200
Total undiscounted financial assets	148,857	146,563
Financial liabilities:		
Payable and accruals (excluding deferred income)	637	825
Amount due to subsidiaries	7,416	3,648
Total undiscounted financial liabilities	8,053	4,473
Total net undiscounted financial assets	140,804	142,090

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

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

(c) Credit risk

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

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance with days past due. Information regarding loss allowance movement of trade receivables is disclosed in Note 19.

Concentration of credit risk

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	2023		Group		2022	
	\$'000	%	\$'000	%		
By country						
Asia Pacific (excluding China and Singapore)	14,283	64	10,559	40		
Middle East	3,012	13	796	3		
Europe	1,472	7	8,287	32		
Africa	46	–	4,465	17		
Singapore	3,563	16	2,073	8		
Americas	75	–	46	–		
China	35	–	6	–		
	22,486	100	26,232	100		

At the end of the reporting period, 65% (2022: 63%) of the Group's trade receivables were due from 3 (2022: 2) major customers located in Africa and Asia Pacific.

A nominal amount of \$6,590,000 (2022: \$6,715,000) was provided by the Company to banks, in relation to corporate guarantee for its subsidiaries' banking facilities.

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in currencies other than Singapore Dollars (SGD). The foreign currency in which these transactions are denominated are mainly US Dollars (USD). Approximately 98% (2022: 99%) of the Group's sales are denominated in foreign currencies whilst about 47% (2022: 39%) of costs are denominated in foreign currencies. The Group's trade receivable and trade payable balances that are denominated in foreign currencies at the end of the reporting period, as disclosed in Notes 19 and 22 respectively, have similar exposures.

The Group also holds cash and short-term deposits denominated in foreign currencies for working capital purposes. These balances at the end of the reporting period are disclosed in Note 21.

The Group and the Company's investment in quoted corporate bonds that are denominated in USD amount to approximately \$6,718,000 (2022: \$1,552,000).

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

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

(d) Foreign currency risk (cont'd)

To minimise foreign exchange risks, the Group practises natural hedging as much as possible. The Group also monitors movement in foreign exchange closely so as to capitalise on favourable exchange rates to convert excess foreign currencies back to SGD where possible.

The Group does not apply hedge accounting for such foreign currency denominated sales and purchases.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss net of tax to a reasonably possible change in the USD exchange rate against SGD, with all other variables held constant.

	Group	
	2023 \$'000	2022 \$'000
	Net profit	Net profit
USD / SGD – strengthened 3% (2022: 3%)	+1,802	+1,686
– weakened 3% (2022: 3%)	-1,802	-1,686

27. Fair value measurement

(a) Fair value hierarchy

The Group categories fair value measurement using a fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

(b) Assets and liabilities measured at fair value

	Group and Company	
	2023 \$'000	2022 \$'000
Financial assets:		
<i>Equity and debt securities at fair value through other comprehensive income</i>		
- Corporate bonds (quoted) (Level 1)	7,455	1,961
- Unquoted equity securities (Level 2)	2,965	2,525
	10,420	4,486

Determination of fair value

Quoted debt securities: Fair value is determined directly by reference to their published market bid price at statement of financial position date.

Unquoted equity securities: Fair value is determined directly by reference to the audited net asset value of the investment fund company where the fair value of the portfolio investment is determined using a set of internationally recognised valuation methodologies.

Notes To The Financial Statements

Baker Technology Limited

For the financial year ended 31 December 2023

27. Fair value measurement (cont'd)

(c) Assets and liabilities by classes that are not measured at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the trade and other receivables, cash and short-term deposits, loan to associated company, amounts due from/(to) subsidiaries, trade and other payables, and loans and borrowings are reasonable approximation of fair values, due to their short-term nature.

28. Capital management

The capital includes cash which are disclosed in Note 21.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating, healthy cash flows and loans and borrowings at an acceptable level in order to support its business and maximise shareholder value.

The Group is not subject to any externally imposed capital requirements.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 31 December 2022.

29. Dividend

	Group and Company	
	2023	2022
	\$'000	\$'000
Declared and paid during the financial year:		
<i>Dividend on ordinary shares:</i>		
- First and final tax exempt (one-tier) dividend for 2022: 1.0 cent (2021: 0.5 cent) per share	2,029	1,014
Proposed but not recognised as a liability as at 31 December:		
<i>Dividend on ordinary shares, subject to shareholders' approval at the AGM:</i>		
- First and final tax exempt (one-tier) dividend for 2023: 1.5 cents (2022: 1.0 cent) per share	3,043	2,029

Statistics of Shareholdings

Baker Technology Limited

AS AT 12 MARCH 2024

SHARE CAPITAL

Issued and Fully paid-up capital (including Treasury Shares)	\$103,503,391.83
Issued and Fully paid-up capital (excluding Treasury Shares)	\$103,503,391.83
Total Number of Issued & Paid Up Shares (including Treasury Shares)	202,877,948
Total Number of Issued & Paid Up Shares (excluding Treasury Shares)	202,877,948
Total Number/ Percentage of Treasury Shares	0 (0.00%)
Class of Shares	Ordinary shares
Voting Rights	One vote per share

Distribution of Shareholders by Size of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	188	4.71	2,180	0.00
100 - 1,000	762	19.10	374,698	0.18
1,001 - 10,000	2,266	56.79	10,320,864	5.09
10,001 - 1,000,000	763	19.12	36,454,124	17.97
1,000,001 AND ABOVE	11	0.28	155,726,082	76.76
Total	3,990	100.00	202,877,948	100.00

Twenty Largest Shareholders

As shown in the Register of Members and Depository Register

No	Name	No. of Shares	%
1.	BENETY CHANG	94,037,601	46.35
2.	HENG CHIN NGOR DORIS @HENG LEE FUNG DORIS	19,151,771	9.44
3.	HO KIM LEE ADRIAN	17,607,680	8.68
4.	DBS NOMINEES (PRIVATE) LIMITED	7,634,080	3.76
5.	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	5,579,860	2.75
6.	TAN YANG GUAN	4,128,554	2.03
7.	CHIAM TOON CHEW	2,420,620	1.19
8.	PHILLIP SECURITIES PTE LTD	1,408,436	0.69
9.	CITIBANK NOMINEES SINGAPORE PTE LTD	1,379,020	0.68
10.	UOB KAY HIAN PRIVATE LIMITED	1,264,900	0.62
11.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,113,560	0.55
12.	ABN AMRO CLEARING BANK N.V.	966,800	0.48
13.	MAGHEART PTE LTD	890,000	0.44
14.	OCBC SECURITIES PRIVATE LIMITED	887,702	0.44
15.	TOH ONG TIAM	838,300	0.41
16.	DIANA SNG SIEW KHIM	837,320	0.41
17.	YEAP CHEOW SOON	824,000	0.41
18.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	800,401	0.39
19.	BOOI PANG HIN	534,800	0.26
20.	LEE YAN TECK	508,710	0.25
Total		162,814,115	80.23

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 12 March 2024:

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Dr Benety Chang ⁽¹⁾	94,037,601	46.35	19,151,771	9.44
Dr Doris Heng Chin Ngor ⁽²⁾	19,151,771	9.44	94,037,601	46.35
Ho Kim Lee Adrian	17,607,680	8.68	-	-

Notes:

⁽¹⁾ Dr Benety Chang's deemed interests include 19,151,771 shares held by his wife, Dr Doris Heng Chin Ngor.

⁽²⁾ Dr Doris Heng Chin Ngor's deemed interests include 94,037,601 shares held by her husband, Dr Benety Chang.

Free Float

Based on the information available to the Company as at 12 March 2024 and to the best knowledge of the Directors and the substantial shareholders of the Company, approximately 33.30% 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

Baker Technology Limited

BAKER TECHNOLOGY LIMITED

(Unique Entity No. 198100637D)

(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “AGM” or the “Meeting”) of Baker Technology Limited (the “Company”) will be held at Nautica Room, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on Friday, 26 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 declare a tax exempt (1-tier) final dividend of 1.5 cents per ordinary share for the financial year ended 31 December 2023. (Resolution 2)
3. To approve additional Directors’ fees of \$31,945 for the financial period ended 31 December 2023. (Resolution 3)
4. To approve Directors’ fees of up to \$332,795 for the financial year ending 31 December 2024, to be paid quarterly in arrears. (Resolution 4)
5. To re-elect Mr Ajay Kumar Jain, being a Director who retires pursuant to Article 114 of the Constitution of the Company. (Resolution 5)
6. To re-elect Mr Lim Jun Xiong Steven, being a Director who retires pursuant to Article 114 of the Constitution of the Company. (Resolution 6)
7. To re-elect Mr Chong Weng Hoe, being a Director who retires pursuant to Article 114 of the Constitution of the Company. (Resolution 7)
8. To re-elect Mr Wong Meng Yeng, being a Director who retires by rotation pursuant to Article 110 of the Constitution of the Company. (Resolution 8)
9. To re-elect Ms Jeanette Chang, being a Director who retires by rotation pursuant to Article 110 of the Constitution of the Company. (Resolution 9)
10. To re-appoint Messrs Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. (Resolution 10)
11. To transact any other business that may be transacted at an AGM.

Special Business:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:

12. **“Share Issue Mandate”** (Resolution 11)

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 sub-paragraph (a) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution, after adjusting for:
- (i) new shares arising from the conversion or exercise of convertible securities;
 - (ii) new shares arising from exercising share options or vesting of Share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with (b)(i) and (b)(ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of this Resolution.

- (c) And that such authority shall, unless revoked or varied by the Company in general meeting, continue in force (i) until the conclusion of the Company's next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in accordance with the terms of convertible securities issued, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of such convertible securities."

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 8 April 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."

By Order of the Board
Lim Mee Fun
Company Secretary
Singapore
8 April 2024

Explanatory Notes:

- Resolution 3 The Ordinary Resolution 3, if passed, will authorise the Company to pay Directors' fees for the directors appointed during FY2023, namely Mr Ajay Kumar Jain, Mr Lim Jun Xiong Steven and Mr Chong Weng Hoe.
- Resolution 4 The Ordinary Resolution 4, if passed, will authorise the Company to pay Directors' fees to Independent Directors and Non-Executive Non-Independent Director for the year ending 31 December 2024 quarterly in arrears.
- Resolution 5-9 Detailed information pursuant to Rule 720(6) of the Listing Manual of SGX-ST on Mr Ajay Kumar Jain, Mr Lim Jun Xiong Steven, Mr Chong Weng Hoe, Mr Wong Meng Yeng and Ms Jeanette Chang can be found in the section titled "Directors Standing for Re-Election at the AGM" of the Annual Report.

Resolution 11 The Ordinary Resolution 11, if passed, will authorise the Directors from the date of the above AGM 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 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.

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 Friday, 26 April 2024 at 10.00 a.m. **There will be no option for shareholders to participate virtually.**
2. (a) The Annual Report, Appendix dated 8 April 2024 (in relation to the proposed renewal of the share buyback mandate), Notice of AGM and Proxy Form have been published on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. These documents can also be accessed at the Company's website as follows:

<https://www.bakertech.com.sg/investor-relations/2024-2>
<https://www.bakertech.com.sg/investor-relations/annual-report/>
<https://www.bakertech.com.sg/investor-relations/circulars>

Printed copies of Annual Report and Appendix will not be sent to shareholders by post.

- (b) The Request Form for shareholders to request for a printed copy of the Annual Report and/or the Appendix will be despatched to shareholders together with the Notice of AGM and Proxy Form. Requests for a printed copy of the Annual Report and/or the Appendix should be made by submitting the Request Form to the Company in the following manner:
 - (i) if submitted by post, be sent to the office of the Company' at 10 Jalan Samulun Singapore 629124; or
 - (ii) if submitted electronically, be submitted via email to the Company at investor_relations@bakertech.com.sg.
3. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's 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 16 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 10 Jalan Samulun Singapore 629124; or
- (b) if submitted electronically, be submitted via email to the Company at investor_relations@bakertech.com.sg

in either case not less than 72 hours before the time appointed for the AGM.

6. Submission of questions in advance of the AGM

Shareholders may submit questions related to the proposed resolutions to be tabled for approval at the AGM in the following manner:

- (a) by email via investor_relations@bakertech.com.sg; or
- (b) in hard copy by sending by post to the Company's registered office at 10 Jalan Samulun Singapore 629124.

All questions submitted must be accompanied with the following information:

- (a) the shareholder's full name;
- (b) the shareholder's identification/UEN/registration number;
- (c) the manner in which the shareholder holds shares in the Company (e.g. via CDP, CPF, SRS and/or Scrip); and
- (d) contact number & email address

for verification purposes, failing which, the submission will be treated as invalid.

Deadline for submitting questions: All questions must be submitted by 10.00 a.m. on 16 April 2024 ("**Submission Deadline**").

The Company will respond to substantial and relevant questions by 8.30 a.m. on 20 April 2024, and post them on the Company's website at URL <https://www.bakertech.com.sg/investor-relations/announcements-media-releases> 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	Ajay Kumar Jain
Date of Appointment	12 June 2023
Date of last Re-Election	N.A.
Age	55
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors of the Company has accepted the Nominating Committee's recommendation on Mr Ajay Kumar Jain's re-election after taking into consideration of Mr Ajay Kumar Jain's backgrounds, qualifications, experiences, independence and contribution as an Independent Director of the Company as well as the size, composition and diversity of skillsets on the Board and his time commitment, and is satisfied that Mr Ajay Kumar Jain will continue to contribute meaningfully to the Board.
Whether the appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title	Independent Director Audit Committee Member Remuneration Committee Member
Professional qualifications	Postgraduate Certificate in Sustainable Business, University of Cambridge, United Kingdom Chartered Accountant, ACA, The Institute of Chartered Accountants of India B Sc (Physics, Chemistry, Mathematics), Punjabi University, India
Working experience and occupation(s) during the past 10 years	8 Jun 2023 – Present: Head - Corporate & Institutional Banking, Emirates NBD Bank, Singapore Branch Feb 2021 – Mar 2022: Managing Director, Sustainable Trade Finance, Transaction Banking Sales, Standard Chartered Bank, Managing Director, Head - Global Subsidiaries Asia (Corporate, Commercial & Institutional Banking), Standard Chartered Bank Feb 2015 – Jan 2021: Managing Director, Deputy Global Head Global Subsidiaries (Corporate, Commercial & Institutional Banking), Standard Chartered Bank Mar 2013 – Feb 2015: Managing Director, Regional Head - Global Subsidiaries ASEAN (Corporate, Commercial & Institutional Banking), Standard Chartered Bank
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)	<u>Past Directorship:</u> Blue Horizon Consulting LLP <u>Past Principal Commitment:</u> Full time employment at Standard Chartered Bank
Other Principal Commitments including Directorships – Present	<u>Present Directorship:</u> None <u>Present Principal Commitments:</u> Head - Corporate & Institutional Banking, Emirates NBD Bank, Singapore Branch
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(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

DECLARATION REQUIRED BY RULE 720(6) OF THE LISTING MANUAL OF THE SGX-ST

Name of Director	Lim Jun Xiong Steven
Date of Appointment	1 December 2023
Date of last Re-Election	N.A.
Age	68
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 Steven Lim's re-election after taking into consideration of Mr Steven Lim'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 Steven Lim 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 Nominating Committee Member Remuneration Committee Member
Professional qualifications	Fellow and CPA at CPA Australia Fellow and CPA at the Institute of Singapore Chartered Accountants TEP at the Society of Trust and Estate Practitioners of United Kingdom Bachelor of Commerce (Accounting & Finance), University of Newcastle
Working experience and occupation(s) during the past 10 years	July 2010 – October 2014: CEO, Societe Generale Private Banking, SG Trust (Asia) Limited.
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> Hong Fok Corporation Limited Keong Hong Holdings Limited Emerging Towns & Cities Singapore Ltd. Mirach Energy Limited</p> <p><u>Past Principal Commitment:</u> Nil</p>
Other Principal Commitments including Directorships – Present	<p><u>Present Directorship:</u> Bund Center Investment Ltd⁽¹⁾ Livingstone Health Holdings Limited Sinarmas Land Limited Riverstone Holdings Limited Cosmosteel Holdings Limited</p> <p>Note ⁽¹⁾ Mr Steven Lim will step down as a director of Bund Center Investment Ltd after its Annual General Meeting to be held on 23 April 2024.</p> <p><u>Present Principal Commitments:</u> Nil</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

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	Chong Weng Hoe
Date of Appointment	1 December 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 Chong Weng Hoe's re-election after taking into consideration of Mr Chong Weng Hoe '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 Chong Weng Hoe 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 Nominating Committee Member Remuneration Committee Member
Professional qualifications	Master of Business Administration (Accountancy), Nanyang Technological University Bachelor of Engineering (Electrical and Electronics), National University of Singapore
Working experience and occupation(s) during the past 10 years	August 2016 – Present: Executive Vice President, Global Head of Service Line for EMC (Electromagnetic Compatibility), TUV SUD Asia Pacific Pte Ltd (part-time) July 2013 – August 2016: Board Director, TUV SUD PSB Pte Ltd (Previously known as PSB Corporation/SISIR)
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> Singapore Paincare Holdings Limited Regal International Group Ltd. Keong Hong Holdings Limited</p> <p><u>Past Principal Commitment:</u> Nil</p>
Other Principal Commitments including Directorships – Present	<p><u>Present Directorship:</u> HC Surgical Specialists Limited ISEC Healthcare Ltd. Hong Fok Corporation Limited</p> <p><u>Present Principal Commitments:</u> Executive Vice President, Global Head of Service Line for EMC (Electromagnetic Compatibility), TUV SUD Asia Pacific Pte Ltd (part-time)</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

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	Wong Meng Yeng
Date of Appointment	3 June 2010
Date of last Re-Election	28 April 2021
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 had considered the Nominating Committee's recommendation and assessment on (i) Mr Wong Meng Yeng's experience, skillsets, contributions and commitment in the discharge of his duties as an Independent Director of the Company, as well as (ii) the size, composition and diversity of skillsets on the Board, and agreed that Mr Wong Meng Yeng should be re-designated as a Non-Executive Non-Independent Director after the conclusion of upcoming Annual General Meeting ("AGM 2024").
Whether the appointment is executive, and if so, the area of responsibility	(i) Mr Wong Meng Yeng will remain as Independent Director until the conclusion of AGM 2024 pursuant to SGX Listing Rule 210(5)(d)(iv). (ii) Mr Wong Meng Yeng will be re-designated as Non-Executive Non-Independent Director after the conclusion of AGM 2024.
Job Title	(i) Independent Director, Chairman of the Board, Chairman of Nominating Committee and member of Audit & Remuneration Committees until the conclusion of AGM 2024. (ii) Non-Executive Non-Independent Director and Remuneration Committee member after the conclusion of AGM 2024.
Professional qualifications	Mr Wong Meng Yeng holds a Bachelor of Laws (Honours) Degree from the National University of Singapore.
Working experience and occupation(s) during the past 10 years	Legal practice at Alliance LLC with focus on corporate commercial matters
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> Keong Hong Holdings Ltd Straumann Singapore Pte Ltd Collinfood Pte Ltd</p> <p><u>Past Principal Commitment:</u> Nil</p>
Other Principal Commitments including Directorships – Present	<p><u>Present Directorship:</u> Multi-Chem Limited Alliance LLC Bancalliance Pte Ltd Memoasia Group Limited Providence Inc Gracecourt Offshore Inc</p> <p><u>Present Principal Commitments:</u> Advocate and solicitor and director at Alliance LLC</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

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	Jeanette Chang
Date of Appointment	1 September 2013
Date of last Re-Election	28 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 an Executive 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	Executive. Ms Jeanette Chang is also the Chief Executive Officer of the Company and she is responsible for the overall management of the Group.
Job Title	Executive Director Chief Executive Officer Nominating 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 (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)	<u>Past Directorship:</u> Interseas Sdn Bhd <u>Past Principal Commitment:</u> Nil
Other Principal Commitments including Directorships – Present	<u>Present Directorship:</u> CH Offshore Ltd. 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) <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

BAKER TECHNOLOGY LIMITED

(Unique Entity No. 198100637D)

(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. The Annual General Meeting (the "AGM" or the "Meeting") will be held, in a wholly physical format. **There will be no option for shareholders to participate virtually.**
2. **Printed copies of the Notice of AGM and this proxy form will be sent to shareholders by post.** These documents will be published on the Company's website at the URL <https://www.bakertech.com.sg/investor-relations/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 16 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 BAKER TECHNOLOGY LIMITED (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 Friday, 26 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 Final Dividend for the year ended 31 December 2023			

3.	Approval of additional Directors' fees for the period ended 31 December 2023			
4.	Approval of Directors' fees for the year ending 31 December 2024			
5.	Re-election of Mr Ajay Kumar Jain as a Director			
6.	Re-election of Mr Lim Jun Xiong Steven as a Director			
7.	Re-election of Mr Chong Weng Hoe as a Director			
8.	Re-election of Mr Wong Meng Yeng as a Director			
9.	Re-election of Ms Jeanette Chang as a Director			
10.	Re-appointment of Ernst & Young LLP as Auditor			
	Special Business			
11.	Authority to allot and issue new shares and/or convertible securities			
12.	Renewal of Share Buyback Mandate			

Dated this _____ day of _____ 2024

Signature(s) of Member(s) or
Common Seal of Corporate Shareholder(s)

Total Number of Ordinary Shares Held	
(a) CDP Registers	
(b) Register of Members	

Notes To Proxy Form

- 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.
- 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.
 - 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.
- A proxy need not be a member of the Company.
- 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.
- The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:
 - if submitted by post, be lodged at the office of the Company at 10 Jalan Samulun Singapore 629124; or
 - if submitted electronically, be submitted via email to the Company at investor_relations@bakertech.com.sg

in either case not less than 72 hours before the time appointed for the AGM.
- 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.
- 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.
- 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 8 April 2024.



Baker Technology Limited

Unique Entity No.: 198100637D

10 Jalan Samulun

Singapore 629124

Tel: (65) 6262 1380

Fax: (65) 6262 2108

www.bakertech.com.sg