



ATLANTIC NAVIGATION HOLDINGS (SINGAPORE) LIMITED

(Company Registration No. 200411055E)

Results for the Financial Period Ended 31 March 2015

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 ("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.

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Q1 Financial Statement Announcement as on 31 March 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		
	31/3/2015 ("1Q2015")	31/3/2014 ("1Q2014")	Increase/ (Decrease) %
(US\$'000)			
Revenue	13,742	11,227	22.4
Cost of services	(7,601)	(6,622)	14.8
Gross profit	6,141	4,605	33.4
Finance income	4	2	100.0
Other income	2	2	0.0
Other items of expense			
Marketing and distribution expenses	(15)	(33)	(54.5)
Administrative expenses	(1,413)	(1,191)	18.6
Finance costs	(333)	(352)	(5.4)
Profit before tax	4,386	3,033	44.6
Income tax expense	-	-	-
Profit for the period attributable to owners of the Company	4,386	3,033	44.6
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Gain on fair value changes in derivatives	-	50	N.M.
Total comprehensive income for the period attributable to owners of the Company	4,386	3,083	42.3

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		
	31/3/2015 ("1Q2015")	31/3/2014 ("1Q2014")	Increase/ (Decrease) %
(US\$'000)			
Profit for the period is stated after (charging)/crediting:			
Depreciation of property, vessels and equipment	(1,272)	(1,120)	13.6
Grant of equity-settled share options to employees	(33)	-	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 31/3/2015	Audited As at 31/12/2014	Unaudited As at 31/3/2015	Audited As at 31/12/2014
(US\$'000)				
ASSETS				
Non-current assets				
Property, vessels and equipment	99,440	100,021	-	-
Investment in subsidiaries	-	-	66,741	66,741
Prepayments	94	120	-	-
	<u>99,534</u>	<u>100,141</u>	<u>66,741</u>	<u>66,741</u>
Current assets				
Inventories	113	69	-	-
Trade and other receivables	18,279	13,283	27,091	28,183
Prepayments	662	227	-	-
Cash and cash equivalents	6,525	6,054	720	491
Bank deposits pledged	2,045	2,044	1,042	1,042
	<u>27,624</u>	<u>21,677</u>	<u>28,853</u>	<u>29,716</u>
Total assets	<u>127,158</u>	<u>121,818</u>	<u>95,594</u>	<u>96,457</u>
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	8,272	5,407	209	142
Other liabilities	2,747	2,941	96	42
Derivatives	-	-	-	-
Loans and borrowings	15,505	15,505	12,125	12,125
	<u>26,524</u>	<u>23,853</u>	<u>12,430</u>	<u>12,309</u>
Net current assets/(liabilities)	<u>1,100</u>	<u>(2,176)</u>	<u>16,423</u>	<u>17,407</u>
Non-current liabilities				
Provisions	353	352	-	-
Derivatives	-	-	-	-
Loans and borrowings	12,381	14,132	8,156	9,063
	<u>12,734</u>	<u>14,484</u>	<u>8,156</u>	<u>9,063</u>
Total liabilities	<u>39,258</u>	<u>38,337</u>	<u>20,586</u>	<u>21,372</u>
Net assets	<u>87,900</u>	<u>83,481</u>	<u>75,008</u>	<u>75,085</u>
Equity attributable to owners of the Company				
Share capital	12,370	12,370	85,534	85,534
Other reserves	509	476	250	217
Retained earnings/(accumulated losses)	75,021	70,635	(10,776)	(10,666)
Total equity	<u>87,900</u>	<u>83,481</u>	<u>75,008</u>	<u>75,085</u>
Total equity and liabilities	<u>127,158</u>	<u>121,818</u>	<u>95,594</u>	<u>96,457</u>

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

	As at 31/3/2015		As at 31/12/2014	
	Secured	Unsecured	Secured	Unsecured
(US\$'000)				
(a) Amount repayable in one year or less, or on demand	15,505	-	15,505	-
(b) Amount repayable after one year	12,381	-	14,132	-
Total borrowing and securities	27,886	-	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	3 months ended	
	31/3/2015	31/3/2014
(US\$'000)		
Operating activities		
Profit before tax	4,386	3,033
Adjustments for:		
Interest income	(4)	(2)
Depreciation of property, vessels and equipment	1,272	1,120
Finance costs	333	352
Provisions	33	15
Grant of equity-settled share options to employees	33	-
Operating cash flows before changes in working capital	6,053	4,518
(Increase) / decrease in inventories	(44)	147
(Increase) / decrease in trade and other receivables	(4,996)	845
Increase in prepayments	(409)	(259)
Increase in trade and other payables	2,833	1,338
Decrease in other liabilities	(194)	(99)
Cash flows from operations	3,243	6,490
Interest received	4	2
Interest paid	(333)	(352)
Net cash flows from operating activities	2,914	6,140
Investing activities		
Purchase of property, vessels and equipment	(729)	(5,994)
Proceeds from disposal of property, vessels and equipment	38	-
Net cash flows used in investing activities	(691)	(5,994)
Financing activities		
Repayment of loans and borrowings	(1,751)	(3,297)
(Increase) / decrease in bank deposits pledged	(1)	1,268
Net cash flows used in financing activities	(1,752)	(2,029)
Net increase / (decrease) in cash and cash equivalents	471	(1,883)
Cash and cash equivalents at beginning of the year	6,054	7,285
Cash and cash equivalents at end of the year	6,525	5,402

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	
			Hedging	Share option	Merger		Total
			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

Group	Equity, total	Share capital	Other reserves			Retained earnings	
			Hedging	Share option	Merger		Total
			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

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)

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)

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	260,593,750	85,534
As at 31 March 2015	260,593,750	85,534

During the 3-month period ended 31 March 2015, there has been no increase in the issued and paid-up share capital of the Company.

As at 31 March 2015, 4,050,000 share options granted in January 2014 under the Atlantic 2008 ESOS remained outstanding. 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 31 March 2015 and 31 March 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	
	31/3/2015	31/12/2014
Total number of issued shares excluding treasury shares	260,593,750	260,593,750

There were no treasury shares as at 31 March 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 year 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 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.

	3 months ended	
	31/3/2015	31/3/2014
Earnings per ordinary share for the period based on net profit attributable to owners of the Company (US\$ cents)		
Basic earnings per share	1.68	1.16
Diluted earnings per share	1.66	1.15
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	264,643,750	263,338,750

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	
	31/3/2015	31/12/2014	31/3/2015	31/12/2014
Net asset value per ordinary share (US\$ cents)	33.73	32.03	28.78	28.81

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

	<u>3 months ended</u>		
	31/3/2015 ("1Q2015")	31/3/2014 ("1Q2014")	Increase/ (Decrease) %
(US\$'000)			
Marine logistics services	12,837	10,542	21.8
Ship repair, fabrication and other marine services	905	685	32.1
	<u>13,742</u>	<u>11,227</u>	<u>22.4</u>

The Group's revenue for marine logistics services business for 1Q2015 increased by US\$2.3 million or 21.8% compared to 1Q2014 mainly due to the addition and deployment of three new vessels to the Group's fleet (including two jointly operated vessels) since second half of FY2014, and higher revenue from cross chartering as compared to 1Q2014.

The Group's revenue for the ship repair, fabrication and other marine services business for 1Q2015 increased by US\$0.2 million or 32.1% compared to 1Q2014 mainly due to higher level of repairs undertaken on third party vessels.

(ii) Gross profit and gross profit margin

	<u>3 months ended</u>		
	31/3/2015 ("1Q2015")	31/3/2014 ("1Q2014")	Increase/ (Decrease) %
(US\$'000)			
<u>Gross profit</u>			
Marine logistics services	5,691	4,435	28.3
Ship repair, fabrication and other marine services	450	170	164.7
	<u>6,141</u>	<u>4,605</u>	<u>33.4</u>

	<u>3 months ended</u>	
	31/3/2015 ("1Q2015")	31/3/2014 ("1Q2014")
(US\$'000)		
<u>Gross profit margin</u>		
Marine logistics services	44.3%	42.1%
Ship repair, fabrication and other marine services	49.7%	24.8%
	<u>44.7%</u>	<u>41.0%</u>

Gross profit for the marine logistics services business for 1Q2015 increased by US\$1.3 million or 28.3% compared to 1Q2014 as a result of higher revenue and lower repairs and maintenance cost. The division achieved improved gross profit margin of 44.3% for 1Q2015 as compared to 42.1% for 1Q2014.

Gross profit for the ship repair, fabrication and other marine services business for 1Q2015 increased by US\$0.3 million or 164.7% compared to 1Q2014. The higher gross profit was in line with the higher revenue for the division in 1Q2015. This division achieved a gross profit margin of 49.7% for 1Q2015 as compared to 24.8% for 1Q2014 due to better pricing, job mix and optimisation resulting from lower labour and materials costs due to higher volume of work.

(iii) Marketing and distribution expenses

Marketing and distribution expenses in 1Q2015 comprised mainly travel and consultancy expenses.

(iv) Administrative expenses

Administrative expenses for 1Q2015 increased by US\$0.2 million or 18.6% as compared to 1Q2014. The increase in 1Q2015 was substantially due to charge relating to the grant of equity-settled share options to employee, increase in staff salary and quarterly provisions made for services and other contractual obligations charged for FY2015 in 1Q2015 as compared to yearly provisions made in end FY2014 for such services or obligations in FY2014.

(v) Finance costs

Finance costs for 1Q2015 decreased by 5.4% as compared to 1Q2014 due to lower level of borrowings.

(vi) Profit before tax

Profit before tax for 1Q2015 was US\$4.4 million and represented an increase of US\$1.4 million or 44.6% as compared to 1Q2014. The higher profit before tax was mainly due to the increase in gross profit by US\$1.5 million or 33.4% and marginal decrease in finance costs and marketing and distribution expense, partially offset by an increase in administrative expenses of US\$0.2 million.

(b) Review of financial position

(i) Non-current assets

Property, vessels and equipment decreased by US\$0.6 million, from US\$100.0 million as at 31 December 2014 to US\$99.4 million as at 31 March 2015. The decrease was mainly due to depreciation charges of US\$1.3 million, partially offset by the addition of US\$0.7 million of assets, being substantially capital work-in-progress related to new vessels under construction.

(ii) Current assets

Current assets increased by US\$5.9 million, from US\$21.7 million as at 31 December 2014 to US\$27.6 million as at 31 March 2015. This was mainly due to the increase in trade and other receivables of US\$5.0 million, cash and cash equivalents of US\$0.5 million, prepayments of US\$0.4 million and inventories of approximately US\$44,000.

(iii) Non-current liabilities

Non-current liabilities decreased by US\$1.8 million, from US\$14.5 million as at 31 December 2014 to US\$12.7 million as at 31 March 2015. This was mainly due to quarterly repayment of term loans of US\$1.8 million in 1Q2015.

(iv) Current liabilities

Current liabilities increased by US\$2.7 million, from US\$23.9 million as at 31 December 2014 to US\$26.5 million as at 31 March 2015. This was mainly due to an increase in trade and other payables. The increase in trade and other payables of US\$2.9 million, from US\$5.4 million as at 31 December 2014 to US\$8.3 million as at 31 March 2015 was due to a higher level of purchases of materials and services as compared to 1Q2014. The increase was partially offset by a decrease in other liabilities of US\$0.2 million mainly due to lower accrual for administrative expenses.

(v) Net current assets

The Group has increased its net current assets by US\$3.3 million from net current liabilities of US\$2.2 million as at 31 December 2014 to net current assets of US\$1.1 million mainly due to the increase in trade receivables, cash and cash equivalents, prepayments and partially offset by the increase in trade and other payables.

(c) Liquidity and capital resources

(i) Net cash flow from operating activities

Net cash flows from operating activities amounted to US\$2.9 million in 1Q2015 mainly due to operating cash flows before changes in working capital of US\$6.1 million and an increase in trade and other payables of US\$5.0 million, partially offset by an increase in trade and other receivables of US\$2.8 million during the period under review.

(ii) Net cash flows used in investing activities

Net cash flows used in investing activities amounted to US\$0.7 million in 1Q2015. This was mainly due to purchase of equipment for vessels under construction.

(iii) Net cash flows used in financing activities

Net cash flows used in financing activities of US\$1.8 million in 1Q2015 was a result of repayment of loans and borrowings of US\$1.8 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 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.

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 September 2015 and March 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, (ii) guarding against material deterioration of charter fees for its vessels while ensuring the fees remain aligned to market price level, and (iii) cost control.

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 1Q2015.

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 31 March 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Wong Siew Cheong

Executive Chairman and Chief Executive Officer

29 April 2015