

**ATLANTIC NAVIGATION HOLDINGS (SINGAPORE) LIMITED**  
(Incorporated in Singapore)  
(Company Registration No. 200411055E)

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**PROPOSED SUBSCRIPTION OF 262,918,394 NEW ORDINARY SHARES IN THE SHARE  
CAPITAL OF THE COMPANY BY SAEED INVESTMENT PTE. LTD.**

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**1. INTRODUCTION**

- 1.1 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 Company had, on 15 July 2018, entered into a conditional share subscription agreement (the “**Subscription Agreement**”) with Saeed Investment Pte. Ltd. (“**Subscriber**”) pursuant to which the Company has agreed to issue and allot an aggregate of 262,918,394 new ordinary shares in the capital of the Company (“**Shares**”) (“**Subscription Shares**”) to the Subscriber, and the Subscriber has agreed to subscribe for the Subscription Shares, at the subscription price of US\$0.09889 per Subscription Share (“**Subscription Price**”), for an aggregate amount of US\$26.0 million (“**Aggregate Subscription Proceeds**”) (“**Proposed Subscription**”).
- 1.2 The Company will be making an application, through the sponsor of the Company, SAC Capital Private Limited, to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing of and quotation for the Subscription Shares and the Repayment Shares (as defined below) on the Catalist board of the SGX-ST and will make the necessary announcements once the listing and quotation notice (“**Listing and Quotation Notice**”) has been obtained from the SGX-ST.
- 1.3 The Proposed Subscription is not underwritten and there is no placement agent appointed for the purpose of this Proposed Subscription. The offer and allotment and issue of the Subscription Shares and the Repayment Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

**2. DETAILS OF THE SUBSCRIBER**

The Subscriber is a company incorporated in Singapore on 8 May 2018 with its principal business in investment holding.

The directors and shareholders of the Subscriber are acquaintances of Mr. Wong Siew Cheong (“**WSC**”) (Executive Chairman and Chief Executive Officer of the Company, as well as a controlling shareholder of the Group), and was introduced to the Company by WSC. The Subscriber does not fall into the class of restricted persons as specified under Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rules**”). No commission was paid or is payable by the Company to anyone in relation to the Proposed Subscription. The Subscription Shares are placed to the Subscriber as it has indicated an interest to invest in the Company, and the Subscriber is subscribing for the Subscription Shares purely for investment purpose.

The Company confirms that none of the Directors or substantial shareholders of the Company has, to the best of their knowledge, any connection (including business relationship) with the Subscriber or the Subscriber's directors or substantial shareholders.

### 3. SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

#### 3.1 Proposed Subscription Obligations

Pursuant to the terms of the Subscription Agreement, the Subscriber shall subscribe for the 262,918,394 Subscription Shares at the Subscription Price of US\$0.09889 per Subscription Share. The Subscription Shares represents (i) approximately 100.89% of the Existing Share Capital<sup>1</sup>; and (ii) approximately 50.22% of the Enlarged Share Capital<sup>2</sup> immediately after completion of the Proposed Subscription ("**Completion**"). Immediately upon Completion, the Company's issued and paid-up share capital will increase from 260,593,750 Shares to 523,512,144 Shares, assuming there are no changes to the number of Shares (excluding treasury Shares) before the Completion.

#### 3.2 Conditions Precedent

The conditions precedent to Completion are as follows:

- (a) the Board authorising (i) entry into the Subscription Agreement and the transactions contemplated therein, (ii) subject to shareholder approval, the allotment and issue of the Subscription Shares and the Repayment Shares to the Subscriber and (iii) the appointment in accordance with the constitution of the Company ("**Constitution**") of such number of the Subscriber's nominees as directors of the Company so as to ensure that the Subscriber has adequate representation on the Board in proportion to its shareholding interests in the issued and paid-up share capital of the Company, such appointment to take effect on the Completion Date (as defined below) (or such later date as the Subscriber may agree);
- (b) there having been, as at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect any of the warranties provided by the Subscriber or the Company in the Subscription Agreement;
- (c) evidence in writing that SCF-VIII, L.P. ("**SCF**"):
  - (i) approves of and consents to the transactions contemplated by the Subscription Agreement, including the Subscription;
  - (ii) declines to exercise its right of first refusal over the opportunity to provide and fund the first US\$4,000,000 of new funding the Company proposes to raise through the issue of new shares after the date of the US\$13.0 million Convertible Loan Agreement dated 4 January 2016 between the Company and SCF, as amended by the (a) first supplemental agreement dated 8 February

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<sup>1</sup> Existing Share Capital refers to the existing issued and paid-up share capital of the Company (excluding treasury Shares) of 260,593,750 Shares as at the date of this announcement.

<sup>2</sup> Enlarged Share Capital refers to the enlarged issued and paid-up share capital of (i) 306,098,857 Shares (excluding treasury Shares) after exercise of the Share Repayment Option and the consequent issue and allotment of the Repayment Shares, or (ii) 523,512,144 Shares (excluding treasury Shares) immediately after Completion, comprising the Existing Share Capital and the Subscription Shares, as the case may be.

2016; (b) second supplemental agreement dated 4 January 2017 and (c) third supplemental agreement dated 14 April 2017 (“**SCF Convertible Loan Agreement**”), where such share issue is proposed to occur below a price per share of US\$0.20 with respect to the issue of any Subscription Shares or Repayment Shares prior to the date falling on the earlier of (i) 15 December 2018; and (ii) the date falling three (3) Business Days after receipt by the Company of the Aggregate Subscription Proceeds on Completion (“**SCF Longstop Date**”), whether under the SCF Convertible Loan Agreement, the Constitution or otherwise;

(iii) notwithstanding the terms of the SCF Convertible Loan Agreement, the Constitution or otherwise (including any unfulfilled conditions precedent or requirements to the Company’s right to repay under the SCF Convertible Loan Agreement), it consents to the early repayment, prior to the specified maturity date, of all amounts outstanding under the SCF Convertible Loan Agreement (and it shall decline to exercise any rights of conversion on any attempt by the Company to repay such amounts from the proceeds of the Proposed Subscription) subject to

(a) any such repayment occurring on or prior to the SCF Longstop Date; and

(b) any such repayment being a repayment in cash and in full of all amounts outstanding under the SCF Convertible Loan Agreement up to and including the maturity date; and

(iv) declines to exercise any right to convert any amount outstanding under the SCF Convertible Loan Agreement prior to the SCF Longstop Date.

(d) evidence in writing that:

(i) notwithstanding the covenant that the Company and its subsidiaries shall not have any Financial Indebtedness (as defined in the UAE Loan Agreement<sup>3</sup>) outstanding other than as permitted by UAE Loan Agreement, a United Arab Emirates bank (“**UAE Bank**”) has waived its rights under the UAE Loan Agreement with respect to any breach of such covenant;

(ii) UAE Bank has consented to:

(A) the loan owing under the Al-Suwaiket Loan Agreement<sup>4</sup> being outstanding and remaining due and payable without such loan being

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<sup>3</sup> Means, collectively, the following:

- (a) the US\$29.82 million Secured Loan Agreement dated 28 March 2018 between Atlantic Maritime Group FZE as borrower and UAE Bank as original lender;
- (b) the US\$11.0 million Secured Loan Agreement dated 31 January 2016 between Atlantic Maritime Group FZE as borrower and UAE Bank as original lender; and
- (c) the extension of banking facilities dated 5 September 2017 between Atlantic Maritime Group FZE as borrower and UAE Bank as original lender.

<sup>4</sup> Means the US\$8.5 million Loan Agreement dated 28 March 2018 between Mr. Mubarak Abdullah Al-Suwaiket as lender and Atlantic Maritime Group FZE as borrower, corporate guarantees from Atlantic Navigation Holdings (S) Ltd, Atlantic Navigation

converted to equity or the share option granted by the Company in favour of Mr. Mubarak Abdullah Al-Suwaiket as security for the loan being called upon;

- (B) the Company entering into the Subscription Agreement and the Company's drawdown on the balance of the loan under the UAE Loan Agreement; and
- (iii) UAE Bank has waived its rights under the UAE Loan Agreement with respect to the Company's breach of the financial covenant to maintain a certain minimum net tangible worth of US\$80,000,000 and the requirement that WSC remains the majority shareholder of the Company;
- (e) evidence in writing that:
  - (i) notwithstanding the respective covenants under the Maybank Loan Agreements<sup>5</sup> that the Company shall not incur (or agree to incur) any Financial Indebtedness (as defined in the respective loan agreements), whether actual or contingent, without the prior written consent of Maybank Banking Berhad ("**Maybank**"), save for any Financial Indebtedness (as defined in the respective loan agreements) incurred by the Company from its shareholder or any related party which are expressly subordinated in favour of Maybank, Maybank has waived its rights under the Maybank Loan Agreements with respect to any breach of such covenants and has consented to the Company entering into the Subscription Agreement; and
  - (ii) Maybank has waived the requirement that WSC remains the majority shareholder of the Company;
- (f) confirmation in writing from each of UAE Bank, Maybank, and other lenders of the Company (other than Mr. Mubarak Abdullah Al-Suwaiket) (each an "**Existing Lender**" and collectively, the "**Existing Lenders**") that no event(s) have occurred or been alleged to have occurred and no circumstances have arisen which:
  - (i) constitute an event of default, or otherwise give rise to an obligation to repay (prematurely or otherwise), under the respective agreement(s) relating to borrowing or indebtedness in the nature of borrowing (or will do so with the giving of notice or lapse of time or both) with the relevant Existing Lender;

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Holdings Inc. and Atlantic Maritime Group FZE, and the share pledge dated 28 March 2018 between WSC as pledger and Mr. Mubarak Abdullah Al-Suwaiket as pledgee in relation to the 50,000,000 Shares held by WSC.

<sup>5</sup> Means, collectively, the following:

- (a) US\$38.36 million Facilities Agreement dated 12 January 2016 between the Company as customer and Maybank as bank, hedging bank, commodity agent and security trustee, as amended by the supplemental letter of offer dated 5 April 2017 from Maybank to the Company;
- (b) US\$2.8 million Secured Term Loan Facility Agreement dated 23 December 2015 between the Company and Maybank;
- (c) US\$8.5 million Secured Revolving Credit Facility Agreement dated 31 July 2014 between the Company and Maybank;
- (d) US\$15 million Master Murabaha Agreement dated 3 April 2014 between the Company and Maybank as bank, hedging bank, commodity agent and security trustee, as amended by the supplemental letter of offer dated 5 April 2017 from Maybank to the Company; and
- (e) US\$8.4 million Commodity Murabaha Term Financing Facility dated 22 May 2015 between Atlantic Venture Inc. as customer and Maybank as bank.

- (ii) will lead to an encumbrance constituted or created in connection with borrowing or indebtedness in the nature of borrowing, a guarantee, an indemnity, or other obligation of the Company becoming enforceable (or will do so with the giving of notice or lapse of time or both);
- (iii) would entitle the relevant Existing Lender (other than on a normal overdraft facility) to call in the whole or any part of the monies advanced or to enforce its security (or will do so with the giving of notice or lapse of time or both); or
- (iv) would entitle the relevant Existing Lender to withdraw, reduce or not renew any existing facilities to the Company or alter any terms thereof to the Company's disadvantage,

and that the entry into the Subscription Agreement and the performance of any obligations under the Subscription Agreement would not result in any of the events detailed in paragraphs (f)(i) to (f)(iv) above;

- (g) confirmation in writing from Mr. Mubarak Abdullah Al-Suwaiket that no event(s) have occurred or been alleged to have occurred and no circumstances have arisen which:
  - (i) constitute an event of default under the respective agreement(s) relating to borrowing or indebtedness in the nature of borrowing with Mr. Mubarak Abdullah Al-Suwaiket; or
  - (ii) would entitle Mr. Mubarak Abdullah Al-Suwaiket to call in the whole or any part of the monies advanced or to enforce the security

and that the entry into the Subscription Agreement and the performance of any obligations under the Subscription Agreement would not result in any of the events detailed in paragraphs (g)(i) to (ii) above.

- (h) evidence in writing that WSC has undertaken in favour of the Subscriber:
  - (i) to vote and to procure his nominee(s) and proxies (if any) to vote all of his Shares in favour of:
    - (A) all resolutions to approve the Proposed Subscription and the Whitewash Resolution (as defined below) and any related matters proposed at any general meeting to be convened and held in connection with the Proposed Subscription, or at any adjournment of such meeting; and
    - (B) subject to Completion, at all times all resolutions to appoint in accordance with the Constitution of the Company such number of the Subscriber's nominees as directors of the Company so as to ensure that the Subscriber has adequate representation on the Board in proportion to its shareholding interests in the issued and paid-up share capital of the Company;

- (ii) acknowledging that it is the current intention of the Company and the Subscriber to maintain a public float for the Company and for the Company to comply with the relevant shareholding and distribution requirements of the Catalist Rules following Completion and agreeing that he shall, immediately after entry into the Subscription Agreement, use best efforts to dispose of such number of Shares as may be required to comply with the relevant shareholding and distribution requirements of the Catalist Rules following Completion;
  - (iii) that at any time from the date of the Subscription Agreement until immediately before Completion, save for any disposal of shares, with the Subscriber's consent, so to ensure that at least 10% of the total number of issued shares in the enlarged issued and paid-up share capital of the Company after the Proposed Subscription (excluding preference shares, convertible equity securities and treasury shares) is held by the "public" as required under the Catalist Rules, not acquire or dispose of, or agree to acquire or dispose of, or create any encumbrance over any of his shares in the Company without prior written consent from the Subscriber;
  - (iv) that notwithstanding any agreement entered into between WSC and/or his Affiliates (as defined in the Subscription Agreement) as lender and the Company and/or its related corporations as borrower/guarantor, for so long as the outstanding principal and interests under the SCF Convertible Loan Agreement remain unpaid, he shall not, and shall procure his Affiliates not to, require the Company and/or its related corporations to repay any Financial Indebtedness (as defined in the Subscription Agreement) incurred by it from WSC and/or his Affiliates;
- (i) the Securities Industry Council ("**SIC**") having granted the Subscriber and its concert parties, and not having revoked or repealed such grant, a waiver of their obligation to make a mandatory offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**") for the shares not held by it and its concert parties and from having to comply with the requirements of Rule 14 of the Code arising from the issuance of the new Subscription Shares subject to:
- (A) any conditions that the SIC may impose which are reasonably acceptable to the Subscriber; and
  - (B) the shareholders of the Company ("**Shareholders**") approving at a general meeting (the "**EGM**") of the Company the Whitewash Resolution for the waiver of the rights of the independent Shareholders to receive a mandatory takeover offer from the Subscriber and persons acting in concert with it for all the shares not already owned by it and persons acting in concert with it, provided that the Subscriber and any persons acting in concert with it and any persons not independent of them abstain from voting on the Whitewash Resolution at the EGM;
- (j) the approval of the Shareholders for, *inter alia*, (a) the Proposed Subscription and (b) the allotment and issue of the Subscription Shares;
- (k) WSC undertaking in favour of the Company that for a period of not less than three (3) years after Completion, he shall not resign from his employment with the Company

and/or his office as a Director provided that the terms of his employment during such period shall be no less favourable than his current terms of employment;

- (l) all other authorisation, consent, approval, resolution, licence, exemption, filing, order, lodgement or registration or other document, opinion or assurance (collectively, the “**Authorisations**”) which the Subscriber reasonably considers to be necessary in connection with the entry into and performance of the transactions contemplated by the Subscription Agreement or for the validity or enforceability of the Subscription Agreement being obtained and where any Authorisations is subject to conditions, such conditions being satisfactory to the Subscriber acting reasonably;
  - (m) no material adverse change in the existing or prospective legal, financial, operational, business and tax positions of the Company occurring on or before Completion; and
  - (n) the Listing and Quotation Notice being issued by the SGX-ST,
- (collectively, “**Conditions Precedent**”).

### 3.3 Consideration

- 3.3.1 Upon the satisfaction of the last of the conditions precedent set out in paragraphs 3.2(a), 3.2(b) (for the purpose hereof, reference to the term “Completion Date” in paragraph 3.2(b) shall mean the date of satisfaction of waiver of the last of the Conditions Precedent under paragraphs 3.2(c) and 3.2(d)(ii)(B)), 3.2(c), 3.2(d)(ii)(B) and 3.2(h) of this announcement (“**Deposit Conditions Precedent**”), the Subscriber shall within five (5) business days pay to the Company, a sum of US\$4.5 million, as a refundable goodwill deposit (“**Deposit**”).

Upon Completion, the Deposit shall be set-off against the Aggregate Subscription Proceeds payable by the Subscriber.

- 3.3.2 Subject to the terms set out in paragraph 3.3.3 of this announcement, in the event:

- (a) any of the Conditions Precedent is not satisfied on or before 30 November 2018 or such later date as may be agreed by the Subscriber and the Company in writing (“**Longstop Date**”); or
- (b) any of the Conditions Precedent set out in paragraph 3.2(a) to (h) of this announcement, save for the Deposit Conditions Precedent already satisfied in accordance with paragraph 3.3.1 of this announcement (“**Deferred Deposit Conditions Precedent**”) is not satisfied on or before the date falling thirty (30) days after the date of the Subscription Agreement (“**Deferred Deposit Conditions Precedent Date**”),

the Company shall repay the Deposit in cash within six (6) months after (i) the Longstop Date (in the case of paragraph 3.3.2(a) of this announcement) and (ii) the Deferred Deposit Conditions Precedent Date (in the case of paragraph 3.3.2(b) of this announcement). The repayment of the Deposit hereunder shall be made without (and free and clear of any deduction for) set-off or counterclaim.

### 3.3.3 Share Repayment Option

Notwithstanding paragraph 3.3.2 of this announcement, if:

- (a) any of the Conditions Precedent is not satisfied on or before the Longstop Date; or
- (b) if any of the Deferred Deposit Conditions Precedent is not satisfied on or before the Deferred Deposit Conditions Precedent Date;

the Subscriber shall have the option (“**Share Repayment Option**”) to forthwith require the Company to repay the Deposit by the allotment and issuance of 45,505,107 fully paid new Shares (“**Repayment Shares**”) at US\$0.09889 per Repayment Share to the Subscriber. The Share Repayment Option may be exercised by the Subscriber at any time during the period commencing from no later than three (3) business days before (i) the Longstop Date (in the case of paragraph 3.3.3(a) of this announcement) and (ii) the Deferred Deposit Conditions Precedent Date (in the case of paragraph 3.3.3(b) of this announcement) and ending on the date falling six (6) months thereafter (“**Share Repayment Notice**”). Upon the receipt of the Share Repayment Notice, and in the event the Conditions Precedent are not satisfied on or before the Longstop Date or the Deferred Deposit Conditions Precedent are not satisfied on or before the Deferred Deposit Conditions Precedent Date (as the case may be), the Company shall, within three (3) business days from the receipt of the Share Repayment Notice, *inter alia*:

- (a) allot and issue the Repayment Shares;
- (b) procure the appointment in accordance with the Constitution of such number of the Subscriber's nominees as directors of the Company so as to ensure that the Subscriber has adequate representation on the Board in proportion to its shareholding interests in the issued and paid-up share capital of the Company, such appointment to take effect on the date of allotment and issue of the Repayment Shares (or such later date as the Subscriber may agree); and
- (c) deliver to the Subscriber a certified true copy of the Listing and Quotation Notice in relation to the Repayment Shares.

#### 3.4 Subscription Price and Repayment Shares Issue Price

The Subscription Price and the issue price per Repayment Share of US\$0.09889 (or S\$0.1348 based on an exchange rate of US\$1:S\$1.3632) represents a premium of approximately 10.5% to the volume-weighted average price of S\$0.122 per Share, for the trades done on the SGX-ST for the full market day on 13 June 2018, being the last full market day which the Shares were traded preceding the date and up to the time the Subscription Agreement was signed.

The Subscription Price and the issue price per Repayment Share was arrived at after arm's length negotiations between the Company and the Subscriber and on a willing buyer willing seller basis.

#### 3.5 Status and ranking of Subscription Shares and Repayment Shares

The Subscription Shares and Repayment Shares when issued and allotted, will be free from all claims, charges, liens, mortgage, rent-charge, pledge, option, restriction, right of first refusal, right of pre-emption, moratorium, claim, right, interest or preference granted to any third party, or any other encumbrance or security interest of any kind (or an agreement or commitment to create any of the same) and shall rank, *pari passu*, in all respects with the existing Shares, save that the Subscriber will not be entitled to any dividend, rights, allotments or other distributions in respect of the Subscription Shares or the Repayment Shares, the Record Date of which falls on or before the Completion Date (in the case of the Subscription Shares) or the date of the



allotment and issue of the Repayment Shares, as the case may be. "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

### 3.6 Whitewash Waiver and Whitewash Resolution

The Company undertakes that it shall, as soon as practicable and in any event no later than the date falling seven (7) business days from the date of the Subscription Agreement, submit an application to the SIC to seek its waiver of the requirement for the Subscriber and its concert parties to make a general offer for the Shares under Rule 14 of the Code should the Subscriber's aggregate voting rights in the Company increase to 30% or more based on the enlarged issued capital of the Company as a result of the Proposed Subscription, and all obligations contemplated pursuant and/or in connection with the same ("**Whitewash Waiver**").

The Company further undertakes to the Subscriber that it shall, subject to, *inter alia*, the grant of the Whitewash Waiver (on terms acceptable to the Company and the Subscriber), convene a general meeting to seek the approval of the Shareholders who are independent of the Subscriber and its concert parties of a resolution (the "**Whitewash Resolution**") to waive their rights to receive a mandatory takeover offer from the Subscriber and its concert parties for all the Shares not already owned by them and persons acting in concert with them under Rule 14 of the Code, no later than the Longstop Date.

### 3.7 Post-Signing Covenants

Pursuant to the terms of the Subscription Agreement, the Company undertakes *inter alia*, to the Subscriber that, subject to Completion:

- (a) it shall at all times use its best endeavours to procure the appointment in accordance with its Constitution of such number of the Subscriber's nominees as directors of the Company so as to ensure that the Subscriber has adequate representation on the Board in proportion to its shareholding interests in the issued and paid-up share capital of the Company;
- (b) notwithstanding any agreement entered into between WSC and/or his Affiliates as lender and the Company and/or its related corporations as borrower/guarantor, for so long as the outstanding principal and interests under the SCF Convertible Loan Agreement remain unpaid, the Company and/or its related corporations shall not repay any principal and/or interests in relation to any Financial Indebtedness incurred by it from WSC and/or his Affiliates; and
- (c) in the event that as a result of the allotment and issue of the Subscription Shares, the Company shall not be in compliance with the relevant shareholding and distribution requirements of the Catalist Rules, the Company shall undertake an allotment and issue of new Shares ("**Compliance Placement Shares**") to enable the Company to comply with such shareholding and distribution requirements of the Catalist Rules ("**Compliance Placement**"), and the Company shall grant to the Subscriber a first right to subscribe up to such number of Compliance Placement Shares required for the Subscriber to maintain the same shareholding percentage held by the Subscriber in the issued and paid-up share capital of the Company after completion of the Compliance Placement as is held by the Subscriber immediately after Completion.

### 3.8 Nominee Director(s)

Upon Completion, the Subscriber shall be entitled to appoint such number of the Subscriber's nominees as directors of the Company so as to ensure that the Subscriber has adequate representation on the Board in proportion to its shareholding interests in the issued and paid-up share capital of the Company.

### 3.9 Completion

Completion of the Proposed Subscription shall take place on a date falling five (5) business days from the satisfaction of all Conditions Precedent (or, if that day is not a business day, on the next business day), or such other date as the Company and the Subscriber shall agree to in writing ("**Completion Date**").

If any of the Conditions Precedent set out in paragraphs 3.2(a) to (n) of this announcement is not satisfied on or before the Longstop Date or otherwise waived, the Company (in the case where the only Condition Precedent not satisfied or waived is in relation to paragraph 3.2(b) in so far as it relates to the Subscriber's warranties as provided for in the Subscription Agreement) or the Subscriber (in all other cases) shall thereupon be entitled to terminate, by way of thirty (30) days' written notice to the other party, the Subscription Agreement and all rights and obligations thereunder (save as for certain clauses provided under the Subscription Agreement).

## 4. **FINANCIAL EFFECTS**

**The financial effects of the Proposed Subscription 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 the Completion.**

The financial effects of the Proposed Subscription on the Group have been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2017 ("**FY2017**") and the following bases and assumptions:-

- (a) the financial effect on the consolidated net tangible assets ("**NTA**") per Share of the Group after the Completion is computed based on the assumption that the Proposed Subscription was completed on 31 December 2017;
- (b) the financial effect on the consolidated loss per share ("**LPS**") of the Group after the Completion is computed based on the assumption that the Proposed Subscription was completed on 1 January 2017; and
- (c) estimated expenses in connection with the Proposed Subscription of approximately US\$160,000.

For the avoidance of doubt, the financial effects on the NTA per Share and LPS had not taken into account any changes, if any, in the number of Shares in the share capital of the Company subsequent to 31 December 2017.

### Share capital of the Company and NTA per Share of the Group

	Before issuance of the Repayment Shares or the Subscription Shares (as the case may be)	After issuance of 45,505,107 Repayment Shares <sup>6</sup>	After issuance of 262,918,394 Subscription Shares
Issued and paid-up share capital of the Company (US\$'000)	85,534	90,034	111,374
NTA of the Group (US\$'000)	75,454	79,954	101,294
Total number of issued and paid-up Shares	260,593,750	306,098,857	523,512,144
NTA per Share of the Group (US cents)	28.95	26.12	19.35

### LPS of the Group

	Before issuance of the Repayment Shares or the Subscription Shares (as the case may be)	After issuance of 45,505,107 Repayment Shares <sup>7</sup>	After issuance of 262,918,394 Subscription Shares
Net loss for the year (US\$'000)	(13,156)	(13,156)	(13,156)
Weighted average number of Shares	260,593,750	306,098,857	523,512,144
Basic LPS (US cents)	(5.05)	(4.30)	(2.51)

## 5. RATIONALE FOR THE PROPOSED SUBSCRIPTION AND INTENDED USE OF PROCEEDS

Based on the Subscription Price, the estimated gross proceeds from the Proposed Subscription due to the Company is expected to amount to US\$26.0 million ("**Gross Proceeds**"), and after deducting estimated expenses incurred in connection with the Proposed Subscription of

<sup>6</sup> Based on the assumption that the repayment of the Deposit is made by way of issuance of Shares by the Company and the Subscription Agreement does not proceed to Completion.

<sup>7</sup> Based on the assumption that the repayment of the Deposit is made by way of issuance of Shares by the Company and the Subscription Agreement does not proceed to Completion.

US\$160,000 or 0.6% of the Gross Proceeds, is expected to amount to US\$25.8 million (“**Net Proceeds**”).

The Company agrees and undertakes to the Subscriber that:

- (a) the Deposit of US\$4.5 million shall be used solely as follows:
  - (i) firstly, to satisfy the Company's payment obligations and accepting delivery for the two (2) vessels remaining out of the seven (7) vessels pursuant to the shipbuilding agreement with a shipyard in the People's Republic of China, as announced by the Company on 9 June 2016 (“**Vessels**”), and the mobilisation costs and operating expenses relating to the deployment of the Vessels, which will amount to approximately US\$3.4 million; and
  - (ii) thereafter, the balance of approximately US\$1.1 million for the Company's working capital requirements; and
- (b) the Aggregate Subscription Proceeds (less the Deposit and estimated expenses for the Proposed Subscription) of US\$21.3 million shall be used solely as follows:
  - (i) firstly, to fully repay within three (3) business days after the Completion Date the outstanding principal and interests accrued and accruing up to and including 3 January 2019 under the SCF Convertible Loan Agreement, which will amount to approximately US\$17.2 million; and
  - (ii) thereafter, the balance of approximately US\$4.1 million for the Company's working capital requirements.

Pending the deployment of the Net Proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may deem fit, from time to time.

The Company will make periodic announcement(s) as and when the Net Proceeds are materially disbursed and whether the disbursements are in accordance with use of proceeds as stated in this announcement. The Company will also provide a status report on the use of such Net Proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

## **6. CONFIRMATION BY THE DIRECTORS**

The Directors are of the opinion that, after taking into consideration:-

- (I) the Group's present bank facilities, internal resources and operating cash flows, the working capital available to the Group is sufficient to meet its present requirements. The Net Proceeds are intended to be used for the purposes set out in paragraph 5 above; and
- (II) the Group's present bank facilities, internal resources, operating cash flows and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

## **7. EXTRAORDINARY GENERAL MEETING**

The Company will convene the EGM to seek the approval of Shareholders for the transactions contemplated under the Subscription Agreement, including without limitation, the issue and allotment of the Subscription Shares and the Repayment Shares, and such issue which will result in a transfer of a controlling interest to the Subscriber under Rule 803 of the Catalist Rules.

Separately, subject to the Company obtaining the Whitewash Waiver, the Company will convene a separate EGM to seek the approval of Shareholders for the Whitewash Resolution and the Compliance Placement.

Circulars containing, *inter alia*, further information on the Subscription Agreement (and the transactions contemplated thereunder), the Whitewash Resolution and the Compliance Placement, and the notices to convene the EGMs will be despatched by the Company to Shareholders in due course.

## **8. GENERAL**

None of the Subscription Shares and the Repayment Shares will be placed with any person or groups of persons as set out under Rule 812 of the Catalist Rules.

None of the Subscription Shares and the Repayment Shares will be placed with the Directors or substantial Shareholders or any of their respective associates and related parties.

Save as disclosed in this announcement, none of the Directors or their respective associates, have any interest, direct or indirect, in the transaction contemplated under the Subscription Agreement. Save as disclosed in this announcement, the Directors are not aware of any substantial Shareholder or their respective associates, having any interest, direct or indirect, in such transactions and have not received any notification of any interest in this transaction from any substantial Shareholder.

## **9. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscription, the Subscription Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## 10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their shares. The transactions contemplated under the Subscription Agreement, including the Proposed Subscription, the payment of the Deposit, the Share Repayment Option and/or the Compliance Placement, are subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Subscription Agreement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

## 11. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is available for inspection during normal business hours at the registered office of the Company at 6 Battery Road #10-01 Singapore 049909 for a period of three (3) months from the date of this announcement.

**By Order of the Board**

**Wong Siew Cheong**  
**Executive Chairman and Chief Executive Officer**

Date: 16 July 2018

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

*The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.*