



ATLANTIC NAVIGATION HOLDINGS (SINGAPORE) LIMITED

(Company Registration No. 200411055E)

Results for the Financial Period
Ended 30 June 2015

Unaudited Financial Statements and Dividend Announcement

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Second Quarter Financial Statement Announcement as on 30 June 2015

Part I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR 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.

	3 months ended			6 months ended		
	30/6/2015 ("2Q2015")	30/6/2014 ("2Q2014")	Increase/ (Decrease) %	30/6/2015 ("HY2015")	30/6/2014 ("HY2014")	Increase/ (Decrease) %
(US\$'000)						
Revenue	11,962	12,370	(3.3)	25,704	23,597	8.9
Cost of services	(6,599)	(7,064)	(6.6)	(14,200)	(13,686)	3.8
Gross profit	5,363	5,306	1.1	11,504	9,911	16.1
Finance income	3	4	(25.0)	7	6	16.7
Other income	4	11	(63.6)	7	13	(46.2)
Other items of expense						
Marketing and distribution expenses	(34)	(98)	(65.3)	(50)	(131)	(61.8)
Administrative expenses	(1,309)	(1,169)	12.0	(2,722)	(2,360)	15.3
Finance costs	(316)	(469)	(32.6)	(649)	(821)	(21.0)
Non operating expense	(368)	-	N.M.	(368)	-	N.M.
Profit before tax	3,343	3,585	(6.8)	7,729	6,618	16.8
Income tax expense	-	-	-	-	-	-
Profit for the period attributable to owners of the Company	3,343	3,585	(6.8)	7,729	6,618	16.8
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Gain on fair value changes in derivatives	-	156	N.M.	-	206	N.M.
Total comprehensive income for the period attributable to owners of the Company	3,343	3,741	(10.6)	7,729	6,824	13.3

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.

	3 months ended			6 months ended		
	30/6/2015 ("2Q2015")	30/6/2014 ("2Q2014")	Increase/ (Decrease) %	30/6/2015 ("HY2015")	30/6/2014 ("HY2014")	Increase/ (Decrease) %
(US\$'000)						
Profit for the period is stated after (charging)/crediting:						
Depreciation of property, vessels and equipment	(1,311)	(1,194)	9.8	(2,583)	(2,314)	11.6
Loss on disposal of property, vessels and equipment	-	(19)	N.M.	-	(19)	N.M.
Grant of equity-settled share options to employees	(21)	-	N.M.	(54)	-	N.M.
Provision for unauthorised withdrawal of funds	(368)	-	N.M.	(368)	-	N.M.
Loss on de-recognition of derivatives	-	(24)	N.M.	-	(24)	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.

Statement of Financial Position

	Group		Company	
	Unaudited As at 30/6/2015	Audited As at 31/12/2014	Unaudited As at 30/6/2015	Audited As at 31/12/2014
(US\$'000)				
ASSETS				
Non-current assets				
Property, vessels and equipment	99,313	100,021	-	-
Intangible asset	141	-	141	-
Investment in subsidiaries	-	-	66,741	66,741
Investment in an associate	475	-	475	-
Prepayments	64	120	-	-
	<u>99,993</u>	<u>100,141</u>	<u>67,357</u>	<u>66,741</u>
Current assets				
Inventories	107	69	-	-
Vessels held for sale	719	-	-	-
Trade and other receivables	15,698	13,283	20,391	28,183
Prepayments	746	227	-	-
Cash and cash equivalents	5,513	6,054	533	491
Bank deposits pledged	2,260	2,044	1,042	1,042
	<u>25,043</u>	<u>21,677</u>	<u>21,966</u>	<u>29,716</u>
Total assets	<u>125,036</u>	<u>121,818</u>	<u>89,323</u>	<u>96,457</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	5,167	5,407	11	142
Other liabilities	2,869	2,941	64	42
Loans and borrowings	12,862	15,505	8,625	12,125
	<u>20,898</u>	<u>23,853</u>	<u>8,700</u>	<u>12,309</u>
Net current assets /(liabilities)	<u>4,145</u>	<u>(2,176)</u>	<u>13,266</u>	<u>17,407</u>
Non-current liabilities				
Provisions	387	352	-	-
Loans and borrowings	14,057	14,132	7,250	9,063
	<u>14,444</u>	<u>14,484</u>	<u>7,250</u>	<u>9,063</u>
Total liabilities	<u>35,342</u>	<u>38,337</u>	<u>15,950</u>	<u>21,372</u>
Net assets	<u>89,694</u>	<u>83,481</u>	<u>73,373</u>	<u>75,085</u>
Equity attributable to owners of the Company				
Share capital	12,370	12,370	85,534	85,534
Other reserves	530	476	271	217
Retained earnings/(accumulated losses)	76,794	70,635	(12,432)	(10,666)
Total equity	<u>89,694</u>	<u>83,481</u>	<u>73,373</u>	<u>75,085</u>
Total equity and liabilities	<u>125,036</u>	<u>121,818</u>	<u>89,323</u>	<u>96,457</u>

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

	As at		As at	
	30/6/2015		31/12/2014	
(US\$'000)	Secured	Unsecured	Secured	Unsecured
(a) Amount repayable in one year or less, or on demand	12,862	-	15,505	-
(b) Amount repayable after one year	14,057	-	14,132	-
Total borrowing and securities	26,919	-	29,637	-

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\$30 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.

Statement of Cash Flows

	6 months ended	
	30/6/2015	30/6/2014
(US\$'000)		
Operating activities		
Profit before tax	7,729	6,618
Adjustments for:		
Loss on disposal of property, vessels and equipment	-	19
Interest income	(7)	(6)
Depreciation of property, vessels and equipment	2,583	2,314
Share of results of an associate	25	-
Finance costs	649	821
Provisions	69	41
Grant of equity-settled share options to employees	54	-
Operating cash flows before changes in working capital	11,102	9,807
(Increase) / decrease in inventories	(37)	18
Increase in vessels held for sale	(719)	-
(Increase) / decrease in trade and other receivables	(2,415)	1,771
Increase in prepayments	(463)	(198)
(Decrease) / increase in trade and other payables	(275)	1,233
Decrease in other liabilities	(72)	(1,425)
Cash flows from operations	7,121	11,206
Interest received	7	6
Interest paid	(649)	(821)
Net cash flows from operating activities	6,479	10,391
Investing activities		
Purchase of property, vessels and equipment	(1,914)	(17,525)
Proceeds from disposal of property, vessels and equipment	38	12
Investment in an associate	(500)	-
Addition to intangible asset	(141)	-
Net cash flows used in investing activities	(2,517)	(17,513)
Financing activities		
Dividends paid on ordinary shares	(1,570)	(1,462)
Proceeds from loans and borrowings	4,284	14,500
Repayment of loans and borrowings	(7,002)	(11,499)
(Increase) / decrease in bank deposits pledged	(215)	898
Net cash flows (used in) / generated from financing activities	(4,503)	2,437
Net decrease in cash and cash equivalents	(541)	(4,685)
Cash and cash equivalents at beginning of the year	6,054	7,285
Cash and cash equivalents at end of the year	5,513	2,600

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.

Statement of Changes in Equity

Group	Equity, total		Share capital		Other reserves			Retained earnings
	US\$'000	US\$'000	Hedging	Share Option	Merger	Total		
			US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Balance at 1 January 2015	83,481	12,370	-	217	259	476	70,635	
Profit for the period	4,386	-	-	-	-	-	4,386	
Grant of equity-settled share options to employees	33	-	-	33	-	33	-	
Total comprehensive income for the period	4,419	-	-	33	-	33	4,386	
Balance at 31 March 2015	87,900	12,370	-	250	259	509	75,021	
Profit for the period	3,343	-	-	-	-	-	3,343	
Dividend paid	(1,570)	-	-	-	-	-	(1,570)	
Grant of equity-settled share options to employees	21	-	-	21	-	21	-	
Total comprehensive income for the period	1,794	-	-	21	-	21	1,773	
Balance at 30 June 2015	89,694	12,370	-	271	259	530	76,794	

Group	Equity, total		Share capital		Other reserves			Retained earnings
	US\$'000	US\$'000	Hedging	Share Option	Merger	Total		
			US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Balance at 1 January 2014	71,131	12,370	(206)	-	259	53	58,708	
Profit for the period	3,033	-	-	-	-	-	3,033	
Gain on fair value changes in derivatives	50	-	50	-	-	50	-	
Total comprehensive income for the period	3,083	-	50	-	-	50	3,033	
Balance at 31 March 2014	74,214	12,370	(156)	-	259	103	61,741	
Profit for the period	3,585	-	-	-	-	-	3,585	
Dividend paid	(1,462)	-	-	-	-	-	(1,462)	
Gain on fair value changes in derivatives	156	-	156	-	-	156	-	
Total comprehensive income for the period	2,279	-	156	-	-	156	2,123	
Balance at 30 June 2014	76,493	12,370	-	-	259	259	63,864	

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.

Statement of Changes in Equity

Company	Equity, total	Share capital	Share Option reserve	Accumulated losses
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2015	75,085	85,534	217	(10,666)
Loss for the period,	(110)	-	-	(110)
Grant of equity-settled share options to employees	33	-	33	-
Total comprehensive income for the period	(77)	-	33	(110)
Balance at 31 March 2015	75,008	85,534	250	(10,776)
Loss for the period	(86)	-	-	(86)
Dividend paid	(1,570)	-	-	(1,570)
Grant of equity-settled share options to employees	21	-	21	-
Total comprehensive loss for the period	(1,635)	-	21	(1,656)
Balance at 30 June 2015	73,373	85,534	271	(12,432)

Company	Equity, total	Share capital	Share Option reserve	Accumulated losses
	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 1 January 2014	74,856	85,534	-	(10,678)
Profit for the period, representing total comprehensive income for the period	1,932	-	-	1,932
Balance at 31 March 2014	76,788	85,534	-	(8,746)
Loss for the period	(91)	-	-	(91)
Dividend paid	(1,462)	-	-	(1,462)
Total comprehensive loss for the period	(1,553)	-	-	(1,553)
Balance at 30 June 2014	75,235	85,534	-	(10,299)

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 31 December 2014 and 31 March 2015	260,593,750	85,534
As at 30 June 2015	260,593,750	85,534

During the 3-month period ended 30 June 2015, there has been no increase in the issued and paid-up share capital of the Company.

As at 30 June 2015, the total number of share options outstanding was 4,050,000 (30 June 2014: 4,050,000).

On 30 January 2014, the Company granted 4,050,000 share options pursuant to 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. Save as disclosed, there were no other outstanding convertibles or treasury shares as at 30 June 2015 and 30 June 2014.

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	
	30/6/2015	31/12/2014
Total number of issued shares excluding treasury shares	260,593,750	260,593,750

There were no treasury shares as at 30 June 2015 and 31 December 2014.

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 period compared with those of the audited financial statements for the year ended 31 December 2014, as well as the applicable Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2015. The adoption of these new and revised FRSs has no material effect on the results announcement for the current financial period.

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.

	3 months ended		6 months ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
Earnings per ordinary share (“EPS”) for the period based on net profit attributable to owners of the Company (US\$ cents)				
Basic EPS	1.28	1.38	2.97	2.54
Diluted EPS	1.26	1.36	2.92	2.51
Weighted average number of ordinary shares on issue applicable to basic EPS	260,593,750	260,593,750	260,593,750	260,593,750
Weighted average number of ordinary shares on issue applicable to diluted EPS	264,643,750	263,994,855	264,643,750	263,994,855

For the purpose of calculating the diluted EPS, net 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 30 June 2015 and 30 June 2014.

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	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
Net asset value per ordinary share (US\$ cents)	34.42	32.03	28.16	28.81

The net asset values per ordinary share of the Company and the Group as at 30 June 2015 and 31 December 2014 were calculated based on 260,593,750 issued shares (excluding treasury shares) as at 30 June 2015 and 31 December 2014.

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**

	3 months ended			6 months ended		
	30/6/2015 ("2Q2015")	30/6/2014 ("2Q2014")	Increase/ (Decrease) %	30/6/2015 ("HY2015")	30/6/2014 ("HY2014")	Increase/ (Decrease) %
(US\$'000)						
Marine logistics services	11,518	11,389	1.1	24,355	21,931	11.1
Ship repair, fabrication and other marine services	444	981	(54.7)	1,349	1,666	(19.0)
	<u>11,962</u>	<u>12,370</u>	<u>(3.3)</u>	<u>25,704</u>	<u>23,597</u>	<u>8.9</u>

The Group's revenue for marine logistics services business for 2Q2015 increased by US\$0.1 million or 1.1% compared to 2Q2014. The increase in revenue was mainly attributable to (a) an increase in chartering revenue of US\$1.1 million or 14.0%, from US\$8.0 million in 2Q2014 to US\$9.1 million in 2Q2015, mainly contributed by the Group's newly owned vessels; and (b) partially offset by a decline in revenue from cross charter of US\$0.9 million or 28.0%, from US\$3.3 million in 2Q2014 to US\$2.4 million in 2Q2015, as two of the Group's managed vessels was off-hired, and one was dry docked for class survey.

The Group's revenue for the ship repair, fabrication and other marine services business for 2Q2015 decreased by US\$0.5 million or 54.7% compared to 2Q2014 mainly due to lower level of repairs undertaken on third party vessels.

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

	3 months ended			6 months ended		
	30/6/2015 ("2Q2015")	30/6/2014 ("2Q2014")	Increase/ (Decrease) %	30/6/2015 ("HY2015")	30/6/2014 ("HY2014")	Increase/ (Decrease) %
(US\$'000)						
Gross profit						
Marine logistics services	5,085	4,926	3.2	10,776	9,361	15.1
Ship repair, fabrication and other marine services	278	380	(26.8)	728	550	32.4
	<u>5,363</u>	<u>5,306</u>	<u>1.1</u>	<u>11,504</u>	<u>9,911</u>	<u>16.1</u>

	3 months ended		6 months ended	
	30/6/2015 ("2Q2015")	30/6/2014 ("2Q2014")	30/6/2015 ("HY2015")	30/6/2014 ("HY2014")
Gross profit margin				
Marine logistics services	44.1%	43.3%	44.2%	42.7%
Ship repair, fabrication and other marine services	62.6%	38.7%	54.0%	33.0%
	<u>44.8%</u>	<u>42.9%</u>	<u>44.8%</u>	<u>42.0%</u>

Gross profit for the marine logistics services business for 2Q2015 increased by US\$0.2 million or 3.2% compared to 2Q2014, mainly due to the increase in chartering revenue on the back of a decline in cost of services resulting from the Group's cost control and management program. Gross profit margin improved marginally to 44.1% for 2Q2015 as compared to 43.3% for 2Q2014.

Gross profit for the ship repair, fabrication and other marine services business for 2Q2015 decreased by US\$0.1 million or 26.8% compared to 2Q2014 as a result of lower level of repair undertaken on third party vessels. Gross profit margin improved by 23.9 percentage points from 38.7% in 2Q2014 to 62.6% in 2Q2015 due to higher level of fabrication work, which has a higher gross profit margin.

(iii) **Marketing and distribution expenses**

Marketing and distribution expenses in 2Q2015 comprised mainly travel and consultancy expenses.

(iv) Administrative expenses

Administrative expenses for 2Q2015 increased by US\$0.1 million or 12.0% as compared to 2Q2014. This was substantially due to an increase in staff salary and quarterly provisions made for services and other contractual obligations charged for FY2015 in 2Q2015 as compared to yearly provisions made in end FY2014 for such services or obligations in FY2014.

(v) Finance costs

Finance costs for 2Q2015 decreased by 32.6% as compared to 2Q2014 due to lower level of borrowings.

(vi) Non-operating expenses

Non-operating expenses for 2Q2015 of US\$0.4 million relate to a 50% provision for an unauthorised withdrawal of US\$0.7 million from a bank account of a subsidiary. The Company had lodged a report with the Singapore Police Force and is liaising with the relevant bank to investigate the matter. There were no such items in 2Q2014.

(vii) Profit before tax

Profit before tax for 2Q2015 was US\$3.3 million and represented a decrease of US\$0.2 million or 6.8% as compared to 2Q2014. Excluding the US\$0.4 million provision for unauthorised withdrawal, profit before tax from operating activities was US\$3.7 million, as compared US\$3.6 million for 2Q2014. Increase in administrative expenses was offset by marginal decrease in finance costs and marketing expenses.

(b) Review of financial position**(i) Non-current assets**

Non-current assets decreased by US\$0.1 million from US\$100.1 million as at 31 December 2014 to US\$100.0 million as at 30 June 2015, primarily due to depreciation charges of US\$2.6 million, partially offset by the addition of US\$1.9 million to property, vessels and equipment, being substantially capital work-in-progress of US\$1.1 million related to new vessels under construction, addition to intangible asset of US\$0.1 million, being the purchase of a club membership, and investment in an associate of US\$0.5 million.

(ii) Current assets

Current assets increased by US\$3.3 million from US\$21.7 million as at 31 December 2014 to US\$25.0 million as at 30 June 2015. This was mainly due to the increase in trade and other receivables of US\$2.4 million, bank deposits pledged of US\$ 0.2 million, vessels held for sale of US\$0.7 million and prepayments of US\$0.5 million, partially offset by decrease in cash and cash equivalent of US\$0.5 million.

(iii) Non-current liabilities

Non-current liabilities decreased by approximately US\$40,000 as at 30 June 2015 mainly due to repayment of term loans and borrowings of US\$3.5 million, partially offset by a new loan of US\$4.3 million (of which US\$3.4 million is the non-current portion), being the 51% share of US\$8.4 million loan availed through the company under joint operations, namely Atlantic Venture Inc..

(iv) Current liabilities

Current liabilities decreased by US\$3.0 million, from US\$23.9 million as at 31 December 2014 to US\$20.9 million as at 30 June 2015, primarily due to a decrease in current portion of loans and borrowings, trade and other payables and other liabilities. The current portion of loans and borrowings decreased by US\$2.6 million from US\$15.5 million as on 31 December 2014 to US\$12.9 million as on 30 June 2015, primarily due to repayment of US\$3.5 million revolving credit facility, partially offset a by current portion of US\$0.9 million from a new loan. The trade and other payables decreased by US\$0.2 million from US\$5.4 million as at 31 December 2014 to US\$5.2 million as at 30 June 2015.

(v) Net current assets

The Group has increased its net current assets by US\$6.3 million from net current liabilities of US\$2.2 million as at 31 December 2014 to net current assets of US\$4.1 million mainly due to the increase in trade receivables, prepayments, inventories, vessels held for sale, bank deposits pledged, decrease in current portion of loans and borrowings, trade and other payables and other liabilities, partially offset by decrease in cash and cash equivalents.

(c) Liquidity and capital resources**(i) Net cash flow generated from operating activities**

Net cash flows from operating activities amounted to US\$6.5 million in HY2015. This was mainly due to operating cash flows before changes in working capital of US\$11.1 million, partially offset by an increase in trade and other receivables of US\$2.4 million, increase in vessels held for sale of US\$0.7 million, increase in prepayments of US\$0.5 million and decrease in trade and other payables of US\$0.3 million during the period under review.

(ii) Net cash flows used in investing activities

Net cash flows used in investing activities amounted to US\$2.5 million in HY2015. This was mainly due to (i) additions of US\$1.9 million to property, vessels and equipment, of which, US\$1.1 million was pertaining to new vessels under construction, and (ii) investment of US\$0.5 million in an associate.

(iii) Net cash flows used in financing activities

Net cash flows used in financing activities of US\$4.5 million was a result of repayment of loans and borrowings of US\$7.0 million, payment of dividend to shareholders of US\$1.6 million, increase in bank deposits pledged of US\$0.2 million, partially offset by US\$4.3 million, being the 51% share of US\$8.4 million loan availed through the company under joint operations, namely Atlantic Venture Inc..

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 is cautious with its fleet upgrade and expansion program going forward, given the disruptions and uncertainties in the oil and gas sector caused by the oil price slide. 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, as well as within the Group's targeted new markets in Malaysia and West Africa.

The Group has won a tender from a Norwegian oil and gas company to provide a crew boat on a 3-year contract with the option to extend for an additional 1 year. The total contract value is US\$6.0 million including the option period. In order to fulfill the charter requirement, the Group has purchased a new vessel built by the Damen Shipyards Group in Holland for US\$4.5 million, inclusive of mobilisation costs, and the vessel is expected to be delivered by mid-August 2015. This vessel will increase the size of the Group's fleet to 17. The Group expects the new vessel to then be deployed for service in the Oman offshore area by end August 2015.

As part of the fleet upgrading and expansion program, the Group has existing contracts with shipbuilders for the construction of two new vessels, namely a 75-metre platform supply vessel and a self-propelled self-elevating lift boat. The vessels are expected to be delivered in October 2015 and April 2016 respectively.

Other than fleet expansion, the Group is continuing to develop strategic and synergistic opportunities within its core and target markets. The Group had, in April 2015, completed the acquisition of a 40% equity interest in Astra Offshore Sdn. Bhd., a PETRONAS-licensed supplier of products and services, including chartering services, to oil and gas exploration and oil and gas companies in Malaysia.

With the existing uncertainties in the oil and gas sector triggered by the slide in oil price, the Group's business risk management processes will be heightened to focus on (i) maintenance of its high vessels utilisation rates, and (ii) controlling and managing its operational cost to mitigate against any material deterioration in charter fees resulting for volatilities in the sector.

11 Dividend

Not applicable.

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

No dividend has been declared or recommended.

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 2Q2015.

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 (5)

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results for the financial period ended 30 June 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Wong Siew Cheong

Executive Chairman and Chief Executive Officer

6 August 2015