



ATLANTIC NAVIGATION HOLDINGS (SINGAPORE) LIMITED

(Company Registration No. 200411055E)

**Results for the Financial Year Ended
31 December 2016**

Unaudited Financial Statements and Dividend Announcement

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited ("Sponsor"), 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.

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Full Year Financial Statement Announcement for the Financial Year Ended 31 December 2016

Part I - INFORMATION REQUIRED FOR QUARTERLY AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

(US\$'000)	12 months ended		
	31/12/2016	31/12/2015	Increase/
	("FY2016")	("FY2015")	(Decrease)
	(Unaudited)	(Audited)	%
Revenue	29,806	49,758	(40.1)
Cost of services	(24,522)	(27,826)	(11.9)
Gross profit	5,284	21,932	(75.9)
Finance income	11	13	(15.4)
Other income	211	58	263.8
Share of results of an associate	2	42	(95.2)
Other items of expense			
Marketing and distribution expenses	(138)	(156)	(11.5)
Administrative expenses	(6,631)	(6,132)	8.1
Finance costs	(1,812)	(1,336)	35.6
Other expense	(8,274)	(368)	2148.4
(Loss) / profit before tax	(11,347)	14,053	N.M.
Income tax expense	(80)	-	N.M.
(Loss) / profit for the year attributable to owners of the Company, representing total comprehensive income for the year attributable to owners of the Company	(11,427)	14,053	N.M.

N.M. : not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

(US\$'000)	12 months ended		
	31/12/2016	31/12/2015	Increase/
	("FY2016")	("FY2015")	(Decrease)
			%
(Loss)/profit for the year is stated after (charging)/crediting:			
Depreciation of property, vessels and equipment	(6,170)	(5,319)	16.0
Allowance for doubtful trade debts	(1,303)	(24)	5,329.2
Bad debts written off	(11)	-	N.M.
Write back of allowance for doubtful trade debts	-	39	N.M.
Net gain on disposal of property, vessels and equipment	57	2	2,750.0
Write off of vessels	(5,340)	(23)	N.M.
Impairment loss on vessels	(2,269)	-	N.M.
Impairment loss on vessels held for sale	(20)	-	N.M.
Impairment loss on investment in associate company	(544)	-	N.M.
Impairment of receivable from associate company	(100)	-	N.M.
Grant of equity-settled share options to employees	(28)	(123)	(77.2)
Write off of unauthorised withdrawal of funds	-	(368)	N.M.

N.M.: not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheet	Group		Company	
	Unaudited As at 31/12/2016	Audited As at 31/12/2015	Unaudited As at 31/12/2016	Audited As at 31/12/2015
(US\$'000)				
ASSETS				
Non-current assets				
Property, vessels and equipment	165,248	108,642	-	-
Intangible asset	141	141	141	141
Investment in subsidiaries	-	-	66,741	66,741
Investment in an associate	-	542	-	542
Prepayments	299	145	-	-
	<u>165,688</u>	<u>109,470</u>	<u>66,882</u>	<u>67,424</u>
Current assets				
Inventories	281	117	-	-
Vessels held for sale	180	719	-	-
Trade and other receivables	10,887	15,682	72,526	27,543
Prepayments	843	219	205	27
Cash and bank balances	1,536	4,261	197	799
Bank deposits pledged	100	-	8	-
	<u>13,827</u>	<u>20,998</u>	<u>72,936</u>	<u>28,369</u>
Total assets	<u>179,515</u>	<u>130,468</u>	<u>139,818</u>	<u>95,793</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	14,782	6,858	2,414	136
Other liabilities	3,409	2,673	730	99
Bank overdraft	595	-	-	-
Loans and borrowings	34,754	13,677	31,897	12,820
	<u>53,540</u>	<u>23,208</u>	<u>35,041</u>	<u>13,055</u>
Net current (liabilities)/assets	<u>(39,713)</u>	<u>(2,210)</u>	<u>37,895</u>	<u>15,314</u>
Non-current liabilities				
Provisions	519	438	-	-
Loans and borrowings	40,400	10,735	30,044	7,522
	<u>40,919</u>	<u>11,173</u>	<u>30,044</u>	<u>7,522</u>
Total liabilities	<u>94,459</u>	<u>34,381</u>	<u>65,085</u>	<u>20,577</u>
Net assets	<u>85,056</u>	<u>96,087</u>	<u>74,733</u>	<u>75,216</u>
Equity attributable to owners of the Company				
Share capital	12,370	12,370	85,534	85,534
Other reserves	995	599	736	340
Retained earnings / (accumulated losses)	71,691	83,118	(11,537)	(10,658)
Total equity	<u>85,056</u>	<u>96,087</u>	<u>74,733</u>	<u>75,216</u>
Total equity and liabilities	<u>179,515</u>	<u>130,468</u>	<u>139,818</u>	<u>95,793</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	As at		As at	
	31/12/2016		31/12/2015	
(US\$'000)	Secured	Unsecured	Secured	Unsecured
(a) Amount repayable in one year or less, or on demand	35,349	-	13,677	-
(b) Amount repayable after one year	40,400	-	10,735	-
Total borrowing and securities	75,749	-	24,412	-

The above credit facilities are secured by one or several of:

- (i) Mortgage over certain vessels;
- (ii) Assignment of earnings/charter proceeds, insurances and requisition compensation of mortgaged vessels;
- (iii) Assignment of all rights, titles and interests of mortgaged vessels' charters;
- (iv) Bank deposits pledged in a retention account; and
- (v) Financial covenant which requires the Group to maintain Tangible Net Worth of at least US\$50 million.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

(US\$'000)

Operating activities

(Loss) / profit before tax (11,347) 14,053

Adjustments for:

Net gain on disposal of property, vessels and equipment	(57)	(2)
Interest income	(11)	(13)
Depreciation of property, vessels and equipment	6,170	5,319
Allowance for doubtful debts, net	1,303	(15)
Bad debts written off	11	-
Share of results of an associate	(2)	(42)
Finance costs	1,812	1,336
Provisions	137	140
Write off of vessels	5,340	23
Impairment loss on property, vessels and equipment	2,269	-
Impairment loss on vessels held for sale	20	-
Impairment loss on investment in associate company	544	-
Write off of receivable from associate company	100	-
Grant of equity-settled share options to employees	28	123

Operating cash flows before changes in working capital 6,317 20,922

Increase in inventories	(164)	(48)
Decrease / (increase) in trade and other receivables	3,381	(3,103)
Increase in prepayments	(778)	(17)
Increase in trade and other payables	5,624	1,451
Provisions	(56)	(54)
Increase / (decrease) in other liabilities	736	(268)

Cash generated from operations 15,060 18,883

Interest received 11 13

Interest paid (1,812) (1,336)

Income tax paid (80) -

Net cash flows from operating activities 13,179 17,560

Investing activities

Purchase of property, vessels and equipment (69,567) (14,003)

Proceeds from disposal of property, vessels and equipment 126 42

Investment in an associate - (500)

Addition to intangible assets - (141)

Net cash flows used in investing activities (69,441) (14,602)

Financing activities

Proceeds from loan from a shareholder 2,300 -

Dividends paid on ordinary shares - (1,570)

Proceeds from loans and borrowings 62,360 10,564

Repayment of loans and borrowings (11,618) (15,789)

(Increase) / decrease in bank deposits pledged (100) 2,044

Net cash flows generated from / (used in) financing activities 52,942 (4,751)

Net decrease in cash and cash equivalents (3,320) (1,793)

Cash and cash equivalents at beginning of the year 4,261 6,054

Cash and cash equivalents at end of the year (Note A) 941 4,261

Note A Cash and cash equivalents comprise the following at the end of the reporting period:

Cash and bank balances	1,536
Bank overdraft	(595)
	<u>941</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement for Changes in Equity

Group	Equity, total US\$'000	Share capital US\$'000	Other reserves				Retained earnings US\$'000
			Equity portion of convertible loan US\$'000	Share option US\$'000	Merger US\$'000	Total US\$'000	
Balance at 1 January 2016	96,087	12,370	-	340	259	599	83,118
Loss for the Year, representing total comprehensive income for the year	(11,427)	-	-	-	-	-	(11,427)
Equity portion of compound instrument	368	-	368	-	-	368	-
Grant of equity-settled share options to employees	28	-	-	28	-	28	-
Balance at 31 December 2016	85,056	12,370	368	368	259	995	71,691

Group	Equity, total US\$'000	Share capital US\$'000	Other reserves				Retained earnings US\$'000
			Equity portion of convertible loan US\$'000	Share option US\$'000	Merger US\$'000	Total US\$'000	
Balance at 1 January 2015	83,481	12,370	-	217	259	476	70,635
Profit for the year, representing total comprehensive income for the year	14,053	-	-	-	-	-	14,053
Grant of equity-settled share options to employees	123	-	-	123	-	123	-
Dividends on ordinary shares	(1,570)	-	-	-	-	-	(1,570)
Balance at 31 December 2015	96,087	12,370	-	340	259	599	83,118

1d(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

Company	Equity, total	Share capital	Equity portion of convertible loan	Share option reserve	Accumulated losses
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2016	75,216	85,534	-	340	(10,658)
Loss for the Year, representing total comprehensive income for the year	(879)	-	-	-	(879)
Equity portion of compound instrument	368	-	368	-	-
Grant of equity-settled share options to employees	28	-	-	28	-
Balance at 31 December 2016	74,733	85,534	368	368	(11,537)

Company	Equity, total	Share capital	Equity portion of convertible loan	Share option reserve	Accumulated losses
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2015	75,085	85,534	-	217	(10,666)
Profit for the year, representing total comprehensive income for the year	1,578	-	-	-	1,578
Grant of equity-settled share options to employees	123	-	-	123	-
Dividends on ordinary shares	(1,570)	-	-	-	(1,570)
Balance at 31 December 2015	75,216	85,534	-	340	(10,658)

1 (d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Company	Number of ordinary shares	Share capital (US\$'000)
As at 30 September 2016	260,593,750	85,534
As at 31 December 2016	260,593,750	85,534

During the 3-month period ended 31 December 2016, there were no changes in the issued and paid-up share capital of the Company.

On 30 January 2014, the Company granted 4,050,000 share options under the Atlantic 2008 Employee Share Option Scheme ("Atlantic 2008 ESOS"). 2,025,000 share options are exercisable between 30 January 2015 and 29 January 2019, and the remaining 2,025,000 share options are exercisable between 30 January 2016 and 29 January 2019, at the exercise price of S\$0.34 if the vesting conditions are met. The estimated fair value of the options granted is approximately S\$405,000 (equivalent to approximately US\$319,000). The Atlantic 2008 ESOS has been terminated on 29 April 2015. The termination of the Atlantic 2008 ESOS shall not affect the outstanding share options granted and accepted but remain unexercised (whether fully or partially).

On 12 May 2015, the Company granted 750,000 share options under the Atlantic 2015 Employee Share Option Scheme ("Atlantic 2015 ESOS") to Mr Wong Siew Cheong. 375,000 share options are exercisable between 12 May 2016 and 11 May 2020, and the remaining 375,000 share options are exercisable between 12 May 2017 and 11 May 2020, at the exercise price of S\$0.43 if the vesting conditions are met. The estimated fair value of the options granted is approximately S\$76,000 (equivalent to approximately US\$54,000).

As at 31 December 2016, the total numbers of share options outstanding were 4,800,000 (31 December 2015: 4,800,000).

Save as disclosed, there were no other outstanding convertibles or treasury shares as at 31 December 2016 and 31 December 2015.

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at	
	31/12/2016	31/12/2015
Total number of issued shares excluding treasury shares	260,593,750	260,593,750

There were no treasury shares as at 31 December 2016 and 31 December 2015.

1 (d)(iv) A statement showing all the sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements for the year ended 31 December 2015, as well as the applicable Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2016. The adoption of these new and revised FRSs has no material effect on the results announcement for the current financial year.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	12 months ended	
	31/12/2016	31/12/2015
(Loss) / earnings per ordinary share ("EPS") for the year based on net (loss) / profit attributable to owners of the Company (US\$ cents)		
Basic EPS	(4.38)	5.39
Diluted EPS	(4.31)	5.30
Weighted average number of ordinary shares on issue applicable to basic EPS	260,593,750	260,593,750
Weighted average number of ordinary shares on issue applicable to diluted EPS	265,393,750	265,124,572

For the purpose of calculating the diluted EPS, net (loss)/profit attributable to owners of the Company and the weighted average number of ordinary shares in issue are adjusted for the dilutive effects of potential ordinary share issues. The Company has one category of potential dilutive ordinary shares, which are the share options as at 31 December 2016 and 31 December 2015.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group as at		Company as at	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net asset value per ordinary share (US\$ cents)	32.64	36.87	28.68	28.86

The net asset values per ordinary share of the Company and the Group as at 31 December 2016 and 31 December 2015 were calculated based on 260,593,750 issued shares (excluding treasury shares) as at 31 December 2016 and 31 December 2015.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) **Review of results of operations**

(i) **Revenue by business segments**

	12 months ended		
	31/12/2016 ("FY2016")	31/12/2015 ("FY2015")	Increase/ (Decrease) %
(US\$'000)			
Marine logistics services ("MLS")	26,811	47,299	(43.3)
Ship repair, fabrication and other marine services ("SRM")	2,995	2,459	21.8
	29,806	49,758	(40.1)

The Group's revenue for MLS business for FY2016 decreased by US\$20.5 million or 43.3%, from US\$47.3 million in FY2015 to US\$26.8 million in FY2016. The decrease in the revenue is mainly due to lower daily charter rates ("DCR") and lower utilisation of the Company's fleet in FY2016 as compared to same period during FY2015.

The Group's revenue for the SRM business for FY2016 increased by US\$0.5 million or 21.8% compared to FY2015 mainly due to higher level of repairs works undertaken on third party vessels.

(ii) **Gross profit and gross profit margin**

	12 months ended		
	31/12/2016 ("FY2016")	31/12/2015 ("FY2015")	Increase/ (Decrease) %
(US\$'000)			
Gross profit			
MLS	3,311	20,647	(84.0)
SRM	1,973	1,285	53.5
	5,284	21,932	(75.9)

	12 months ended	
	31/12/2016 ("FY2016")	31/12/2015 ("FY2015")
Gross profit margin		
MLS	12.3%	43.7%
SRM	65.9%	52.3%
	17.7%	44.1%

Gross profit for the MLS business for FY2016 decreased by US\$17.3 million or 84.0% from US\$20.6 million in FY2015 to US\$3.3 million in FY2016, primarily as a result of lower revenue due to lower DCR and higher operating cost for off-hired vessels arising from lower utilisation rate for the Group's fleet. Gross profit margin decreased by 31.4 percentage points from 43.7% in FY2015 to 12.3% in FY2016.

Gross profit for the SRM business for FY2016 increased by US\$0.7 million or 53.5% compared to FY2015 as a result of higher margin work in the services performed on offshore supply vessels. Gross profit margin increased to 65.9% in FY2016 as compared to 52.3% in FY2015.

(iii) **Other income**

Other income for FY2016 increased by US\$0.2 million or 263.8% as compared to FY2015 mainly due to the marine insurance claim and gain from sale of obsolete tools and machinery.

(iv) **Marketing and distribution expenses**

Marketing and distribution expenses in FY2016 comprised mainly travel, and consultancy expenses.

(iv) **Administrative expenses**

Administrative expenses for FY2016 increased by US\$0.5 million or 8.1% as compared to FY2015, mainly due a US\$1.3 million allowance for doubtful debts, partially offset by a US\$0.4 million decrease in bonus to executive directors and an aggregate of US\$0.4 million decrease attributable to staff salaries and ESOS expenses as compared to FY2015

(v) **Finance costs**

Finance costs in FY2016 increased by US\$0.5 million or 35.6% from US\$1.3 million in FY2015 to US\$1.8 million in FY2016 due to higher level of borrowings for the acquisition of two new vessels.

(vi) Other Expenses

Other expenses increased by US\$7.9 million or 2,148.4% to US\$8.3 million in FY2016 from US\$0.4 million in FY2015 mainly due to an impairment of US\$5.3 million arising from the rescission of a shipbuilding contract, an impairment on vessels held for sales of US\$2.3 million and an impairment of the Group's investment in and loan to an associate company of US\$0.6 million.

(vii) Profit before tax

The Group recorded a net loss before tax of US\$11.3 million in FY2016 as compared to net profit before tax of US\$14.1 million in FY2015 due to lower gross profit of US\$5.2 million as compared to US\$21.9 million in FY2015, higher other expenses relating to impairment of assets of US\$8.2 million, an impairment of the Group's investment in and loan to an associate of US\$0.6 million and higher administrative expense of US\$0.5 million, as detailed above.

(b) Review of financial position

(i) Non-current assets

Non-current assets increased by US\$56.2 million, from US\$109.5 million as at 31 December 2015 to US\$165.7 million as at 31 December 2016. This was primarily due to (a) additions of US\$69.9 million of new assets comprising vessels, capital-work-progress relating to new vessels, upgrading of existing vessel and capitalization of non-current portion of dry-docking expenses; (b) an increase in the non-current portion of prepayments of US\$0.2 million; and (c) an impairment of US\$0.5 million in investment in an associate, partially offset by depreciation charge of US\$6.2 million, an impairment loss on vessels of US\$5.3 million, an impairment loss on vessels held for sale of US\$2.3 million and reclassification of US\$0.5 million from vessels held for sales.

(ii) Current assets

Current assets decreased by US\$7.2 million, from US\$21.0 million as at 31 December 2015 to US\$13.8 million as at 31 December 2016. This was mainly due to a decrease in cash and cash equivalents of US\$2.7 million, a decrease in trade and other receivables of US\$4.8 million and a decrease in vessels held for sale of US\$0.5 million, partially offset by an increase in prepayments of US\$0.6 million and an increase in inventories of US\$0.1 million and bank deposits pledged of US\$0.1 million.

(iii) Non-current liabilities

Non-current liabilities increased by US\$29.7 million, from US\$11.2 million as at 31 December 2015 to US\$40.9 million as at 31 December 2016. This was mainly due to addition of new borrowings allocation in non-current portion by US\$39.7 million, partially offset by repayment portion of US\$10.0 million.

(iv) Current liabilities

Current liabilities increased by US\$30.3 million, from US\$23.2 million as at 31 December 2015 to US\$53.5 million as at 31 December 2016, primarily due to addition of new borrowings (current) of US\$22.7 million, an increase in trade and other payables by US\$7.9 million, an increase in other liabilities of US\$0.7 million and bank overdraft of US\$0.6 million, partially offset by repayment of bank borrowings of US\$1.6 million. The increase in trade and other payables include US\$3.0 million of deferred payment for a newly acquired vessel.

(v) Net current liabilities

The Group's net current liabilities increased by US\$37.5 million from US\$2.2 million as at 31 December 2015 to US\$39.7 million as at 31 December 2016 as a result of an increase in current liabilities of US\$30.3 million and a decrease in current assets of US\$7.2 million.

The Group is working on various options to strengthen its balance sheet and improve its cash flow position. These options include but not limited to potential disposal of older vessels and assets held for sales, additional bank facilities, rescheduling of loans and borrowings, various short-term working capital funding and various long-term funding options for new builds to be delivered in third quarter of 2017. These options, if materialize, may, in addition to addressing its existing net current liabilities position, provide additional resources for new projects that the Group is working on.

The Group had received a notice of rescission from the shipyard relating to the ship building contract committed in 2014 and have provided for impairment of its deposit and interest capitalised of US\$5.3 million under the contract. The Group had on 4 January 2017 executed a second supplemental agreement relating to a convertible loan of US\$13.0 million secured on 6 January 2016 (the "**Convertible Loan**") and had re-scheduled the repayment of the Convertible Loan to 3 January 2019, in the event that no conversion notice has been issued prior to such date.

(c) Liquidity and capital resources

(i) Net cash flow generated from operating activities

Net cash flows generated from operating activities amounted to US\$13.2 million in FY2016. This was mainly due to operating cash flows before changes in working capital of US\$6.3 million, an increase in trade and other payables of US\$5.6 million, a decrease in trade and other receivables of US\$3.4 million, an increase in other liabilities of US\$0.7 million, partially offset by an increase in prepayments of US\$0.8 million, interest paid during the year of US\$1.8 million, an increase in inventories of US\$0.2 million and an increase in income tax paid of US\$0.1 million.

(ii) Net cash flows used in investing activities

Net cash flows used in investing activities amounted to US\$69.4 million in FY2016. This was mainly due to investment in new vessels of US\$69.6 million, partially offset by proceeds from disposal of obsolete assets of US\$0.1 million.

(iii) Net cash flows generated from financing activities

Net cash flows generated from financing activities of US\$52.9 million in FY2016 was a result of bank borrowings of US\$62.4 million for the acquisition of 2 new vessels, loan from a shareholder of US\$2.3 million, partially offset by repayment of term loan of US\$11.6 million and an increase in bank deposits pledge of US\$0.1 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group continues to be cautious with its fleet upgrade and expansion program given the continuing uncertainties in the oil and gas sector caused by the decline in oil price. The Group will continue to review specific opportunities within its core market in the Middle East where offshore energy and production levels are being maintained.

The Group had been working on the cancellation of, and had received a notice of rescission from the ship builder, for a ship building contract for a self-propelled self-elevating lift boats committed under a shipbuilding agreement in FY2014 which was expected to be delivered in first half of 2017. The Group signed shipbuilding agreements totaling US\$45 million in June 2016 for seven new vessels to support firm charters awarded to the Group by a Middle Eastern NOC to support the NOC's operations in the Arabian Gulf as announced in May 2016. Two of the vessels to be provided under the contract to the NOC had been mobilized and the charters to the NOC commenced in the third quarter of 2016. The Group has taken the delivery of another vessel for the long term charter contracts with the NOC and deployed in charter on 4 February 2017, with the remaining seven new builds expected to be delivered and deployed in the third quarter of 2017.

The Group is working on various options to strengthen its balance sheet and improve its cash flow position. These options include but not limited to potential disposal of older vessels and assets held for sales, additional bank facilities, rescheduling of loans and borrowings, various short-term working capital funding and various long-term funding options for new builds to be delivered in third quarter of 2017. These options, if materialize, may, in addition to addressing its existing net current liabilities position, provide additional resources for new projects that the Group is working on.

Due to the current oil price environment and depressed market conditions, the daily charter rate movements are more constrained. The Group's business risk management processes have been heightened to focus on (i) maintaining high vessel utilization level by leveraging strategic relationship with customers; and (ii) offsetting rate reduction through controls of operational and manning costs.

11 Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

Nil

(b) Corresponding period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil

12 If no dividend has been declared / (recommended), a statement to that effect.

No dividend has been declared or recommended for FY2016.

13 Interested Person Transactions

Name of Interested Person	Aggregate value of all interested person transactions entered into during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a)) US\$' 000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) US\$' 000
N/A	-	-

There was no interested person transaction entered into by the Group with value of more than S\$100,000 during FY2016. The Group does not have any interested person transaction general mandate from shareholders pursuant to Rule 920 of the Catalist Rules.

14 Negative confirmation by the Board pursuant to Rule 705

Not required for full year results.

15 Issuer to confirm that it has procured undertaking from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1).

The Board of Directors confirms that, they have procured undertaking from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Segments	("FY2016")				("FY2015")				Increase/ (Decrease)
	MLS	SRM	Elimination	Total	MLS	SRM	Elimination	Total	
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	%
Revenue	26,811	3,536	(541)	29,806	47,299	3,026	(567)	49,758	(40.1)
Cost of Services	(23,500)	(1,563)	541	(24,522)	(26,652)	(1,741)	567	(27,826)	(11.9)
Segment Gross Profit	3,311	1,973		5,284	20,647	1,285		21,932	(75.9)
Interest Income	4	-		4	9	-		9	(55.6)
Other Income	184	27		211	49	3		52	305.8
Marketing & Distribution Expenses	(138)	-		(138)	(156)	-		(156)	(11.5)
Administrative Expenses	(5,578)	(709)		(6,287)	(5,414)	(687)		(6,101)	3.0
Finance Cost	(1,812)	-		(1,812)	(1,336)	-		(1,336)	35.6
Non-operating expense	(7,730)	-		(7,730)	-	-		-	N.M.
Segment (Loss)/Profit	(11,759)	1,291		(10,468)	13,799	601		14,400	(172.7)
Unallocated Income	-	-		9	-	-		53	(86.8)
Unallocated Expenses	-	-		(888)	-	-		(400)	121.5
(Loss)/Profit before Tax	(11,759)	1,291		(11,347)	13,799	601		14,053	(180.7)
Income Tax Expense	(80)	-		(80)	-	-		-	N.M.
(Loss)/Profit for the year	(11,839)	1,291		(11,427)	13,799	601		14,053	(181.3)

17 In the view of the performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Refer Section 8 (i) & (ii) above.

18 A breakdown of sales as follows

Particulars	("FY2016")	("FY2015")	Increase/ (Decrease)
	US\$ '000	US\$ '000	
(a) Sales reported for first half year	15,742	25,704	(38.8)%.
(b) Operating profit reported for first half year	225	7,729	(97.1)%
(c) Sales reported for second half year	14,064	24,054	(41.5)%
(d) Operating (loss) / profit reported for second half year	(11,572)	6,324	N.M.

19 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable. No dividend proposed for FY2016 and FY2015.

20 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate statement.

Name	Age	Family relationship with director and/or substantial	Current Position and duties, and the year the position was held	Details of changes in duties and position held, if any, during
Wong Sek Pun	46	Nephew of Wong Siew Cheong (Executive Chairman and Chief Executive Officer)	Sales and Marketing Manager - Securing charters, negotiating terms and rates for the Group's owned and managed fleet - Business Development This position was held since 2011.	No change

BY ORDER OF THE BOARD

Wong Siew Cheong

Executive Chairman and Chief Executive Officer

31 March 2017