

Corporate Governance Report

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

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

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

(A) BOARD MATTERS

The Board’s Conduct of Affairs

PRINCIPLE 1:

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

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

Provision 1.1 of the Code

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

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

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

Provision 1.2 of the Code

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

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

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

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

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

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

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

Provision 1.3 of the Code

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

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

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

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

Provision 1.4 of the Code

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

Provision 1.5 of the Code

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

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

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

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

DIRECTORS	BOARD		AC		RC		NC	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
MR THIA PENG HEOK GEORGE	5	4 ⁽²⁾	5	5	1	0 ⁽²⁾	1	1
DR BENETY CHANG	5	5	5	5*	1	1*	1	1
MS JEANETTE CHANG	5	5	5	5	1	1	1	1*
MR TAN KIANG KHERNG	5	5	5	5*	1	1*	1	1*
MR TAN PONG TYEA	5	3	5	3*	1	0	1	1
MR TAN KIAN HUAY	5	5	5	5	1	1	1	1
MR AHMAD NIZAM BIN ABBAS	5	5	5	5	1	1*	1	1*
MR THAM CHEE SOON ⁽³⁾	2	2	2	2*	-	-	-	-

Notes:

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

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

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

* Attended as invitees.

Provision 1.6 of the Code

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

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

Provision 1.7 of the Code

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

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

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

Board Composition and Guidance

Principle 2:

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

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

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

Provisions 2.1, 2.2 & 2.3 of the Code

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

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

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

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

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

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

Provision 2.4 of the Code

The NC reviews the size and composition of the Board and its Board Committees annually. The NC and Board are of the view that the size and level of independence of the Board is appropriate and that the Board comprises of Directors who as a group have an appropriate balance and mix (as well as breadth and depth) of skills, knowledge, experience and diversity of thought, so as to foster constructive and robust debate and avoid groupthink. To ensure a smooth transition following (i) the retirements of Mr Tan Kian Huay and Mr Tan Pong Tyea; and (ii) the re-designation of Mr Thia Peng Heok George's role to Non-Executive Non-Independent Director, both scheduled after the conclusion of the AGM on 22 April 2024, the NC and Board made a strategic decision to increase the Board strength to nine members on a temporary basis. While acknowledging the contributions of all nine directors during this interim period, the NC is confident that transitioning to a seven-member Board will continue to uphold a well-balanced, appropriately sized, and effective governance framework that aligns with the evolving needs of the Group.

The Board put in place a Board Diversity Policy in August 2022. In addition to gender diversity, the NC and the Board believe that there are multiple dimensions to diversity which should also be considered and therefore the standard selection criteria based on an effective blend of competencies, skills, extensive, experience and knowledge to strengthen the Board should remain a priority.

The Board Diversity Policy provides that the NC shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed as new directors, with the aim of having at least one female Director on the Board. Currently one out of nine directors on the Board is female, in recognition of the importance and value of gender diversity. Additionally, one board member is from a racial minority group. The Board Diversity Policy does not set any specific target for gender or ethnic diversity in the boardroom but the NC will work towards fostering and maintaining gender and ethnic diversity, if possible.

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

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

The NC and the Board believe that geographical diversity is not necessarily a contributory factor for the Group's specific corporate structure and business model. Board members with international experience can also bring global insights and perspectives regardless of their geographical origin.

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

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

Provision 2.5 of the Code

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

Chairman and Chief Executive Officer

Principle 3:

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

Provision 3.1 of the Code

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

Provision 3.2 of the Code

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

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

Provision 3.3 of the Code

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

Board Membership

Principle 4:

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

Provision 4.1 of the Code

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

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

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

Provision 4.2 of the Code

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

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

Provisions 4.3, 4.4 & 4.5 of the Code

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

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

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

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

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

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

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

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

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

Board Performance

Principle 5:

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

Provisions 5.1 & 5.2 of the Code

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

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

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

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

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

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

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6:

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

Provision 6.1 of the Code

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

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

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

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

Provision 6.2 of the Code

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

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

Provision 6.3 of the Code

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

Provision 6.4 of the Code

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

Level and Mix of Remuneration

Principle 7:

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

Provisions 7.1 and 7.3 of the Code

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

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

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

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

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

Provision 7.2 of the Code

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

Directors' Fee Framework

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

Notes:

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

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

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

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

Disclosure on Remuneration**Principle 8:**

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

Provisions 8.1(a) and 8.3 of the Code

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

Remuneration paid or accrued to Directors for FY2023

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

Notes:

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

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

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

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

Provisions 8.1(b) and 8.3 of the Code

Remuneration paid or accrued to the Key Management Personnel for FY2023

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

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

Notes:

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

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

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

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

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

Provision 8.2 of the Code

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

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

(C) ACCOUNTABILITY AND AUDIT Risk Management and Internal Controls

Principle 9:

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

Provision 9.1 of the Code

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

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

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

In response to the evolving business environment, and therefore changing risks and opportunities, the Board has proactively refreshed and strengthened the Group's risk management culture during FY2023. This enhancement was achieved by adopting the Enterprise Risk Management Framework & Policy ("**ERMFP**"), which is based on the Committee of Sponsoring Organizations of the Treadway Commission ("**COSO**") framework. The COSO framework, widely utilised by publicly traded companies around the world, is a system designed to establish robust internal controls. These controls are integrated into business processes to ensure resilient and adaptive risk management strategy in line with the dynamic nature of the Group's business landscape.

ERMFP set out the policies and processes relating to enterprise risk management throughout the Group, for the identification, assessment, monitoring and reporting of significant risks (including but not limited to sustainability risks and sanctions-related risks). The Company maintains a risk register which identifies the material risks facing the Group and implements internal controls to manage or mitigate those risks. The RMC presents the risk register (with revisions, if any) to the Board for review and discussion at least twice a year.

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

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

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

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

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

(b) The risk management systems (including sustainability risks and any sanctions-related risks) and internal controls (including material financial, operational, compliance and information technology controls) are adequate and effective.

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

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

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

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

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

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

Audit Committee

Principle 10:

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

Provision 10.1 of the Code

The primary functions of the AC are:

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

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

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

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

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

Provision 10.2 of the Code

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

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

Provision 10.3 of the Code

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

Provision 10.4 of the Code

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

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

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

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

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

Provision 10.5 of the Code

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

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

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

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

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

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

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

Whistleblowing Policy

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

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

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

(D) SHAREHOLDERS RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11:

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

Provision 11.1 of the Code

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

Provision 11.2 of the Code

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

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

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

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

Provision 11.3 of the Code

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

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

Provision 11.4 of the Code

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

Provision 11.5 of the Code

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

Provision 11.6 of the Code

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

Engagement with Shareholders

Principle 12:

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

Provision 12.1, 12.2 and 12.3 of the Code

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

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

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

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

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

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

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

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13:

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

Provisions 13.1, 13.2 and 13.3 of the Code

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

The Company has identified key areas of focus in relation to the management of stakeholder relationships. For details on the key areas of focus, please refer to the Sustainability Report on pages 18 to 47 of this Annual Report.

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

- (i) Code of Conduct Policy & Procedures
- (ii) Anti-Bribery & Corruption Policy
- (iii) Whistleblowing Policy
- (iv) Personal Data Protection Policy
- (v) Tax Governance Policy
- (vi) Health, Safety & Environment Policies.

These policies are available on the Company's website.

(F) DEALING IN SECURITIES

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

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

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

(G) MATERIAL CONTRACTS

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

(H) INTERESTED PERSON TRANSACTIONS

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

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

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

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

Notes:

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

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

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

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

CONCLUSION

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