



Atlantic Navigation  
Holdings (Singapore) Limited

## **ATLANTIC NAVIGATION HOLDINGS (SINGAPORE) LIMITED**

(Company Registration No. 200411055E)

### **Condensed Interim Consolidated Financial Statements for the Financial Period Ended 30 September 2021**

*In view of an Emphasis of Matter relating to "material uncertainty related to going concern" highlighted by the Company's independent auditor, Ernst & Young LLP, on the audited financial statements of the Group for the financial year ended 31 December 2020, the Company is required by the Singapore Exchange Securities Trading Limited ("SGX-ST") to announce its quarterly financial statements pursuant to Rule 705 of the Catalist Rules.*

*This announcement, including the condensed Interim consolidated financial statements, has been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor"). 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) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*

## Table of Contents

	Page
A. Condensed interim consolidated statement of profit or loss and other comprehensive income.....	3
B. Condensed interim statements of financial position.....	4
C. Condensed interim statements of changes in equity.....	5
D. Condensed interim consolidated statement of cash flows.....	6
E. Notes to the condensed interim consolidated financial statements.....	7
F. Other information required by Catalist Rule Appendix 7C.....	15

**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	The Group			The Group		
		3 months ended 30 September 2021	3 months ended 30 September 2020	Increase/ (Decrease)	9 months ended 30 September 2021	9 months ended 30 September 2020	Increase/ (Decrease)
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Revenue</b>	4	<b>11,526</b>	<b>14,312</b>	<b>(19.5)</b>	<b>30,375</b>	<b>49,875</b>	<b>(39.1)</b>
Cost of services <sup>1</sup>		(9,191)	(12,530)	(26.6)	(27,418)	(38,397)	(28.6)
<b>Gross profit</b>		<b>2,335</b>	<b>1,782</b>	<b>31.0</b>	<b>2,957</b>	<b>11,478</b>	<b>(74.2)</b>
<b>Other items of income</b>							
Finance income		-	-	N.M.	-	1	N.M.
Other income		-	-	N.M.	-	231	N.M.
<b>Other items of expense</b>							
Marketing and distribution expenses		-	-	N.M.	(8)	(7)	14.3
Administrative expenses <sup>1</sup>		(1,473)	(1,542)	(4.5)	(4,528)	(4,196)	7.9
Finance costs		(1,005)	(1,176)	(14.5)	(3,165)	(3,885)	(18.5)
Impairment loss on property, vessels and equipment <sup>2</sup>		(1,052)	-	N.M.	(9,080)	(5,780)	57.1
Withholding tax expense		(88)	(310)	(71.6)	(250)	(1,295)	(80.7)
<b>Loss before tax</b>	6	<b>(1,283)</b>	<b>(1,246)</b>	<b>3.0</b>	<b>(14,074)</b>	<b>(3,453)</b>	<b>&gt;100.0</b>
Income tax expense		-	-	N.M.	-	-	N.M.
<b>Loss for the period, attributable to owners of the Company</b>		<b>(1,283)</b>	<b>(1,246)</b>	<b>3.0</b>	<b>(14,074)</b>	<b>(3,453)</b>	<b>&gt;100.0</b>
<b>Adjusted EBITDA for the period<sup>3</sup></b>		<b>2,889</b>	<b>2,060</b>	<b>40.2</b>	<b>4,719</b>	<b>12,799</b>	<b>(63.1)</b>

(1) Includes depreciation and amortisation as disclosed in Note 6.1.

(2) Includes impairment loss on reclassification of vessels as held for sale as disclosed in Note 6.1.

(3) Adjusted EBITDA is computed based on loss before tax, finance costs, depreciation, amortisation, impairment loss on property, vessels and equipment, net gain on disposal of property, vessels and equipment.

**Consolidated statement of comprehensive income**

<b>Loss for the period</b>	(1,283)	(1,246)	3.0	(14,074)	(3,453)	>100.0
<b>Items that may be reclassified subsequently to profit or loss</b>						
Net fair value changes on cash flow hedges	132	163	(19.0)	371	(506)	N.M.
<b>Other comprehensive income for the period, net of tax</b>	<b>132</b>	<b>163</b>	<b>(19.0)</b>	<b>371</b>	<b>(506)</b>	<b>N.M.</b>
<b>Total comprehensive income for the period, attributable to owners of the Company</b>	<b>(1,151)</b>	<b>(1,083)</b>	<b>6.3</b>	<b>(13,703)</b>	<b>(3,959)</b>	<b>&gt;100.0</b>

**Loss per share for the period attributable to the owners of the Company during the financial period:**

Basic (US\$ in cent)	(0.25)	(0.24)	(2.69)	(0.66)
Diluted (US\$ in cent)	(0.25)	(0.24)	(2.69)	(0.66)

The share options granted to employees under the existing Atlantic 2008 ESOS and Atlantic 2015 ESOS have not been included in the calculation of diluted loss per share because they are anti-dilutive. All options have expired since 29 January 2020 and 11 May 2020 as disclosed in Note 13.

N.M.: not meaningful

## B. Condensed interim statements of financial position

	Note	The Group		The Company	
		Unaudited 30 September 2021	Audited 31 December 2020	Unaudited 30 September 2021	Audited 31 December 2020
		US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, vessels and equipment	8	140,249	155,232	-	-
Right-of-use assets		37	85	-	-
Intangible assets		169	183	141	141
Investment in subsidiaries		-	-	67,770	67,770
Advances, deposits and other receivables		-	-	24,471	35,050
Prepayments		-	382	-	-
		<u>140,455</u>	<u>155,882</u>	<u>92,382</u>	<u>102,961</u>
<b>Current assets</b>					
Inventories		653	288	-	-
Advances, deposits and other receivables		2,203	1,826	4,186	5,449
Prepayments		485	767	9	-
Trade receivables	9	9,797	13,790	3,205	3,311
Vessels held for sale	8	1,794	-	-	-
Cash and bank balances		767	886	219	41
Restricted cash		90	94	-	-
		<u>15,789</u>	<u>17,651</u>	<u>7,619</u>	<u>8,801</u>
<b>Total assets</b>		<b>156,244</b>	<b>173,533</b>	<b>100,001</b>	<b>111,762</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Loans and borrowings	10	55,179	55,387	19,781	20,087
Trade payables		10,245	13,022	-	1,760
Accruals and other payables		5,575	5,810	447	490
Other non-financial liabilities		292	349	-	-
Amount due to shareholders	11	2,372	960	750	-
Lease liabilities		13	72	-	-
		<u>73,676</u>	<u>75,600</u>	<u>20,978</u>	<u>22,337</u>
<b>Net current liabilities</b>		<b>(57,887)</b>	<b>(57,949)</b>	<b>(13,359)</b>	<b>(13,536)</b>
<b>Non-current liabilities</b>					
Provisions		726	639	-	-
Amount due to shareholders	11	11,222	11,361	11,222	11,361
Derivatives	12	1,172	1,543	-	-
Loans and borrowings	10	1,501	3,316	-	-
		<u>14,621</u>	<u>16,859</u>	<u>11,222</u>	<u>11,361</u>
<b>Total liabilities</b>		<b>88,297</b>	<b>92,459</b>	<b>32,200</b>	<b>33,698</b>
<b>Net assets</b>	7	<b>67,947</b>	<b>81,074</b>	<b>67,801</b>	<b>78,064</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	13	38,307	38,307	111,471	111,471
Other reserves		5,491	4,544	6,036	5,460
Retained earnings/(accumulated losses)		24,149	38,223	(49,706)	(38,867)
<b>Total equity</b>		<b>67,947</b>	<b>81,074</b>	<b>67,801</b>	<b>78,064</b>
<b>Total equity and liabilities</b>		<b>156,244</b>	<b>173,533</b>	<b>100,001</b>	<b>111,762</b>

### C. Condensed interim statements of changes in equity

The Group	Equity, total	Share capital	Other reserves	Retained earnings
	US\$'000	US\$'000	US\$'000	US\$'000
<b>2021</b>				
<b>Balance at 1 January 2021</b>	<b>81,074</b>	<b>38,307</b>	<b>4,544</b>	<b>38,223</b>
Loss for the period	(14,074)	-	-	(14,074)
<u>Other comprehensive income</u>				
Net fair value changes on cash flow hedges	371	-	371	-
Other comprehensive income for the period, net of tax	371	-	371	-
Transaction with owners of the Company directly recognised in equity*	576	-	576	-
<b>Balance at 30 September 2021</b>	<b>67,947</b>	<b>38,307</b>	<b>5,491</b>	<b>24,149</b>
<b>2020</b>				
<b>Balance at 1 January 2020</b>	<b>85,952</b>	<b>38,307</b>	<b>3,969</b>	<b>43,676</b>
Loss for the period	(3,453)	-	-	(3,453)
<u>Other comprehensive income</u>				
Net fair value changes on cash flow hedges	(506)	-	(506)	-
Other comprehensive income for the period, net of tax	(506)	-	(506)	-
<b>Balance at 30 September 2020</b>	<b>81,993</b>	<b>38,307</b>	<b>3,463</b>	<b>40,223</b>

The Company	Equity, total	Share capital	Other reserves	Accumulate d losses
	US\$'000	US\$'000	US\$'000	US\$'000
<b>2021</b>				
<b>Balance at 1 January 2021</b>	<b>78,064</b>	<b>111,471</b>	<b>5,460</b>	<b>(38,867)</b>
Loss for the period, representing total comprehensive income for the period	(10,839)	-	-	(10,839)
Transaction with owners of the company directly recognised in equity*	576	-	576	-
<b>Balance at 30 September 2021</b>	<b>67,801</b>	<b>111,471</b>	<b>6,036</b>	<b>(49,706)</b>
<b>2020</b>				
<b>Balance at 1 January 2020</b>	<b>83,050</b>	<b>111,471</b>	<b>4,431</b>	<b>(32,852)</b>
Loss for the period, representing total comprehensive income for the period	(5,967)	-	-	(5,967)
<b>Balance at 30 September 2020</b>	<b>77,083</b>	<b>111,471</b>	<b>4,431</b>	<b>(38,819)</b>

\* During 1Q2021, a fair value adjustment arising from change of interest rate from 6.0% per annum to 3.0% per annum, being the difference between the carrying amount of loans received from shareholders and the fair value of these loans, was recognised in capital reserve.

## D. Condensed interim consolidated statement of cash flows

	Note	The Group	
		9 months ended 30	9 months ended 30
		September 2021 US\$'000	September 2020 US\$'000
<b>Operating activities</b>			
Loss before tax		(14,074)	(3,453)
Adjustments for:			
Net gain on disposal of property, vessels and equipment	6	-	(31)
Interest income		-	(1)
Depreciation of property, vessels and equipment	6	6,486	6,555
Amortisation of intangible assets	6	14	14
Depreciation of right-of-use assets	6	48	49
Reversal of allowance for doubtful debts, net	6	-	(199)
Finance costs		3,165	3,885
Provisions		176	105
Impairment loss on property, vessels and equipment	6	8,028	5,780
Impairment loss on reclassification of vessels as held for sale	6	1,052	-
Total adjustments		18,969	16,157
Operating cash flows before changes in working capital		<b>4,895</b>	<b>12,704</b>
(Increase)/decrease in inventories		(365)	429
Decrease in trade receivables		3,993	9,637
Increase in advances, deposits and other receivables		(377)	(593)
Increase in prepayments		(309)	(335)
Decrease in trade payables		(2,777)	(8,543)
Increase/(decrease) in accruals and other payables		95	(360)
Decrease in provisions		(89)	(33)
(Decrease)/increase in other non-financial liabilities		(252)	276
Total changes in working capital		(81)	478
Cash generated from operations		<b>4,814</b>	<b>13,182</b>
Interest received		-	1
Interest paid		(3,055)	(3,869)
<b>Net cash flows generated from operating activities</b>		<b>1,759</b>	<b>9,314</b>
<b>Investing activities</b>			
Purchase of property, vessels and equipment		(1,404)	(532)
Proceeds from disposal of property, vessels and equipment		-	52
Deposit received in relation to disposal of vessels classified as held for sale		195	-
Addition to intangible assets		-	(52)
<b>Net cash flows used in investing activities</b>		<b>(1,209)</b>	<b>(532)</b>
<b>Financing activities</b>			
Proceeds from shareholder's advance		1,412	-
Proceeds from loans and borrowings		4,614	81
Repayment of loans and borrowings		(8,402)	(9,469)
Repayment of principal portion of lease liabilities		(62)	(57)
Decrease/(increase) in bank deposits pledged and restricted cash		4	(268)
<b>Net cash flows used in financing activities</b>		<b>(2,434)</b>	<b>(9,713)</b>
Net decrease in cash and cash equivalents		(1,884)	(931)
Cash and cash equivalents at beginning of the period		45	1,425
<b>Cash and cash equivalents at end of the period (Note A)</b>		<b>(1,839)</b>	<b>494</b>

### Note A:

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

Cash and bank balances	767	1,975
Bank overdrafts	(2,606)	(1,481)
<b>Net balance</b>	<b>(1,839)</b>	<b>494</b>

## E. Notes to the condensed interim consolidated financial statements

### 1. Corporate information

Atlantic Navigation Holdings (Singapore) Limited (the "Company") is a limited liability company incorporated in Singapore and is listed on the Catalist board of Singapore Exchange Securities Trading Limited (the "SGX-ST"). The former name of the Company is Fastube Limited, and upon the completion of a reverse acquisition on 31 July 2012, the Company's name has changed to Atlantic Navigation Holdings (Singapore) Limited.

The immediate and ultimate holding company is Saeed Investment Pte. Ltd., which is incorporated in Singapore. The change in control took place when the Company issued new shares to Saeed Investment Pte. Ltd. resulting in approximately 50.2% stake in the Company pursuant to the cash-for-equity subscription agreement which was completed in December 2018.

The registered office of the Company is at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712. The principal place of business of the Group is located at Plot No. HD-02, P. O. Box 6653, Hamriyah Free Zone, Sharjah, United Arab Emirates.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are ship owner, commercial and administrative manager of the Group's marine logistics services business and provider of ship repair, fabrication and other marine services and ship management.

### 2. Basis of preparation

The condensed interim consolidated financial statements for the nine months ended 30 September ("9M") 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Reporting Standards (International) ("SFRS(I)s"), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim consolidated financial statements are presented in United States Dollars ("USD" or "US\$") and all values are rounded to the nearest thousand (US\$'000), except when otherwise indicated.

#### Going concern uncertainty

For 9M2021, the Group incurred a net loss of US\$14,074,000 (9M2020: net loss of US\$3,453,000) which includes impairment charges recognised on vessels of US\$8,028,000 (9M2020: US\$5,780,000) and impairment on reclassification of vessels as held for sale of US\$1,052,000 (9M2020: Nil). As at 30 September 2021, the Group has reported a net current liabilities position of US\$57,887,000 (31 December 2020: US\$57,949,000) and net assets of US\$67,947,000 (31 December 2020: US\$81,074,000).

The Group had vessels with a carrying value of US\$135,048,000 as at 30 September 2021 (31 December 2020: US\$150,712,000) that have been pledged with the financial institutions to secure the Group's bank loans. As previously announced, the Group had by end May 2021 re-profiled the secured loan obligations of US\$14.1 million in aggregate of principal repayments being re-scheduled and repayable from FY2022 to FY2025 ("Loans Re-profiling"). While the Group engages in ongoing discussions to fulfil certain commercial requirements in the Loans Re-profiling with one of its bankers, the loans continued to be classified as current liabilities as at 30 September 2021 as disclosed in Note 10.

The Group had prepared the financial statements on a going concern basis in view of its ongoing discussions with its banker as mentioned above, the expected cash flows generated from chartering operations in a likely-improving market environment, and exploring of potential vessel sales to improve the cash flow position of the Group.

#### 2.1. New and amended standards adopted by the Group

During 9M2021, the Group has considered the following new and amendments to SFRS(I)s which took effect from financial year beginning 1 January 2021:

- Amendments to SFRS(I) 16 Leases: COVID-19 Related Rent Concessions
- Amendments to SFRS(I) 9 Financial Instruments
- Amendments to SFRS(I) 1-39 Financial Instruments: Recognition and Measurement
- Amendments to SFRS(I) 7 Financial Instruments: Disclosures
- Amendments to SFRS(I) 4 Insurance Contracts
- Amendments to SFRS(I) 16 Leases: Interest Rate Benchmark Reform – Phase 2

The above new and amendments to the SFRS(I)s do not have any material effect on the financial statements of the Group.

#### 2.2. Use of judgements and estimates

The preparation of the Group's condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

#### (a) Judgments made in applying accounting policies

- (i) Proportionate consolidation of investment in joint operations

The Group formed Atlantic Venture Inc. (“AVI”), to acquire a vessel and provide charter services with 51% equity interests. The Group has equal representation on the board of directors and unanimous consent is required from both the Group and the third-party partner for all major operational decisions. Both the Group and the third-party partner, in accordance with their respective participating equity interests, would have the rights to the assets and obligations to the liabilities of AVI. Based on these facts and circumstances, management concluded that the Group has joint control over AVI and, therefore, recognised its share of the assets and the liabilities in respect of its interest in the joint operation in its financial statements.

(ii) Leases – Determining the lease term of contracts with renewal and termination options

The application of SFRS(I) 16 requires the Group to make judgements that affect the valuation of the lease liabilities and the valuation of right-of-use assets. These include determining contracts in scope of SFRS(I) 16 and determining the contract term. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by the option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

**(b) Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Residual values and useful lives of vessels and machinery and equipment

The Group reviews the residual values and useful lives of vessels and machinery and equipment at the end of each reporting period. The cost of the vessels and machinery and equipment is depreciated on a straight-line basis over the vessels, machinery and equipment’s estimated useful lives. Management estimates the useful lives of the vessels to be within 10 to 25 years and machinery and equipment to be within 3 to 5 years. Changes in the expected level of usage and technological developments could impact the economic useful lives of the vessels and machinery and equipment; therefore future depreciation charges could be revised. The carrying amount of the Group’s vessels, machinery and equipment as at 30 September 2021 was US\$135,078,000 (31 December 2020: US\$150,745,000). A 10% difference in the expected useful lives of these assets from management’s estimates would result in approximately US\$508,000 (FY2020: US\$747,000) variance in the Group’s loss before tax for the period ended 30 September 2021.

(ii) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. At least at each year end, the Group assesses whether there is any indication that its vessels may be impaired. If such indicator exists, the Group estimates the recoverable amount of the vessel. The Group engages independent professional valuation expert to perform valuations of the recoverable amount of its vessels based on fair value less costs of disposal. The impairment charge for 9M2021 was US\$8,028,000 (FY2020: US\$5,780,000). If the fair value less costs of disposal decrease by 10% from the fair value based on valuation reports, the impairment charges will increase by US\$8,279,000 (FY2020: US\$9,393,000) for the period ended 30 September 2021.

(iii) Allowance for expected credit losses (“ECLs”) on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of the customer’s actual default in the future. The carrying amount of trade receivables as at 30 September 2021 was US\$9,797,000 (31 December 2020: US\$13,790,000).

**3. Seasonal operations**

The Group’s businesses are not significantly affected by seasonal or cyclical factors during the 9 months ended 30 September 2021.



#### 4. Segment and revenue information

The Group is organised into the following main business segments: (i) Marine logistics services ("MLS") and (ii) Ship repair, fabrication and other marine services ("SRM"). These operating segments are reported in a manner consistent with internal reporting provided to chief operating decision maker who are responsible for allocating resources and assessing performance of the operating segments.

##### 4.1. Reportable segments

	3 months ended 30 September 2021				9 months ended 30 September 2021			
	MLS	SRM	Elimination	Consolidated	MLS	SRM	Elimination	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	11,036	739	(249)	11,526	28,899	2,540	(1,064)	30,375
<b>Segment results*</b>	<b>1,019</b>	<b>264</b>	-	<b>1,283</b>	<b>(7,009)</b>	<b>878</b>	-	<b>(6,131)</b>
Administrative expenses	(1,154)	(242)	-	(1,396)	(3,620)	(603)	-	(4,223)
Finance costs	(1,005)	-	-	(1,005)	(3,165)	-	-	(3,165)
Withholding tax	(88)	-	-	(88)	(250)	-	-	(250)
<b>Segment (loss)/profit</b>	<b>(1,228)</b>	<b>22</b>	-	<b>(1,206)</b>	<b>(14,044)</b>	<b>275</b>	-	<b>(13,769)</b>
Unallocated expenses:								
Administrative expenses	-	-	-	(77)	-	-	-	(305)
<b>(Loss)/profit before tax</b>	<b>(1,228)</b>	<b>22</b>	-	<b>(1,283)</b>	<b>(14,044)</b>	<b>275</b>	-	<b>(14,074)</b>
Income tax expense				-				-
<b>Loss for the period</b>				<b>(1,283)</b>				<b>(14,074)</b>
<b>Material non-cash items:</b>								
Impairment of property, vessels and equipment	-	-	-	-	(8,028)	-	-	(8,028)
Impairment on reclassification of vessels as held for sale	(1,052)	-	-	(1,052)	(1,052)	-	-	(1,052)
Depreciation of property, vessels and equipment	(2,095)	-	-	(2,095)	(6,486)	-	-	(6,486)
Depreciation of right-of-use assets	(16)	-	-	(16)	(48)	-	-	(48)
Amortisation of intangible assets	(4)	-	-	(4)	(14)	-	-	(14)
	3 months ended 30 September 2020				9 months ended 30 September 2020			
	MLS	SRM	Elimination	Consolidated	MLS	SRM	Elimination	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	13,666	746	(100)	14,312	48,606	1,841	(572)	49,875
<b>Segment results*</b>	<b>1,683</b>	<b>99</b>	-	<b>1,782</b>	<b>5,372</b>	<b>550</b>	-	<b>5,922</b>
Finance income	-	-	-	-	1	-	-	1
Administrative expenses	(1,208)	(237)	-	(1,445)	(3,399)	(560)	-	(3,959)
Finance costs	(1,176)	-	-	(1,176)	(3,885)	-	-	(3,885)
Withholding tax	(310)	-	-	(310)	(1,295)	-	-	(1,295)
<b>Segment loss</b>	<b>(1,011)</b>	<b>(138)</b>	-	<b>(1,149)</b>	<b>(3,206)</b>	<b>(10)</b>	-	<b>(3,216)</b>
Unallocated expenses:								
Administrative expenses	-	-	-	(97)	-	-	-	(237)
<b>Loss before tax</b>	-	-	-	<b>(1,246)</b>	-	-	-	<b>(3,453)</b>
Income tax expense				-				-
<b>Loss for the period</b>				<b>(1,246)</b>				<b>(3,453)</b>
<b>Material non-cash items:</b>								
Impairment of property, vessels and equipment	-	-	-	-	(5,780)	-	-	(5,780)
Depreciation of property, vessels and equipment	(2,108)	-	-	(2,108)	(6,555)	-	-	(6,555)
Depreciation of right-of-use assets	(17)	-	-	(17)	(49)	-	-	(49)
Amortisation of intangible assets	(5)	-	-	(5)	(14)	-	-	(14)

\* Segment results include the impact of impairment of assets and other income.

## 4.2. Disaggregation of revenue

	The Group			The Group		
	3 months ended 30 September 2021			9 months ended 30 September 2021		
	MLS	SRM	Total	MLS	SRM	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Types of goods or services:						
Time charter - lease revenue	6,011	-	6,011	14,929	-	14,929
Other ancillary time charter revenue	5,025	-	5,025	13,970	-	13,970
Ship repair, fabrication and other related marine services	-	490	490	-	1,476	1,476
<b>Total revenue</b>	<b>11,036</b>	<b>490</b>	<b>11,526</b>	<b>28,899</b>	<b>1,476</b>	<b>30,375</b>
Geographical information:						
United Arab Emirates	827	275	1,102	1,586	1,033	2,619
Singapore	549	1	550	2,467	82	2,549
Other GCC countries	9,084	18	9,102	22,517	52	22,569
Others	576	196	772	2,329	309	2,638
<b>Total revenue</b>	<b>11,036</b>	<b>490</b>	<b>11,526</b>	<b>28,889</b>	<b>1,476</b>	<b>30,375</b>

	The Group			The Group		
	3 months ended 30 September 2020			9 months ended 30 September 2020		
	MLS	SRM	Total	MLS	SRM	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Types of services:						
Time charter - lease revenue	8,937	-	8,937	34,650	-	34,650
Other ancillary time charter revenue	4,729	-	4,729	13,956	-	13,956
Ship repair, fabrication and other related marine services	-	646	646	-	1,269	1,269
<b>Total revenue</b>	<b>13,666</b>	<b>646</b>	<b>14,312</b>	<b>48,606</b>	<b>1,269</b>	<b>49,875</b>
Geographical information:						
United Arab Emirates	1,182	204	1,386	4,445	441	4,886
Singapore	635	310	945	1,560	630	2,190
Other GCC countries	11,845	1	11,846	42,422	1	42,423
Others	4	131	135	179	197	376
<b>Total revenue</b>	<b>13,666</b>	<b>646</b>	<b>14,312</b>	<b>48,606</b>	<b>1,269</b>	<b>49,875</b>

Other GCC countries include Kingdom of Saudi Arabia, Sultanate of Oman, Kingdom of Bahrain and Qatar.

The Group's non-current assets are located in the UAE.

The Group accounts for the lease of vessels and time charter under SFRS(I) 16 Leases as lease revenue. Time charter comprises of lease of vessels and provision of other ancillary services. Other ancillary services include provision of crew and other services under the time charter contracts. The Group separates the lease and non-lease components of time charter by allocating the transaction price based on their relative stand-alone selling prices. The stand-alone selling prices are determined based on cost plus approach where management determined the cost for the leases of vessels and services and apply a margin based on the Group's business pricing strategies and practices.

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2021 and 31 December 2020:

	Group		Company	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Financial Assets</b>				
Trade receivables	9,797	13,790	3,205	3,311
Advances, deposits and other receivables	2,203	1,826	28,657	40,499
Cash and bank balances	767	886	219	41
Restricted cash	90	94	-	-
	<u>12,857</u>	<u>16,596</u>	<u>32,081</u>	<u>43,851</u>
<b>Financial Liabilities</b>				
Trade payables	10,245	13,022	-	1,760
Accruals and other payables	5,575	5,810	447	490
Amount due to shareholders	13,594	12,321	11,972	11,361
Lease liabilities	13	72	-	-
Loans and borrowings	56,680	58,703	19,781	20,087
Derivatives	1,172	1,543	-	-
	<u>87,279</u>	<u>91,471</u>	<u>32,200</u>	<u>33,698</u>

## 6. Loss before tax

### 6.1. Significant items

	The Group		The Group	
	3 months ended 30 September 2021	3 months ended 30 September 2020	9 months ended 30 September 2021	9 months ended 30 September 2020
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Income</b>				
Net gain on disposal of property, vessels and equipment	-	-	-	31
Reversal of allowance for doubtful debts, net	-	-	-	199
<b>Expenses</b>				
Depreciation of property, vessels and equipment (included in cost of services)	(2,090)	(2,103)	(6,471)	(6,545)
Depreciation of property, vessels and equipment (included in administrative expenses)	(5)	(5)	(15)	(10)
Amortisation of intangible assets (included in administrative expenses)	(4)	(5)	(14)	(14)
Depreciation of right-of-use assets (included in administrative expenses)	(16)	(17)	(48)	(49)
Impairment loss on property, vessels and equipment	-	-	(8,028)	(5,780)
Impairment on reclassification of vessels as held for sale	(1,052)	-	(1,052)	-

### 6.2. Related party transactions

#### (a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the consolidated financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial period:

	Group	
	9 months ended 30 September 2021	9 months ended 30 September 2020
	US\$'000	US\$'000
Payment to director-related company for services rendered	49	49
Interests on shareholders loans	235	472

## 6.2. Related party transactions (continued)

### (b) Compensation of key management personnel

	Group	
	9 months ended 30 September 2021	9 months ended 30 September 2020
	US\$'000	US\$'000
Short-term employee benefits	906	738
Others	321	253
	<u>1,227</u>	<u>991</u>
Comprises amounts paid to:		
Directors of the Company	450	454
Other key management personnel	777	537
	<u>1,227</u>	<u>991</u>

## 7. Net asset value

	Group		Company	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	US\$ cent	US\$ cent	US\$ cent	US\$ cent
Net asset value per ordinary share	12.98	15.49	12.95	14.91

The net asset value per ordinary share of the Company and the Group were calculated based on 523,512,144 shares (excluding treasury shares) as at 30 September 2021 and 31 December 2020.

## 8. Property, vessels and equipment

During 9M2021, the Group capitalised dry-dock expense on certain vessels amounting to US\$1,404,000 (9M2020: US\$436,000), purchased vehicle of US\$ Nil (9M2020: US\$96,000) and disposed of assets amounting to US\$ Nil (9M2020: US\$21,000).

### Reclassification of vessels as held for sale

As at 30 September 2021, vessels held for sale amounted to US\$1,794,000 (30 September 2020: US\$ Nil). The Group recognised impairment loss of US\$1,052,000 (9M2020: US\$ Nil) on the reclassification of two vessels as held for sale.

### Impairment of assets

During 9M2021, the Group recognised impairment loss on 3 vessels of US\$8,028,000 (9M2020: on 6 vessels of US\$5,780,000) considering the main factors of age and uncertainty in visibility of utilisation of these vessels, with valuation reports being obtained from the independent professional valuers.

## 9. Trade receivables

	Group		Company	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Trade receivables</b>				
Trade receivables	8,427	8,379	3,205	3,311
Retention receivables	934	5,135	-	-
Unbilled receivables	436	276	-	-
<b>Total trade receivables</b>	<b>9,797</b>	<b>13,790</b>	<b>3,205</b>	<b>3,311</b>

### Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

### Retention receivables

Retention receivables represent the retention of 10% of the invoice amounts from one of the debtors. The amount is repayable in cash to the Group upon tax clearance from the Saudi Arabian tax authorities generally within 6 months from the close of the financial year end.

### Unbilled receivables

Unbilled trade receivables relate to the Group's right to consideration for charter hire earned but not yet billed at the reporting date.

## 10. Borrowings

	Group	
	30 September 2021	31 December 2020
	US\$'000	US\$'000
<b>Amount repayable within one year or on demand</b>		
Secured	55,179	55,387
Unsecured	-	-
<b>Amount repayable after one year</b>		
Secured	1,501	3,316
Unsecured	-	-
Total borrowings and securities	56,680	58,703

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

- (i) Mortgage over certain vessels, as well as corporate guarantees and pledges over the shares of the respective companies owning the vessels mortgaged;
- (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;
- (v) Financial covenant which requires the Group to maintain Tangible Net Worth of at least US\$50 million;
- (vi) Financial covenant which requires the Group to maintain Adjusted Tangible Net Worth of at least US\$80 million (which includes loans and advances from shareholders in its determination);
- (vii) Adjusted leverage ratio as updated to be maintained at 1.75:1 or below. The ratio will be calculated as total liabilities (excluding cash margin and fixed deposits under lien i.e. cash encumbered for liabilities included in total liabilities) to Tangible Net Worth; and
- (viii) The Loan to Value ("LTV") to be 75%, 70% and 65% or below at all times as updated on respective loan facilities amounts.

The amounts reflected at the table above do not include the loans and advances from shareholders of US\$13,594,000 (31 December 2020: US\$12,321,000) as at 30 September 2021 which are unsecured as disclosed under Note 11.

As previously announced, the Group had re-profiled certain principal repayments in aggregate of US\$14.1 million with its bankers by end May 2021. While the Group engages in ongoing discussions to fulfil certain commercial requirements in the Loans Re-profiling with its banker, the table above continues to reflect the re-profiled loans to be amount repayable in one year or less, or on demand, as at 30 September 2021.

## 11. Amount due to shareholders

	Group		Company	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Current:</b>				
Short term loans due to shareholders <sup>(1)</sup>	2,372	960	750	-
	2,372	960	750	-
<b>Non-current:</b>				
Loans due to a shareholder <sup>(2)</sup>	6,923	7,332	6,923	7,332
Accrued interest on loans due to a shareholder <sup>(2)</sup>	1,179	869	1,179	869
Advances from a shareholder <sup>(3)</sup>	2,833	3,000	2,833	3,000
Accrued interest on advances from a shareholder <sup>(3)</sup>	287	160	287	160
	11,222	11,361	11,222	11,361

## 11. Amount due to shareholders (continued)

- (1) Short term loans due to shareholders are unsecured and non-interest bearing and are to be settled in cash.
- (2) Loans due to a shareholder is unsecured, interest-bearing at interest rate of 3.0% per annum and is to be settled in cash. The loans due to a shareholder together with accrued interest mature on 31 December 2022. During the period the loan due to shareholder is adjusted at fair value resulted from change in interest rate from 6% per annum to 3% per annum.
- (3) Advances from a shareholder is unsecured, interest-bearing at interest rate of 3.0% per annum, and is to be settled in cash. The shareholder advances together with accrued interest mature on 31 December 2022. During the period advances from shareholder is adjusted at fair value resulted from change in interest rate from 6% per annum to 3% per annum.

## 12. Derivatives

	Group			
	30 September 2021	30 September 2021	31 December 2020	31 December 2020
	Contract/ Notional Amount	Fair Value - Liabilities	Contract/ Notional Amount	Fair Value - Liabilities
	US\$'000	US\$'000	US\$'000	US\$'000
Interest rate swap	16,971	(1,172)	19,966	(1,543)

The fair value of interest rate swaps as shown above is determined with reference to marked-to-market values provided by counterparties.

Hedge accounting has been applied for interest rate swaps that are assessed by the Group to be highly effective hedges.

The Group determines the economic relationship between the loans and borrowings and the derivative by matching the critical terms of the hedging instrument with the terms of the hedged item. The hedge ratio (the ratio between notional amount of the derivative financial instrument to the amount of the loans and borrowings being hedged) is determined to be 1:1.

Under the terms of the interest rate swaps, the Group pays a fixed rate interest of 3.50% (FY2020: 2.95% - 3.50%) per annum and receives floating interest at 3-month LIBOR plus margin. The interest rate swaps mature on 3 October 2025. The Group uses the interest rate swaps to hedge against the exposure to variability in cash flows from related borrowings which are pegged to US Dollar LIBOR.

The hedge is classified as cash flow hedges and the fair value changes of the interest rate swaps is recognised in in other comprehensive income.

## 13. Share capital

	Group		Company	
	Number of shares	Amount	Number of shares	Amount
	'000	US\$'000	'000	US\$'000
As at 1 January 2021, 31 March 2021, 30 June 2021 and 30 September 2021	523,512	38,307	523,512	111,471

During the 3-month period ended 30 September 2021, there were no changes in the issued and paid-up share capital of the Company.

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 30 September 2021, 31 December 2020 and 30 September 2020.

There were no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings during 9M2021.

## 14. Subsequent events

Subsequent to the reporting period, the disposal of vessels held for sale as announced on 27 September 2021 was completed on 5 October 2021 with net proceeds amounting to US\$1,794,000.

## F. Other Information required by Catalyst Rules Appendix 7C

### 1. Review

The condensed interim statements of financial position of Atlantic Navigation Holdings (Singapore) Limited and its subsidiaries as at 30 September 2021 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed consolidated statement of cash flows for the nine-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

### 2. Review of performance of the Group

#### (a) Review of results of operations

##### (i) Revenue by business segments

	3 months ended			9 months ended		
	30 September 2021	30 September 2020	Increase/ (Decrease)	30 September 2021	30 September 2020	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
MLS	11,036	13,666	(19.2)	28,899	48,606	(40.5)
SRM	739	746	(0.9)	2,540	1,841	38.0
Inter-segment revenue	(249)	(100)	>100.0	(1,064)	(572)	86.0
Group revenue	11,526	14,312	(19.5)	30,375	49,875	(39.1)

The Group's revenue for the MLS segment for the three months ended 30 September ("3Q") 2021 decreased by US\$2.6 million or 19.2% compared to 3Q2020. The decrease in revenue was mainly due to lower utilisation of a lift-boat (the other lift-boat was off-chartered on both periods) and lower revenue contribution from cross charter vessels in 3Q2021 as compared to 3Q2020 as a result of the adverse macro-economic environment, including the ongoing COVID-19 pandemic and the competitive environment, partially offset by increase in revenue from the Group's offshore support vessel ("OSV") fleet.

The Group's revenue for the SRM segment for 3Q2021 remained stable at US\$0.7 million as compared to 3Q2020.

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

	3 months ended			9 months ended		
	30 September 2021	30 September 2020	Increase/ (Decrease)	30 September 2021	30 September 2020	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
MLS	2,071	1,683	23.1	2,071	10,926	(81.0)
SRM	264	99	>100.0	886	552	60.5
Group gross profit	2,335	1,782	31.0	2,957	11,478	(74.2)

	3 months ended		9 months ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
MLS	18.8%	12.3%	7.2%	22.5%
SRM	35.7%	13.3%	34.9%	30.0%
Group gross profit margin	20.3%	12.5%	9.7%	23.0%

The Group reported gross profit of US\$2.1 million for the MLS segment during 3Q2021, compared to a gross profit of US\$1.7 million in 3Q2020. The MLS segment recorded a gross profit margin of 18.8% in 3Q2021 as compared to a gross profit margin of 12.3% in 3Q2020. The increase in gross profit and gross profit margin of the MLS segment were mainly due to higher margin on Anchor Handling Tug, Supply and Safety Standby ("AHTS") vessels driven by increase in daily charter rates and lower operating expenses mainly in relation to crew and related expenses.

The Group's gross profit and gross profit margin of SRM segment for 3Q2021 increased by US\$0.2 million and 22.5 percentage points respectively as compared to 3Q2020 mainly due to lower sub-contracting cost in 3Q2021.

##### (iii) Finance costs

Finance cost decreased by US\$0.2 million or 14.5% to US\$1.0 million in 3Q2021 as compared to US\$1.2 million in 3Q2020 corresponding to the lower amount of bank borrowings.

#### **(iv) Impairment on property, vessels and equipment**

Impairment losses of US\$1.0 million in total on 2 vessels were recognised in 3Q2021 due to reclassification of vessels as held for sale.

#### **(v) Withholding tax expense**

The withholding tax expense relates to withholding tax on foreign charter income.

#### **(vi) Loss before tax**

The Group recorded a loss before tax of US\$1.3 million in 3Q2021 compared to loss before tax of US\$1.2 million in 3Q2020 mainly due to the increase in impairment charges on reclassification of vessels held for sales, partially offset by increase in gross profit, decrease in administrative expenses, decrease in finance costs and withholding tax expense.

#### **(vii) Income tax expense**

There is no income tax expense for these periods as the Group's significant subsidiaries are incorporated in jurisdictions where such taxes are either exempted or not applicable.

### **(b) Review of financial position**

#### **(i) Non-current assets**

Non-current assets decreased by US\$15.4 million from US\$155.9 million as at 31 December 2020 to US\$140.5 million as at 30 September 2021. This was mainly due to impairment charges recognised on certain vessels of US\$8.0 million, depreciation charges of US\$6.5 million, and reclassification of two vessels with net book value of US\$2.8 million as held for sale, partially offset by capitalisation of dry dock expenses of US\$1.4 million and other costs previously prepaid of US\$0.6 million.

#### **(ii) Current assets**

Current assets decreased by US\$1.9 million from US\$17.6 million as at 31 December 2020 to US\$15.7 million as at 30 September 2021. This was mainly due to decrease in trade receivables of US\$4.0 million after the repayment of contractual retention, decrease in prepayment of US\$0.3 million and decrease in cash and bank balance and restricted cash of US\$0.1 million, partially offset by increase in inventories of US\$0.4 million, increase in advances, deposits and other receivables of US\$0.4 million and recognition of two vessels as held for sale of US\$1.8 million.

#### **(iii) Non-current liabilities**

Non-current liabilities decreased by US\$2.3 million from US\$16.9 million as at 31 December 2020 to US\$14.6 million as at 30 September 2021. This was mainly due to decrease in loans and borrowings of US\$1.8 million, decrease in derivatives of US\$0.4 million and decrease in amount due to shareholders of US\$0.1 million.

#### **(iv) Current liabilities**

Current liabilities decreased by US\$1.9 million from US\$75.6 million as at 31 December 2020 to US\$73.7 million as at 30 September 2021, mainly due to decrease in trade payables of US\$2.8 million, decrease in accruals and other payables of US\$0.2 million and decrease in the current portion of the loans and borrowings of US\$0.2 million, partially offset by increase in amount due to shareholders of US\$1.4 million.

#### **(v) Net current liabilities**

Net current liabilities remained stable at US\$57.9 million as at 30 September 2021 and as at 31 December 2020, mainly due to decrease in current assets of US\$1.9 million, partially offset by decrease in current liabilities of US\$1.9 million.

Barring unforeseen circumstances, the Group is expected to be able to operate as a going concern after taking into consideration factors mentioned in Note 2 to the condensed interim consolidated financial statements.

#### **(vi) Other disclosures**

In relation to the Group's 51% interest in its joint operation, i.e. Atlantic Venture Inc. ("AVI"), with the repayment of 51% share of the remaining instalments of the outstanding loan as co-guarantor in February 2021, the debt including interest outstanding of AVI as at 30 September 2021 was approximately US\$0.43 million. The mortgagee bank as plaintiff had been granted final judgement in its suit against the other co-guarantor as defendant on 2 November 2021 for this sum outstanding where the other co-guarantor had then served its claim on AVI on 3 November 2021 relating to this judgement. The Group will continue to update the market when there are material developments.

Separately, as an update to the disclosure made in the Company's 2Q2021 financial results announcement dated 13 August 2021, the other co-guarantor had on 8 November 2021 withdrawn the appeal on the favourable judgment awarded to the Company against the co-guarantor on 29 June 2021.

### **(c) Liquidity and capital resources**

#### **(i) Net cash flows generated from operating activities**

Net cash flows generated from operating activities amounted to US\$1.8 million in 9M2021. This was mainly due to operating cash flows before changes in working capital of US\$4.9 million and negative changes in working capital of US\$0.1 million, partially offset by interest paid of US\$3.1 million.

#### **(ii) Net cash flows used in investing activities**

Net cash flows used in investing activities of US\$1.2 million in 9M2021 was mainly due to capitalised dry dock expenses, offset by deposit received in relation to disposal of vessels classified as held for sale.



### (iii) Net cash flows used in financing activities

Net cash flows used in financing activities of US\$2.4 million in 9M2021 was mainly due to principal repayment of loans and borrowings of US\$8.4 million, partially offset by proceeds from loans and borrowings of US\$4.6 million and proceeds from shareholders' advances of US\$1.4 million.

### 3. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

Not applicable. No forecast or prospect statement was disclosed to shareholders previously.

### 5. 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 operating period and the next 12 months

As at 30 September 2021, the Group achieved utilisation rate of vessels of 76.7% in 3Q2021 (2Q2021: 71.4%) compared with 79.5% in 3Q2020. The offshore market condition has improved corresponding to the recent increase in global oil prices. While there has been an increase in enquiries for the chartering of our Group's vessels, the challenges remain emanating from the ongoing COVID-19 pandemic with continual uncertainties in its recovery. Although cost pressures continue to subsist, it is expected to abate in view of the relaxation of the international travel restrictions as well as the high vaccination rates and reduced quarantine requirement among the crew.

### 6. Dividend information

No dividend recommended or declared for 9M2021 (9M2020: Nil) in view of the operational and financial requirements of the Group.

### 7. Interested person transactions

The Company has established review and approval procedures to ensure that interested person transactions entered into by the Group are conducted on normal terms and are not prejudicial to the interests of shareholders. In the event that a member of the Audit Committee of the Company ("AC") is involved in any interested person transaction, he will abstain from reviewing that particular transaction.

The AC has reviewed the rationale for and terms of the Group's interested person transactions and is of the view that the interested person transactions are entered on normal terms and are not prejudicial to the interests of shareholders.

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 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
Wong Siew Cheong <sup>(1)</sup>	US\$166,797 (Approximately S\$227,011)	-
Kum Soh Har <sup>(2)</sup>	US\$68,250 (Approximately S\$92,888)	-

#### Notes:

(1) As at 30 September 2021, Mr. Wong Siew Cheong, the Executive Director and CEO, had provided an aggregate of US\$7.3 million loan to the Group (the "Loan") where the Loan is unsecured, interest-bearing at an interest rate of 3.0% per annum, and advances of US\$1.5 million which is unsecured, non-interest bearing, both sums to be settled in cash.

(2) As at 30 September 2021, Mr. Kum Soh Har, Michael, the Non-Executive Non-Independent Chairman, had provided an aggregate of US\$3.0 million shareholder advance (the "Advance") through Saeed Investment Pte. Ltd., the Controlling Shareholder of the Company, to the Group where the Advance is unsecured, interest-bearing at an interest rate of 3.0% per annum, and further advance of US\$0.8 million which is unsecured and non-interest bearing, both sums to be settled in cash.

The Group does not have any interested person transaction general mandate from shareholders pursuant to Rule 920 of the Catalist Rules.

**8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

**Confirmation by the Board**

**Negative confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules**

The Board of Directors of the Company hereby confirms to the best of its knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed interim consolidated financial statements for the nine-month period ended 30 September 2021 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Wong Siew Cheong  
Executive Director and Chief Executive Officer

12 November 2021