



Atlantic Navigation Holdings (Singapore) Limited

(Company Registration No. 200411055E)

(Incorporated in Singapore)

DISPOSAL OF VESSELS “AOS STAR” AND “AOS ENERGY”

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Atlantic Navigation Holdings (Singapore) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Group had accepted on 24 September 2021 an unsolicited offer from an unrelated third party, Norden Gabon A/S (or its nominees) (the “**Buyer**”) based in Denmark via an unrelated third party broker for the sale of two vessels, namely AOS Star and AOS Energy (the “**Vessels**”) for gross considerations of US\$1,050,000 and US\$900,000 respectively, or US\$1,950,000 in aggregate (the “**Consideration**”) (the “**Disposal**”). As per the terms of the respective Sale & Purchase Agreements (“**SPAs**”), the payment confirmation by the Buyer of 10% of the Consideration had been received by the Group on 27 September 2021, and the remaining 90% to be received upon completion of the Disposal.

2. THE SALE OF VESSELS

2.1. Information on the Vessels

AOS Star and AOS Energy are both towing tugs with 36 metres of length and 3,200 ton bollard pull which are owned by the Company’s indirectly wholly-owned subsidiaries, Crossworld Marine Services Inc. and Oasis Marine Inc., respectively. While AOS Star was built in 2008 with 100 square metres of deck area, AOS Energy was built in 2006 with 175 square metres of deck area.

2.2. Value of the Vessels

The Vessels had an aggregate net book value (“**NBVs**”) of US\$2.92 million (AOS Star: US\$1.69 million; AOS Energy US\$1.23 million) as at 30 June 2021, being the date of the Group’s latest announced consolidated financial statements.

Assuming that the Disposal was completed on 30 June 2021, the loss on the Disposal, or the deficit of the Consideration net of 8% brokerage fee over the NBVs of the Vessels as at 30 June 2021, would be approximately US\$1.12 million.

No valuation reports were procured for purposes of the Disposal.

2.3. Consideration

The Consideration for the Disposal is US\$1.95 million. After deducting 8% brokerage fee, the net

Consideration is approximately US\$1.79 million. The Consideration was arrived at based on arm's length negotiations and on a willing-buyer and willing-seller, "as-is, where-is" basis, after taking into account the prevailing market conditions and the business prospects of the Vessels, and represents the highest amount recently received from prospective buyers by the Group. The Group intends to use the net Consideration for the repayment of secured debt and/or to augment the working capital of the Group.

3. RATIONALE FOR THE DISPOSAL

The Vessels are approaching 15 years of age which is typically the cut-off age suitable for chartering by international charterers or contractors. Currently, the Vessels are not on charter, with limited imminent prospects for chartering under discussion while operational costs will continue to be incurred if not for the Disposal.

In line with the Group's strategy of managing a young and efficient fleet with increasing sophistication, upon completion of the Disposal, the average age of the remaining 18 vessels of the Group (including one vessel under Investment in Joint Investment) will be about 6.7 years old, compared to pre-Disposal of 20 vessels of 7.5 years as at 31 August 2021, or representing about 10% reduction in fleet age (see page 11 of Annual Report 2020 for more information on the Group vessel fleet).

The Management will continue to explore the potential sale of vessels to augment the Group's cash flows in line with its fleet re-profiling and renewal strategy as well as directing more resources towards establishing itself as a marine project manager providing integrated higher value-added services.

4. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES IN RELATION TO THE DISPOSAL

Based on the latest announced unaudited consolidated financial statements of the Group for the half year ended 30 June 2021 ("HY2021"), the relative figures of the Disposal computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Catalist Rules") are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable to an acquisition of assets.	4.2 ⁽¹⁾
(b)	The net loss attributable to the assets acquired or disposed of, compared with the Group's net loss.	0.5 ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares.	12.3 ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾

Rule 1006	Bases	Size of Relative Figures (%)
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	Not applicable ⁽⁵⁾

Notes:

- (1) Based on the NBVs of the Vessels of US\$2.92 million compared to the net asset value of the Group of US\$69.10 million as at 30 June 2021.
- (2) Based on net loss of US\$0.06 million attributable to the Vessels compared to net loss of US\$12.79 million of the Group for HY2021.
- (3) Based on the Consideration received by the Company of US\$1.95 million (or equivalent to S\$2.64 million) and the market capitalisation of the Company of approximately US\$15.88 million (or equivalent to S\$21.46 million), computed based on a total number of 523,512,144 shares of the Company in issue (excluding treasury shares and subsidiary holdings) at the volume weighted average price of S\$0.041 per share transacted on 17 September 2021, being the last full market day on which shares of the Company were traded on the SGX-ST preceding the date of the signing of the respective SPAs.
- (4) This basis is applicable only to an acquisition.
- (5) This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company. The Company is not a mineral, oil and gas company.

As (a) relative figure under Rule 1006(b) of the Catalist Rules is negative figure, pursuant to paragraph 4.4(e) of Practice Note 10A of the Catalist Rule, the Company notes that the absolute relative figure computed on the basis of each of Rule 1006(a), (c) and (e) of the Catalist Rules does not exceed 50% and the net loss on disposal of US\$1.12 million represents 8.8% of the net loss of the Group for HY2021; and (b) the Consideration is more than 5% of the market capitalisation of the Company under Rule 1006(c) of the Catalist Rules, the Disposal is considered a "Discloseable Transaction" as defined under Rule 1010 of the Catalist Rules.

5. FINANCIAL EFFECTS OF THE DISPOSAL

The financial effects of the Disposal 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 completion of the Disposal. The financial effects of the Disposal are based on the Group's latest audited financial statements for the financial year ended 31 December 2020:

5.1. Net Tangible Asset ("NTA") per Share

Assuming that the Disposal had been completed on 31 December 2020, the NTA per share of the Group would be as follows:

	Before the Disposal	After the Disposal
NTA (US\$'000)	80,891	79,817
Number of issued shares	523,512,144	523,512,144
NTA per share (US cents)	15.45	15.25

5.2. Loss per Share (“LPS”)

Assuming that the Disposal had been completed on 1 January 2020, the LPS of the Group would be as follows:

	Before the Disposal	After the Disposal
Net loss attributable to shareholders (US\$'000)	(5,453)	(6,527)
Weighted average number of shares	523,512,144	523,512,144
LPS (US cents)	(1.04)	(1.25)

6. OTHER INFORMATION

No person has been or is proposed to be appointed as director of the Company in connection with the Disposal. Accordingly, no service contract has been or is proposed to be entered into between the Company and any such person.

7. DISCLOSURE OF INTERESTS

Save for their respective shareholdings in the Company, none of the Directors, controlling shareholders or substantial shareholders of the Company, or their respective associates, has any interest, direct or indirect, in the Disposal.

8. DOCUMENTS AVAILABLE FOR INSPECTION

The respective SPAs for the sale of AOS Star and AOS Energy are available for inspection during normal business hours from 9.00 am to 5.00 pm at the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 for a period of three (3) months from the date of this announcement.

By Order of the Board

Wong Siew Cheong

Executive Director and Chief Executive Officer

27 September 2021

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.