

**BAKER TECHNOLOGY LIMITED**  
**(UEN No. 198100637D)**  
**(Incorporated in the Republic of Singapore)**

---

**RESPONSE TO SGX-ST QUERIES**

---

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

**QUESTION**

*1. Page 1: Other operating (expenses) / income, net. Explain the significant increase of expenses to \$14,202,000, and provide details of this amount.*

**COMPANY’S RESPONSE**

The significant increase in Other net operating (expenses) / income for 2H2020 and FY2020 was primarily due to:

- Vessel impairment charge of S\$11.7 million by the Company’s 54.98% owned subsidiary, i.e. CH Offshore Ltd. and its subsidiaries (collectively “**CHO Group**”);
- Impairment of loan to associate of S\$1.6 million by CHO Group; and
- Loss on disposal of property, plant and equipment of S\$2.2 million of which S\$2.5 million related to loss on disposal of vessels by CHO Group.

The breakdown of Other net operating (expenses) / income is as follows:

	<b>6 months ended</b>		<b>12 months ended</b>	
	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>S\$’000</b>	<b>S\$’000</b>	<b>S\$’000</b>	<b>S\$’000</b>
Interest Income	44	402	249	658
Grant Income	1,295	-	2,647	-
Loss of disposal of property, plant and equipment	(2,229)	(233)	(2,229)	(424)
Impairment of fixed assets	(11,712)	-	(11,712)	-
Impairment of loan to associate	(1,605)	-	(1,605)	-
Other sundry income	5	42	47	85
	<b>(14,202)</b>	<b>211</b>	<b>(12,603)</b>	<b>319</b>

By Order of the Board  
Lim Mee Fun  
Company Secretary  
9 March 2021

---