



**Atlantic Navigation Holdings (Singapore) Limited**  
**(Company Registration No. 200411055E)**  
**(Incorporated in Singapore)**

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**RESPONSE TO QUESTIONS FROM SHAREHOLDERS  
FOR ANNUAL GENERAL MEETING SCHEDULED FOR 25 APRIL 2023**

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The Board of Directors (the “**Board**”) of Atlantic Navigation Holdings (Singapore) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 10 April 2023 in relation to the Notice of Annual General Meeting to be held on Tuesday, 25 April 2023, at 10.00 a.m. (“**AGM 2023**”).

The Company would like to express its appreciation to its shareholders for submitting questions in advance of AGM 2023. The Company would like to inform shareholders that all the substantial and relevant questions submitted by shareholders by the deadline, i.e., 5.00 p.m. on 17 April 2023, have been responded to and are published in this announcement.

Please refer to the Appendix of this announcement for details of the questions and the responses of the Company.

By Order of the Board

Wong Siew Cheong  
Executive Director and Chief Executive Officer

20 April 2023

*This announcement has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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 Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*

## APPENDIX

### In relation to Fleet Expansion:

#### **Question 1: Can our Company elaborate further on the strategy for fleet expansion as mentioned by Chairman?**

The Group has always been mindful of having an efficient fleet of vessels which are relevant to the market to compete in this business.

Over the past 12 months, the Group had sold AOS Honour, an utility offshore vessel which was built in 2006. On the other hand, the Group had acquired Discovery, a dive support vessel which was built in 2010. The Group has also entered into a memorandum of agreement on 6 April 2023 to acquire Vega Egypt 1, a multi-purpose platform supply vessel which was built in 2017 as part of its fleet renewal and expansion plan and such acquisition is subject to shareholders' approval at the upcoming Extraordinary General Meeting ("EGM") scheduled for 25 April 2023.

As announced by the Company on 16 March 2023, the use of proceeds from US\$20.0 million new loan procured from its principal banker would include the potential acquisition of vessels, of which US\$5.0 million has been ear-marked for the initial payment of Vega Egypt 1 as disclosed in the Circular dated 10 April 2023 in relation to the EGM.

#### **Question 2: How many charter-in vessels did our Company charter in the past 6 months? If none, will our Company be chartering third-party offshore vessels?**

In FY2022, the Group had chartered-in vessels to complement its service offerings to its clients. If opportunities arise, the Group will continue to evaluate the operational and commercial feasibility to enhance profitability.

#### **Question 3: Are there opportunities for acquiring second-hand vessels in ASEAN and redeploying in Middle East?**

The Group is open to explore acquisition of second-hand vessels or new-builds to be deployed in its key markets in the Middle East or if the opportunity arises, to other markets.

#### **Question 4: Do we have the in-house capability to refurbish the older vessels if we acquire them?**

The Group has the in-house capability to manage or supervise the various aspects of the repair, maintenance, refurbishment etc. of older vessels as it had done for Discovery as an illustration and for other clients as part of the service offering of the Ship Repair, Fabrication and Other Marine Services (SRM) Division.

#### **Question 5: For the acquired vessel Discovery, how much was the refurbishment costs? What is the expected payback period?**

As disclosed on page 14 of the 3QFY2022 financial results announcement dated 13 November 2022, the subsequent reactivation costs including repair, maintenance and upgrading are expected to be in aggregate of about US\$1.0 million. The Group does not deem it appropriate to disclose actual costing and the expected payback period in its investment decisions due to commercial sensitivities.

#### **Question 6: What are the potential hurdles to our Company's fleet expansion plan?**

Common factors in considering fleet expansion include the access to (i) vessels to be acquired be it new-built or second-hand, (ii) markets as to the potential expected contracts and its return profile, (iii) the availability of financing and the cost thereof, and (iv) the resources to manage the overall fleet operations.

### **In relation to Business/Opportunities:**

**Question 7: As our Company's business is highly concentrated on the booming offshore oil and gas market in the Middle East, what are our Company's plans to broaden or diversify the revenue base?**

The Group's operations since inception has been, and that one of the key strengths of the Group are, in the established position and strong understanding of the Middle East market with deep access to key clients in this region.

Shareholders are provided with segmental information on the respective revenue contribution from the key countries in the Middle East geographic during the financial year on page 110 of the annual report for the financial year ended 31 December ("FY") 2022 (the "**Annual Report**").

While the Group is expected to remain entrenched to its current markets, the Group will explore expanding into other markets if the opportunities arise.

**Question 8: What business opportunities are our Company seeing in and outside the Middle East?**

The Group had disclosed the strong turnaround performance of the Group for FY2022 and that in summary, the offshore oil and gas industry is currently favourable to vessel owners and operators in view of the strong demand from the Middle East National Oil Companies (MENOCs) and limited supply of vessels.

### **In relation to Financials/Investor Relations:**

**Question 9: What is the intention of our Company with respect to the settlement of the shareholders loans in view of improving cashflow and a new US\$20m loan facility? In this context, I would like to thank the substantial shareholders again for their support during the tough times.**

The shareholders loans have been extended until 30 September 2024 as disclosed on page 41 of the Annual Report. As disclosed in the Company's announcement dated 16 March 2023, the US\$20.0 million loan facility shall be utilised mainly for the repayment of loan outstanding of US\$5.0 million to another bank and the remaining amount for general corporate purposes including potential acquisition of vessels within a 9-month availability period and hence, it is not for the purpose of repayment of shareholders' loans.

**Question 10: Our Company shares are very illiquid due to 10%+ public float. What has the Board done to improve the public float/trading liquidity of our shares? This will improve the marketability of our Shares for corporate finance/ M&A purposes.**

The trading of shares of the Company are currently illiquid partially due to the free float being at 10.05%. The Group continues to focus on the operational performance of the Group with regular and timely updates for the market participants to make informed investment decisions.

**Question 11: In the context of the improving popularity of listed offshore companies (Kim Heng, Marco Polo Marine, Icon Offshore, Velesto etc), how can our Company further engage with the fund management/brokers community (roadshows, investors meetings and conference calls etc)?**

The Group has been open to and engages in discussions with the market participants from time to time. Please refer to the response to Question 10 above.

**Question 12: As our Company's business is mainly in the Middle East, has the Board considered listing in Middle East stock markets for capital access?**

While the Company does not rule out proposals which are beneficial to the Group, it is not considering listing in the Middle East stock markets at the moment.

**Question 13: Can the Company provide Investor Relations contact details for shareholders and potential investors?**

As mentioned on page 39 of the Annual Report 2022, the Company may be contacted via dedicated email addresses ([ir@amquae.net](mailto:ir@amquae.net) and [corp@amquae.net](mailto:corp@amquae.net)) where the emails and requests from the public will be attended to as soon as practicable and within 3 business days as a policy or via telephone: +971 6 5263577.

The Board's policy is that all market participants should be informed simultaneously in an accurate and comprehensive manner regarding all material developments that impact the Group via SGXNet on an immediate basis, in line with the Group's disclosure obligations pursuant to the Catalist Rules and the Companies Act 1967.

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