

## ATLANTIC NAVIGATION HOLDINGS (SINGAPORE) LIMITED

(Incorporated in Singapore)

(Company Registration No. 200411055E)

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- (1) **ISSUANCE OF CONVERTIBLE LOAN AND GRANT OF OPTION AND RIGHT OF FIRST REFUSAL TO SUBSCRIBE FOR NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY**
  - (2) **TERMINATION OF PROPOSED PLACEMENT OF AN AGGREGATE OF 67,741,936 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY**
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### 1. INTRODUCTION

- 1.1 On 3 November 2015, the board of directors (the “**Board**” or “**Directors**”) of Atlantic Navigation Holdings (Singapore) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) announced that the Company had on 28 October 2015, entered into a conditional share subscription agreement with SCF-VIII, L.P. (“**SCF**”) pursuant to which the Company was to allot and issue an aggregate of 67,741,936 new ordinary shares in the capital of the Company to SCF for an aggregate consideration of US\$21.0 million (the “**Subscription Agreement**”). In the same announcement, the Company announced that Mr. Wong Siew Cheong (“**Bill Wong**”) (Executive Chairman and Chief Executive Officer as well as controlling shareholder of the Company) had, on 28 October 2015, entered into a conditional sale and purchase agreement (“**SPA**”) with SCF, pursuant to which Bill Wong had agreed to sell 19,354,839 ordinary shares in the capital of the Company to SCF.
- 1.2 The Board wishes to announce that following further discussions between the Company and SCF (collectively, the “**Parties**”), the Parties have agreed to restructure the proposed investment by SCF in the Company. In connection therewith, the Company had, on 4 January 2016, entered into a convertible loan agreement (the “**Loan Agreement**”) with SCF pursuant to which SCF has extended to the Company a loan of a principal amount of US\$13.0 million, convertible into new ordinary shares in the capital of the Company (the “**Conversion Shares**”) on the terms and subject to the conditions of the Loan Agreement (the “**Loan**”). For more details on the Loan, please refer to section 2.1 of this announcement.
- 1.3 In consideration of SCF granting the Loan, the Company has granted to SCF an option carrying the right to subscribe (in a single tranche) for new ordinary shares in the capital of the Company (the “**Option Shares**”) for a total consideration of US\$8.0 million at an exercise price of US\$0.31 per Option Share (the “**Exercise Price**”), on the terms and subject to the conditions of the Loan Agreement (the “**Option**”). For more details on the Option, please refer to section 2.2 of this announcement.
- 1.4 Under the terms of the Loan Agreement, the Company shall, at any time during the period commencing from the date on which the Loan shall be released and disbursed to the Company (the “**Disbursement Date**”) and expiring on the date falling twenty-four (24) calendar months thereafter (the “**ROFR Period**”), require further funding for any purpose as approved by the Board to be raised through the issue of new ordinary shares in the capital of the Company (“**Shares**”), the Company shall offer SCF the first right to subscribe for such number of new Shares (the “**ROFR Shares**”) at an issue price of US\$0.31 per ROFR Share

(the “**ROFR Subscription Price**”) (the “**ROFR Offer**”). For more details on the ROFR Offer, please refer to section 2.3 of this announcement.

- 1.5 Concurrently with the execution of the Loan Agreement, Bill Wong had, on 4 January 2016, entered into an option deed (the “**BW Option Deed**”) with SCF, pursuant to which Bill Wong has agreed to grant to SCF a call option (the “**BW Option**”) entitling SCF to purchase 19,354,839 Shares owned by Bill Wong (“**BW Option Shares**”) on the terms and subject to the conditions of the BW Option Deed.
- 1.6 Pursuant to the terms of the Loan Agreement and the BW Option Deed, upon the execution of the Loan Agreement and the BW Option Deed, the Subscription Agreement, the SPA, and all the respective rights and obligations of the respective parties thereunder (save for any antecedent breaches) shall terminate.
- 1.7 The Company will be seeking the approval of its shareholders (“**Shareholders**”) for the allotment and issuance of the Conversion Shares, the Option Shares and the ROFR Shares, at an extraordinary general meeting to be convened in due course. Further, the Company will make the necessary application, through the sponsor of the Company, Canaccord Genuity Singapore Pte. Ltd., to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing of and quotation for the Conversion Shares, the Option Shares and the ROFR Shares on the Catalist board of the SGX-ST and will make the necessary announcements once the listing and quotation notice (“**Listing and Quotation Notice**”) in respect of the Conversion Shares, Option Shares and/or ROFR Shares, as the case may be, has been obtained.
- 1.8 The offer of the Conversion Shares, the Option Shares and the ROFR Shares is made pursuant to the exemption under section 272B of the Securities and Futures Act, Chapter 289 of Singapore (“**SFA**”). As such, no prospectus or offer information statement will be issued by the Company in connection with the Loan, the Option and/or the ROFR Offer.

## **2. SALIENT TERMS OF THE LOAN AGREEMENT**

### **2.1 The Loan**

- 2.1.1 Pursuant to the terms of the Loan Agreement, the Loan shall be used exclusively by the Company to partially fund the cash portion for the Company’s purchase of a liftboat, namely, the AOS Maintainer I and related mobilisation costs.
- 2.1.2 The Company may, at any time after 30 June 2016 and subject to either: (a) the satisfaction or waiver of the Compulsory Conditions Precedent (as defined below) in accordance with the Loan Agreement; or (b) it being determined that any one of the Compulsory Conditions Precedent has become unable or incapable of being satisfied, prepay all (and not a portion) of the principal amount of the Loan and all interest accrued and unpaid thereupon up to and including the Prepayment Date (as defined below). The Company shall exercise such right of prepayment by delivering a written notice (“**Prepayment Notice**”) to SCF not less than twenty-eight (28) days prior to the date the Company intends to make such prepayment which must be a business day (“**Prepayment Date**”), such Prepayment Notice to set out the Prepayment Date, the outstanding amount of the Loan and all interest thereon accruing up to and including the Prepayment Date (“**Prepayment Amount**”).

- 2.1.3 Notwithstanding the delivery of the Prepayment Notice, SCF shall be entitled to exercise the right to convert the Loan into Conversion Shares and to exercise the Option at any time during the Conversion Period and the Option Period, respectively (in each case, in accordance with the Loan Agreement).
- 2.1.4 The payment of the Prepayment Amount in accordance with the Loan Agreement shall constitute good and final discharge of the Loan and all interest accrued and payable thereon, save in the case of manifest error. The Company may not re-borrow any part of the Loan which is prepaid or repaid.
- 2.1.5 The repayment (which in the Loan Agreement shall also include prepayment, as applicable) of the Loan or any part thereof and any interest accrued thereon by the Company shall be in United States Dollars.
- 2.1.6 Interest at a rate of eight per cent (8%) per annum (“**Interest**”) shall be payable on the disbursed and outstanding principal amount of the Loan. Interest shall be calculated on the basis of actual days elapsed on a three hundred and sixty (360) days year and shall be payable in cash by the Company quarterly in arrears. Each interest period shall be one (1) month. The first interest period for the Loan shall start on the Disbursement Date and each subsequent interest period for the Loan shall start on the last day of its preceding interest period.
- 2.1.7 The outstanding Loan (and not any part thereof or any interest thereon) may be converted at the option of SCF from time to time, into Conversion Shares by delivery to the Company of a conversion notice (in the form set out in the Loan Agreement) (the “**Conversion Notice**”) signed by SCF at any time after the Disbursement Date up until the date later of: (i) 31 December 2016; and (ii) the date falling five (5) business days after the date on which the last of the Compulsory Conditions Precedent has been finalised (the “**Conversion Expiry Date**”).
- 2.1.8 Subject to the terms and conditions of the Loan Agreement, the Loan shall be converted into Conversion Shares in accordance with the following formula:

$$CS = L / \text{Conversion Price}$$

“**CS**” shall mean the number of Conversion Shares to be issued, round up to the nearest one (1) Share.

“**L**” shall mean the principal sum of the Loan which remains outstanding as at the Conversion Date.

“**Conversion Price**” shall mean US\$0.31, subject to such adjustment set out in the Loan Agreement.

- 2.1.9 Once the Loan has been converted into Conversion Shares in accordance with the Loan Agreement, it shall be deemed repaid upon such conversion.
- 2.1.10 The completion of the conversion of the Loan (the “**Conversion Completion**”) shall take place in accordance with the terms of the Loan Agreement on a business day falling seven (7) days from the date of delivery of the Conversion Notice by SCF to the Company (the

**“Conversion Completion Date”**). For the avoidance of doubt, unless agreed otherwise by the Parties, the Option Completion Date (as defined below) and the Conversion Completion Date shall be the same date.

- 2.1.11 The Company has agreed and undertaken that in the event SCF does not convert the Loan into Conversion Shares in accordance with the Loan Agreement, the Company shall on the Maturity Date and the Prepayment Date (as the case may be), (and in addition to repaying the Loan in accordance with the Loan Agreement) reimburse SCF an amount of US\$350,000 being *inter alia*, part of SCF’s costs and expenses of and incidental to the negotiation, preparation, execution and performance by SCF of the Loan Agreement.

## 2.2 The Option

- 2.2.1 The Option is exercisable from the Disbursement Date to the date being the later of: (i) 31 December 2016; and (ii) the date falling five (5) business days after the date on which the last of the Conditions Precedent (as defined below) has been satisfied (the **“Option Exercise Date”**) (the **“Option Period”**), on the terms and subject to the conditions of the Loan Agreement. The total number of Option Shares to be issued upon the exercise of the Option shall be computed in accordance with the following formula, provided that the number of Options Shares to be issued shall be rounded up to the nearest one (1) Share:

$$\text{Number of Option Shares} = \text{US\$8,000,000} / \text{Exercise Price}$$

- 2.2.2 Subject to the fulfilment or waiver of the Conversion and Option Conditions Precedent (as defined below), the completion of the exercise of the Option and the subscription of the Option Shares (the **“Option Completion”**) shall take place in accordance with the terms of the Loan Agreement on a business day falling seven (7) days from the date of receipt of the form for exercising the Option (the **“Option Completion Date”**). For the avoidance of doubt, unless agreed otherwise by the Parties, the Option Completion Date and the Conversion Completion Date shall be the same date.
- 2.2.3 If the Option remains unexercised after the expiry of the Option Period, the Option shall automatically lapse and cease to have any further effect.

## 2.3 Right of First Refusal

- 2.3.1 In consideration of SCF agreeing to grant the Loan, and subject to (A) the disbursement of the Loan (the **“Loan Disbursement”**); and (B) (i) the Loan having been converted in accordance with the terms of the Loan Agreement; and (ii) the Option having been exercised in accordance with the terms of the Loan Agreement, the Company has agreed and undertaken that in the event the Company shall, at any time during the ROFR Period, require further funding for any purpose as approved by the Board to be raised through the issue of new Shares, the Company shall give notice in writing to SCF setting out the amount of funding required (the **“Required Funding”**) and offering SCF the first right to subscribe for such number of ROFR Shares computed in accordance with the following formula:

$$\text{Number of ROFR Shares} = X / \text{ROFR Subscription Price}$$

“X” means the sum of “Y – A”.

“Y” means the Required Funding as set out in the ROFR Offer.

“A” means “Y - Z” and where the sum of the foregoing is a negative figure, “A” shall mean “0”.

“Z” means US\$8.5 million less the aggregate amount of Required Funding comprised in the ROFR Offers made prior to the date of the present ROFR Offer.

2.3.2 Any fractional ROFR Shares computed in accordance with the formula above shall be disregarded.

2.3.3 For the avoidance of doubt, the obligation of the Company and the right of SCF to receive a ROFR Offer shall terminate immediately once the sum of all Required Funding comprised in all ROFR Offers made by the Company and accepted by SCF shall equate to or exceed US\$8.5 million.

2.3.4 The completion of the subscription of any ROFR Shares (the “**ROFR Completion**”) shall take place in accordance with Loan Agreement on a business day falling seven (7) days from the date of acceptance of a ROFR Offer (the “**ROFR Completion Date**”).

2.3.5 The Company has undertaken to SCF that pending the earlier of:

- (i) the Whitewash EGM Date (as defined below); and
- (ii) the date the SIC rejects the application for the Whitewash Waiver (as defined below),

the Company shall not:

- (a) raise any further funding (by way of issue of new Shares or instruments convertible into Shares or otherwise) from any party other than by way of the ROFR Offer; and
- (b) seek to raise any funding as Required Funding by way of issue of new Shares pursuant to the ROFR Offer where the amount of such Required Funding, when aggregated with any prior Required Funding (or part thereof) funded by SCF, exceeds US\$5.0 million.

## 2.4 Conversion Price, Exercise Price and ROFR Subscription Price

The Conversion Price, Exercise Price and ROFR Subscription Price of US\$0.31 (or S\$0.4415 based on an exchange rate of US\$1:S\$1.4242) represents a premium of approximately 26.25% to the volume-weighted average price of S\$0.3497 per Share, for the trades done on the SGX-ST for the full market day on 21 December 2015, being the last traded day prior to the date of signing of the Loan Agreement.

The Conversion Price, Exercise Price and ROFR Subscription Price will be subject to adjustments under certain circumstances provided for in the Loan Agreement. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation

issues, rights issue and certain capital distribution exercise conducted by the Company. Any such adjustments shall (unless otherwise provided under the Section B: Rules of Catalist of the Listing Manual of the SGX-ST (the “**Catalist Rules**”) from time to time) be announced by the Company.

## 2.5 Status and ranking of the Conversion Shares, Option Shares and ROFR Shares

Pursuant to the terms of the Loan Agreement and the BW Option Deed, the conversion of the Loan, the exercise of the Option and the exercise of the BW Option are inter-conditional.

Based on the Conversion Price and Exercise Price of US\$0.31, SCF will be allotted and issued 41,935,484 Conversion Shares and 25,806,452 Option Shares upon the respective conversion of the Loan and the exercise of the Option. The Conversion Shares and the Option Shares represent (i) approximately 26.00 per cent of the Existing Share Capital<sup>1</sup>; and (ii) approximately 20.63 per cent of the Enlarged Share Capital<sup>2</sup> immediately after Conversion Completion and Option Completion. The Conversion Shares and the Option Shares, when aggregated with the BW Option Shares, will represent approximately 26.53 per cent of the Enlarged Share Capital<sup>2</sup> immediately after Conversion Completion and Option Completion.

Assuming that the Required Funding comprised in all ROFR Offers made by the Company equates to US\$8.5 million and the ROFR Shares are issued at the initial ROFR Subscription Price of US\$0.31 per ROFR Share, the Company will issue up to 27,419,354 ROFR Shares to SCF, representing approximately 7.71 per cent of the Subsequent Enlarged Share Capital<sup>3</sup>. Such ROFR Shares, when aggregated with the Conversion Shares, the Option Shares and the BW Option Shares, will represent approximately 32.19 per cent of the Subsequent Enlarged Share Capital.

The Conversion Shares, Option Shares and ROFR Shares when allotted and issued, will be free from all claims, pledges, mortgages, charges, liens and other encumbrances and with all rights and benefits attaching thereto and shall rank, *pari passu*, in all respects with the existing Shares, save that SCF will not be entitled to any dividend, rights, allotments or other distributions in respect of the Conversion Shares, Option Shares or ROFR Shares, the Record Date of which falls on or before the date of allotment and issuance of the Conversion Shares, the Option Shares or the ROFR Shares, as the case may be. “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

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<sup>1</sup> Existing Share Capital refers to the existing issued and paid-up share capital of the Company (excluding treasury shares) of 260,593,750 Shares as at the date of this announcement.

<sup>2</sup> Enlarged Share Capital refers to the enlarged issued and paid-up share capital of 328,335,686 Shares (excluding treasury shares) immediately after the Conversion Completion and Option Completion, comprising the Existing Share Capital, the Conversion Shares and the Option Shares.

<sup>3</sup> Subsequent Enlarged Share Capital refers to the enlarged issued and paid-up share capital (excluding treasury shares) of the Company immediately after the Conversion Completion, the Option Completion and the completion of the subscription of all ROFR Shares (assuming no further issuance of new Shares by the Company from the Conversion Completion and Option Completion up to the completion of the subscription of all ROFR Shares) of 355,755,040 Shares, comprising the Existing Share Capital, the 41,935,484 Conversion Shares, 25,806,452 Option Shares and the 27,419,354 ROFR Shares.

## 2.6 Whitewash Waiver, Extraordinary General Meeting (“EGM”) and Whitewash Resolution

### 2.6.1 *Whitewash Waiver*

The Company has undertaken that it shall (further to the application submitted by the Company’s solicitors to the Securities Industry Council (“SIC”) on 17 November 2015 in respect of the Subscription Agreement and the SPA), immediately from the date of the Loan Agreement, submit an application to the SIC to update the SIC of the differences in the transaction structure between that initially contemplated in the Subscription Agreement and that presently contemplated under the Loan Agreement and the BW Option Deed, and seek its waiver of the requirement for SCF and its concert parties to make a general offer for the Shares under Rule 14 of the Singapore Code on Takeovers and Mergers (the “Code”) in respect of the subscription for such number of ROFR Shares as would be allotted and issued by the Company in the case where SCF provides US\$8.5 million in Required Funding to the Company by acceptance of one or more ROFR Offers during the ROFR Period in accordance with the Loan Agreement (the “Whitewash Waiver”).

### 2.6.2 *EGM*

The Company has undertaken that it shall, as soon as practicable and in any event no later than the date falling twenty-five (25) business days from the date of the Loan Agreement, convene a general meeting of the Shareholders to seek their approval of a resolution to allot and issue the Conversion Shares, the Option Shares and the ROFR Shares, on and subject to the terms of the Loan Agreement, and obtain all other approvals necessary or expedient in connection with the foregoing under the Catalist Rules, the Code and all applicable laws, save that the Whitewash Resolution (as defined below) need only be passed by the Shareholders upon the grant of the Whitewash Waiver (if at all) in accordance with the terms set out in section 2.6.3 of this announcement.

### 2.6.3 *Whitewash Resolution*

The Company has further undertaken to SCF that it shall, subject to, *inter alia*, SIC’s grant of the Whitewash Waiver (on terms acceptable to the Company and SCF), convene a general meeting to seek the approval of the independent Shareholders of a resolution (the “Whitewash Resolution”) to waive their rights to receive a general offer from SCF and its concert parties under Rule 14 of the Code, no later than 28 April 2016 (the “Whitewash EGM Date”).

## 2.7 Nominee Director

As soon as practicable after the Disbursement Date, SCF shall be entitled to appoint a Director to the Board (“Nominee Director”).

## 2.8 Conditions Precedent

2.8.1 The Loan Disbursement and each of the Conversion Completion, the Option Completion, the ROFR Completion is conditional upon the satisfaction or waiver of the following general conditions as set out below:

- (a) the grant of the Loan, the grant of the right to convert the Loan into the Conversion Shares, the grant of the Option and the right to subscribe for the Option Shares, and the grant of the right to subscribe for the ROFR Shares on the terms set out in the Loan Agreement (the “**Transaction**”), and all obligations contemplated pursuant and/or in connection with the same including the grant of the option over the BW Option Shares in accordance with the terms of the BW Option Deed, not being prohibited by any existing law, regulation, rule (including the Catalist Rules and the Code), judgement, order, decree, directive, decision, notice or circular of any court or governmental, administrative, regulatory or supervisory body (including the SGX-ST, the Monetary Authority of Singapore (the “**MAS**”) and the SIC);
- (b) Bill Wong and SCF having executed the BW Option Deed and no material adverse event or event of default under the BW Option Deed having occurred;
- (c) approval being obtained from the investment committee of SCF in respect of the Transaction, including all obligations contemplated pursuant and/or in connection with the same, including without limitation in connection with the grant of the Loan and the subscription of the Conversion Shares, the BW Option Shares and the ROFR Shares;
- (d) the Company having executed a first ranking charge in favour of SCF over the vessels ultimately owned by the Company, namely AOS Power and Delta 22, such charges to be in forms acceptable to SCF (“**Charges**”), together with all relevant documents and instruments required for the perfection of the aforesaid Charges under the applicable laws and regulations; and
- (e) all necessary consents and approvals being obtained for the grant of the Charges by the Company, including evidence of discharge by Malayan Banking Berhad in respect of the Charges over AOS Power and Delta 22,

(collectively, the “**General Conditions Precedent**”).

2.8.2 The Loan Disbursement is conditional upon the satisfaction or waiver of the following additional conditions as set out below:

- (a) there having been, as at the Disbursement Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the representations and warranties made by the Company under the Loan Agreement (the “**Company Warranties**”); and
- (b) all of the documents and other evidence listed in Schedule 8 of the Loan Agreement (being the conditions precedent) having been provided to SCF in a form and substance satisfactory to SCF,

(collectively, the “**Disbursement Conditions Precedent**”).

2.8.3 Each of the Conversion Completion and Option Completion is conditional upon the satisfaction or waiver of the following additional conditions as set out below:

- (a) the Listing and Quotation Notice in respect of the Conversion Shares and the Option Shares having been obtained (on terms and conditions acceptable to the Company and SCF, each acting reasonably) and not being revoked or amended;
- (b) SCF having exercised the option over the BW Option Shares in accordance with the terms of the BW Option Deed, and the Conversion Completion and Option Completion and completion of the acquisition of the BW Option Shares having been completed concurrently with the Conversion Completion and Option Completion;
- (c) any conditions attached to the Listing and Quotation Notice which is required to be fulfilled on or before the Conversion Completion Date and the Option Completion Date having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;
- (d) the approval of Shareholders in general meeting having been obtained for the allotment and issuance of each of the Option Shares and Conversion Shares contemplated under the Loan Agreement (save for the Whitewash Resolution);
- (e) save and except for the Whitewash Waiver, all necessary consents and/or waivers being obtained in respect of the Transaction, and all obligations contemplated pursuant and/or in connection with the same including the sale and purchase of the BW Option Shares in accordance with the terms of the BW Option Deed, from all governmental, administrative, judicial or regulatory bodies, authorities and/or organisations by which the Company's business is, as or may be regulated pursuant to any applicable laws including, without limitation, the SGX-ST, the MAS and the SIC on terms and conditions reasonably satisfactory to the Company and SCF;
- (f) there having been, as at Conversion Completion Date and Option Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the Company Warranties or the warranties made by SCF to the Company in the Loan Agreement (the "**Lender's Warranties**");
- (g) in the event any letter issued by the Company to SCF disclosing specific information constituting exceptions to the Company Warranties (as repeated on the Conversion Completion Date and Option Completion Date), in accordance with the requirements prescribed in the Loan Agreement having been furnished to SCF, SCF being satisfied with the contents thereof at its sole and absolute discretion; and
- (h) SCF having completed due diligence (including financial, legal, commercial, tax, accounting and property) on the Group and having obtained satisfactory results from each of the financial, legal, commercial, tax, accounting and property due diligence and, if necessary, the Company and SCF having agreed in writing to the inclusion of any additional Company Warranties pursuant to the Loan Agreement,

(collectively, the "**Conversion and Option Conditions Precedent**").

2.8.4 Each ROFR Completion shall be conditional upon the satisfaction or waiver of the following conditions as set out below:

- (a) the approval of Shareholders in general meeting having been obtained for the allotment and issuance of the ROFR Shares and the transactions contemplated under the Loan Agreement, including the Whitewash Resolution having been duly passed;
- (b) the Listing and Quotation Notice in respect of the ROFR Shares having been obtained (on terms and conditions acceptable to the Company and SCF, each acting reasonably) and not being revoked or amended;
- (c) any conditions attached to the Listing and Quotation Notice which is required to be fulfilled on or before the ROFR Completion Date having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;
- (d) all necessary consents and/or waivers being obtained in respect of the Transaction, including the Whitewash Waiver, and all obligations contemplated pursuant and/or in connection with the same including the sale and purchase of the BW Option Shares in accordance with the terms of the BW Option Deed, from all governmental, administrative, judicial or regulatory bodies, authorities and/or organisations by which the Company's business is, as or may be regulated pursuant to any applicable laws including, without limitation, the SGX-ST, the MAS and the SIC on terms and conditions reasonably satisfactory to the Company and SCF; and
- (e) there having been, as at each ROFR Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the Company Warranties or SCF's Warranties,

(collectively, the "**ROFR Conditions Precedent**"),

(the General Conditions Precedent, Disbursement Conditions Precedent, Conversion and Option Conditions Precedent and ROFR Conditions Precedent shall collectively be known as the "**Conditions Precedent**"),

(the General Conditions Precedent and those Conditions Precedent set out in sections 2.8.3(a), (c), (d) and (e), shall collectively be known as the "**Compulsory Conditions Precedent**").

2.8.5 As at the date of this announcement, the General Conditions Precedent and Disbursement Conditions Precedent have been fulfilled and/or waived and the Loan has been disbursed to the Company.

2.8.6 If, following the Loan Disbursement, any of the Compulsory Conditions Precedent cease to be capable of being satisfied, including as a result of any required consents or approvals necessary for their fulfilment being rejected or denied, (and where such Compulsory Conditions Precedent is capable of being waived by the Parties, has not been so waived within five (5) business days), then either the Company or SCF shall, by notice in writing to the other, be entitled to require that the maturity date, being the date later of (i) 31 December 2016; and (ii) the date falling ten (10) business days after the date on which the last of the Compulsory Conditions Precedent has been satisfied in accordance with the Loan Agreement ("**Maturity Date**") shall, for all future purposes of the Loan Agreement, be confirmed to be the

later of 31 December 2016 and the date falling twenty (20) business days after the date on which relevant the Compulsory Conditions Precedent ceased to be capable of being satisfied.

## 2.9 Undertakings

The Company has undertaken to SCF that from the date of the Loan Agreement and until the Conversion Completion and the Option Completion or the earlier termination of the Loan Agreement in accordance with its terms, it shall procure that the Company, its subsidiaries and any other companies over which the Company or any of its subsidiaries has control (each a “**Group Company**”) shall conduct its business in the ordinary and usual course and in the same manner (including as to nature and scope) as carried on prior to the date of the Loan Agreement and that it shall not make any material changes to the business, assets or affairs of any Group Company, including the share capital or structure of the Company. In particular, the Company has undertaken to SCF that from the date of the Loan Agreement and until the Conversion Completion and the Option Completion, it shall:

- (i) only make or declare dividends or other distribution of profits or assets in a manner consistent (in an amount and frequency) with the dividend and other distributions made by the Company in the financial year ending on 31 December 2014, provided that any dividends made or declared in respect of any financial year ended or ending on or before 31 December 2015 shall not exceed a value of US\$1,570,000 (excluding any dividends made or declared before the date of the Loan Agreement). For the avoidance of doubt, the Nominee Director shall abstain from voting at any board meeting and/or directors resolutions in writing relating to such dividend declaration. The Company has undertaken that it shall fully indemnify the Nominee Director against all losses, liabilities, costs (including legal costs on a full indemnity basis), damages, claims, charges, expenses, actions or demands which the Nominee Director may incur or which may be made against the Company as a result or in relation to such dividend declaration;
- (ii) save for any assets formally held for the specific purpose of sale, procure that no Group Company disposes of, or agrees to dispose of, any material assets (including any interest in land or buildings) (with a value in excess of US\$100,000); and
- (iii) not incur or agree to incur any new financial indebtedness other than any financial indebtedness necessary:
  - (a) for the funding of the vessel AOS Maintainer I, AOS Neptune, AOS Maintainer II and AOS Hauler, and which, in each case, is obtained from a banking or financial institution; and
  - (b) to obtain funding, raised solely for the purposes of, and applied towards, funding the repayment or prepayment of the Loan in full and in accordance with the terms of the Loan Agreement.

## 3. **INFORMATION ON SCF**

SCF is a Delaware partnership formed in 2012, and is an investment vehicle managed by SCF Partners. SCF Partners is a private equity fund headquartered in Houston, Texas, the

United States of America, which, since 1987, has invested exclusively in energy service and equipment manufacturing companies.

SCF was introduced to the Company by Mr Pascal Bartette, who is known to both SCF Partners and Bill Wong. No commission was paid or is payable by the Company to anyone in relation to the Loan and/or ROFR Offer. SCF has agreed to grant the Loan to the Company purely for investment purposes.

The Company confirms that none of the Directors or substantial Shareholders has, to the best of their knowledge, any connection (including business relationship) with SCF.

#### **4. FINANCIAL EFFECTS**

**The financial effects of the Loan, the Option and all ROFR Offers set out below are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Conversion Completion, the Option Completion or the ROFR Completion.**

The financial effects of the Loan, the Option and the ROFR Offers on the Group have been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 (“**FY2014**”) and the following bases and assumptions:-

- (a) the financial effect on the consolidated earnings per share (“**EPS**”) of the Group after the Conversion Completion, Option Completion and the ROFR Completion is computed based on the assumption that the Loan, the Option and the ROFR Offer was completed on 1 January 2014;
- (b) the financial effect on the consolidated net tangible assets (“**NTA**”) per Share of the Group after the Conversion Completion, the Option Completion and the ROFR Completion is computed based on the assumption that the Loan, the Option and the ROFR Offer was completed on 31 December 2014; and
- (c) estimated expenses in connection with the Loan, the Option and the ROFR Offers were approximately US\$200,000.

## Share capital and NTA per Share

	<b>Before issuance of the Conversion Shares, Option Shares and the ROFR Shares</b>	<b>After issuance of the Conversion Shares and the Option Shares<sup>4</sup></b>	<b>After issuance of the Conversion Shares, Option Shares and the ROFR Shares<sup>5</sup></b>
Issued and paid-up share capital (US\$'000)	12,370	33,370	41,870
NTA (US\$'000)	83,481	104,481	112,981
Total number of Shares	260,593,750	328,335,686	355,755,040
NTA per Share (US cents)	32.0	31.8	31.8

## EPS

	<b>Before issuance of the Conversion Shares, the Option Shares and the ROFR Shares</b>	<b>After issuance of the Conversion Shares and the Option Shares<sup>4</sup></b>	<b>After issuance of the Conversion Shares, the Option Shares and the ROFR Shares<sup>5</sup></b>
Net profit attributable to owners of the Company (US\$'000)	13,389	13,389	13,389
Weighted average number of Shares ('000)	260,593,750	328,335,686	355,755,040
Basic EPS (US cents)	5.14	4.08	3.76

## **5. RATIONALE FOR THE LOAN AND INTENDED USE OF PROCEEDS**

Under the terms of the Loan Agreement, the Company shall apply the Loan exclusively to partially fund the cash portion for the purchase of a liftboat, namely, the AOS Maintainer I and

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<sup>4</sup> Based on and assuming that (i) the Loan is converted in full at the Conversion Price of US\$0.31 and 41,935,484 Conversion Shares are issued; and (ii) the Option is accepted in full at the Exercise Price of US\$0.31 and 25,806,452 Option Shares are issued.

<sup>5</sup> Based on and assuming that (i) the Loan is converted in full at the Conversion Price of US\$0.31 and 41,935,484 Conversion Shares are issued; (ii) the Option is accepted in full at the Exercise Price of US\$0.31 and 25,806,452 Option Shares are issued; and (iii) the ROFR Offers are accepted in full at the initial ROFR Subscription Price of US\$0.31 and 27,419,354 ROFR Shares are issued.

related mobilisation costs (the “**Vessel Purchase**”). The aggregate purchase price of the Vessel Purchase is US\$52.0 million, comprising a cash portion of US\$15.6 million. The balance of the Vessel Purchase is expected to be funded by way of bank borrowings. The Vessel Purchase is part of the Group’s continuing fleet renewal and expansion program.

The net proceeds from the Loan of approximately US\$12.8 million (after deducting estimated expenses of US\$200,000) (“**Net Proceeds**”), such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may deem fit, from time to time.

As and when the Option is exercised or the ROFR Offer(s) are accepted, the proceeds arising therefrom may, at the discretion of the Directors, be applied towards repayment of the Group’s borrowings, investment purposes, working capital and/or such other purposes as the Directors may deem fit.

The Company will make periodic announcement(s) as and when the Net Proceeds and the proceeds from the exercise of the Option and/or the acceptance of ROFR Offer(s) are materially disbursed and whether the disbursements are in accordance with use of proceeds as stated in this announcement. The Company will also provide a status report on the use of such Net Proceeds in the Company’s annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

## **6. CONFIRMATION BY THE DIRECTORS**

The Directors are of the opinion that, after taking into consideration:-

- (I) the Group’s present bank facilities, internal resources and operating cash flows, the working capital available to the Group is sufficient to meet its present requirements. The Net Proceeds are intended to be used exclusively to fund the cash portion for the Vessel Purchase; and
- (II) the Group’s present bank facilities, internal resources, operating cash flows and the Loan, the working capital available to the Group is sufficient to meet its present requirements.

## **7. EXTRAORDINARY GENERAL MEETING**

The Company will convene an EGM to seek the approval of Shareholders of a resolution to allot and issue the Conversion Shares, the Option Shares and the ROFR Shares, on and subject to the terms of the Loan Agreement.

Separately, subject to the Company obtaining the Whitewash Waiver, the Company will convene a separate EGM to seek the approval of Shareholders for the Whitewash Resolution.

Circulars containing, *inter alia*, further information on the Loan Agreement (and the transactions contemplated thereunder) and the Whitewash Resolution, and the notices to convene the EGMs will be despatched by the Company to Shareholders in due course.

## **8. GENERAL**

None of the Conversion Shares, the Option Shares and the ROFR Shares will be placed with any person or groups of persons as set out under Rule 812 of the Catalist Rules.

None of the Conversion Shares, the Option Shares and the ROFR Shares will be placed with the Directors or substantial Shareholders or any of their respective associates and related parties.

Save as disclosed in this announcement, none of the Directors have any interest, direct or indirect, in the transaction contemplated under the Loan Agreement. Save as disclosed in this announcement, the Directors are not aware of any substantial Shareholder having any interest, direct or indirect, in such transactions and have not received any notification of any interest in this transaction from any substantial Shareholder.

## **9. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Loan, the Option, the ROFR Offer, the BW Option Deed, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## **10. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Loan Agreement is available for inspection during normal business hours at 6 Battery Road #10-01 Singapore 049909 for a period of three (3) months from the date of this announcement.

## **11. TRADING CAUTION**

**Shareholders are advised to exercise caution in trading their shares. The transactions contemplated under the Loan Agreement, including the Loan, the Option and the ROFR Offer, are subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Loan Agreement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this Announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.**

**By Order of the Board**

**Wong Siew Cheong**  
**Executive Chairman and Chief Executive Officer**

Date: 6 January 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

*The contact person for the Sponsor is Ms. Alice Ng, Director and Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.*