

ATLANTIC NAVIGATION HOLDINGS (SINGAPORE) LIMITED

(Company Registration No. 200411055E)

(Incorporated in the Republic of Singapore)

- (1) THE PROPOSED DISPOSAL OF THE GROUP'S FLEET COMPRISING TWENTY (20) OFFSHORE SUPPORT VESSELS; AND
 - (2) THE PROPOSED DISTRIBUTION TO SHAREHOLDERS SUBJECT TO AND UPON COMPLETION OF THE PROPOSED DISPOSAL
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1. INTRODUCTION

- 1.1 The board of directors (the "**Board**" or the "**Directors**") of Atlantic Navigation Holdings (Singapore) Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company, its wholly-owned vessel-owning subsidiaries (collectively, the "**Vessel Sellers**") and its wholly-owned subsidiary, Atlantic Maritime Group FZE ("**AMG FZE**"), have entered into a conditional master delivery agreement dated 5 September 2024 (the "**Master Delivery Agreement**") with MAG Offshore Investment LLC's ("**MAG Offshore**") wholly-owned subsidiaries (collectively, the "**Vessel Buyers**") pursuant to which the Vessel Sellers have agreed to sell, and the Vessel Buyers have agreed to purchase, twenty (20) offshore vessels (each, a "**Vessel**" and collectively, the "**Fleet**") owned by the Vessel Sellers, for an aggregate consideration of US\$183.0 million¹ (the "**Consideration**"), subject to the terms and conditions of the Master Delivery Agreement (the "**Proposed Disposal**"). Further details of the Fleet, the Vessel Sellers and the Vessel Buyers are set out in Appendix A to this announcement.
- 1.2 In connection with the Master Delivery Agreement, the following agreements were also entered into between the Group and the Vessel Buyers:
- (a) memorandum of agreements, each dated 5 September 2024, between each Vessel Seller and the corresponding Vessel Buyer of the Vessel owned by such Vessel Seller in respect of the sale and purchase and delivery of the relevant Vessel (the "**MOAs**");
 - (b) ship management agreements, each dated 5 September 2024, between AMG FZE and each Vessel Buyer pursuant to which AMG FZE has been appointed as manager to provide ship management services for each Vessel purchased by the relevant Vessel Buyer, such appointment to commence from the date of ownership of the Vessel is acquired by the relevant Vessel Buyer (collectively, the "**Ship Management Agreements**"); and
 - (c) time charter agreements, each dated 5 September 2024, between AMG FZE and each Vessel Buyer for the time charter by AMG FZE of the Vessels to be acquired by the Vessel Buyer and pursuant to which AMG FZE will continue to provide the services/obligations to the relevant third-party charterer under the External Charters (as defined herein) (collectively, the "**Internal Charters**").

¹ The aggregate consideration of US\$183.0 million (for each Vessel, the "**Purchase Price**") comprises the aggregate Fleet purchase price of US\$180.0 million (for each Vessel, the "**Vessel Price**") and US\$3.0 million of mobilisation costs and upgrading expenses for three (3) Vessels. Please see further details on the Purchase Price in Appendix A of this announcement.

- 1.3 The Board intends to distribute majority of the net sale proceeds from the Proposed Disposal (after deducting all costs, expenses and cash for working capital and capital expenditure needs) to the shareholders of the Company (the “**Shareholders**”) by way of a (i) capital reduction exercise (the “**Proposed Capital Reduction**”); and (ii) declaration of special interim dividend (the “**Proposed Special Dividend**”, and together with the Proposed Capital Reduction, the “**Proposed Distribution**”).

Further details of the Proposed Distribution are set out in paragraph 4 of this announcement.

- 1.4 The Proposed Disposal and the Proposed Distribution (collectively, the “**Proposed Transactions**”) are subject to, *inter alia*, the approval of Shareholders at an extraordinary general meeting to be convened by the Company (the “**EGM**”). The Proposed Distribution will also be subject to the completion of the Proposed Disposal.

2. **BACKGROUND AND EVALUATION PROCESS**

- 2.1 As announced on 24 May 2023, the Company, on an ongoing basis in its ordinary course of business, holds discussions with parties regarding potential transactions including potential investments, acquisition of vessels, debt profile and fund-raising for the acquisition of vessels, sale of vessels etc. In the same announcement, the significant shareholders of the Company had also stated their respective intentions of exploring strategic options in relation to their respective interests in the Company. Since then, through the appointed financial adviser, Alantra Corporate Finance DIFC (“**Alantra**” or the “**Fleet Financial Adviser**”), a formal marketing process was undertaken in respect of sale of the Group’s vessels, leading to subsequent discussions, expressions of interest and reverse enquiries from various parties. Following these discussions and the evaluation of the proposed terms and conditions of each bid, including the recommendation from Alantra, the Company selected MAG Offshore as the preferred bidder for the sale of the Fleet.

- 2.2 Given that the Proposed Disposal, if completed, will constitute a major transaction to the Group, the Company has appointed SAC Capital Private Limited as the corporate financial adviser to assist the Board in its assessment and recommendation to Shareholders in respect of the Proposed Transactions.

3. **THE PROPOSED DISPOSAL**

3.1 **Information on the Fleet**

- 3.1.1 The Fleet supports the Group’s marine logistic services division; in particular, ship charters for the offshore oil and gas as well as marine construction industries predominantly in the Middle East region. In relation to the oil and gas industry, the Group is diversified to provide services supporting across different phases of oil-field life-cycle, *i.e.* the exploration, construction and development, maintenance, production and post-production of offshore oil and gas. Individual details of the Vessels within the Fleet are set out in Appendix A to this announcement.
- 3.1.2 As at the date of this announcement, each Vessel has been leased to a third-party charterer under a time charter (an “**External Charter**”). In order to continue meeting all third-party charterers’ requirements:

- (a) AMG FZE has been appointed under the Ship Management Agreements as the transitional ship manager for each Vessel until the expiry of each External Charter contract, including any exercise option periods to the extension; and
- (b) AMG FZE has entered into the Internal Charters pursuant to which AMG FZE will continue to provide the services/obligations to the relevant third-party charterer under the External Charters.

Further details of the Ship Management Agreements and the Internal Charters are set out in paragraphs 3.3.3 and 3.3.4 of this announcement, respectively.

3.1.3 Based on the Group's audited consolidated financial information for the financial year ended 31 December 2023 ("**FY2023**") and the unaudited consolidated financial information for the six (6)-month financial period ended 30 June 2024 ("**6M2024**"):

- (a) the aggregate net book value of the Fleet is US\$137.62 million (as at 31 December 2023) and US\$162.43 million (as at 30 June 2024), respectively; and
- (b) the aggregate net profit attributable to the Fleet is US\$15.07 million (for FY2023) and US\$21.03 million (for 6M2024), respectively.

Based on the aggregate net book value of the Fleet as at 30 June 2024, the Proposed Disposal is expected to result in a gain on disposal of approximately US\$20.57 million².

3.1.4 For the purposes of the Proposed Disposal, the Company had commissioned two independent valuers, namely Clarkson Valuations Limited ("**Clarksons Valuations**") and Cleghorn Wilton & Associates, Ltd. ("**CWA**"), to carry out market valuations of the Fleet as at 30 June 2024. Based on the independent valuation commissioned by the Company and prepared by Clarksons Valuations and CWA (collectively, the "**Independent Valuers**") in respect of the Fleet, the average aggregate market value of the Fleet as at 30 June 2024 was US\$182.95 million³.

The approximate market value of the Fleet were provided by Clarksons Valuations as at 30 June 2024, on the basis of prompt charterfree delivery and as between a willing Seller and a willing Buyer for cash payment under normal commercial terms. Clarksons Valuations prepared the valuations by collating shipbrokers' price estimates and/or ideas and market knowledge including recent transactions and negotiations where available, then seeking to validate such price estimates and/or ideas, where possible and appropriate, with details held on their database, information in relevant works of reference in their possession and particulars given to them for the valuation. Clarksons Valuations has not physically inspected the Vessels nor inspect their classification records and have assumed that the Vessels were in good and seaworthy condition and would have been delivered free from all debts, registered encumbrances and maritime liens. Clarksons Valuations' valuation is based solely on a

² For the avoidance of doubt, the aggregate net book value of the Fleet as at 30 June 2024 had not taken into account certain mobilisation costs and upgrading expenses which are expected to be incurred prior to the completion of the Proposed Disposal. Had such mobilisation costs and upgrading expenses been incurred and capitalised as at 30 June 2024, the gain on disposal would have been US\$19.17 million.

³ The average aggregate market value of the Fleet was arrived at by obtaining the average of the aggregate market value of the Fleet of US\$199.75 million and US\$166.15 million as determined by Clarksons Valuations and CWA respectively.

subjective opinion of the approximate market value applying the methodology described in this paragraph as at 30 June 2024 only and should not be taken to apply to any other date as market values in the offshore industry can be volatile.

The valuation by CWA has been undertaken on a market value basis in accordance with the International Valuation Standards (2022), which is based on the Fleet's documents dated 30 June 2024 and takes into consideration the Fleet's age, size, type and characteristics and assuming a sale between a willing buyer and a willing seller and has been prepared based on recent transactions and broker's market knowledge. The opinion given by CWA is subject to the relevant Vessel having no existing un-repaired damage to hull, machinery or outfit, which might form part of an average claim. The valuation was based upon charter-free basis, free average, free of liens and encumbrances with valid full-term classification and statutory certificates.

The valuation certificates prepared by the Independent Valuers (the "**Valuation Certificates**") will be available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this announcement. For more details, please refer to paragraph 12 of this announcement.

The Consideration represents a premium of 0.03% to the average aggregate market value of the Fleet.

- 3.1.5 As at the date of this announcement, other than the Fleet, the Group also owns an offshore support vessel (*i.e.*, the jack-up barge named "Delta 22"), which is subject to a call option agreement entered into by the Company and another purchaser. Such call option for the purchaser to acquire Delta 22 at the purchaser's option will expire on 10 February 2025. Further details of the grant of call option for "Delta 22" are set out in the Company's announcement released on 4 March 2022. After the Proposed Disposal, the Group will continue to provide ship management services and will be predominantly an asset-light ship manager as opposed to being ship owner and ship manager. In this regard, the Group will look towards rationalising its marine logistics services ("**MLS**") operations while continuing to operate its ship repair, fabrication and other marine services platform, including exploring business and/or investment opportunities which may arise in the near or medium term.

3.2 Information on MAG Offshore and the Vessel Buyers

The information on MAG Offshore and the Vessel Buyers was provided to the Company by the representatives of MAG Offshore. In respect of such information, the Board has not conducted an independent review or verification of the accuracy and correctness of the statements and information below. The Board's responsibility is limited to the proper extraction and reproduction in the context that is being disclosed in the announcement.

MAG Offshore is a joint venture company incorporated under the laws of the Marshall Islands in 2024. MAG Offshore is in the business of acquiring offshore maritime assets that support the oil & gas industry. MAG Offshore was formed as a strategic partnership amongst an operator of offshore support vessels and marine logistics services providers in the Middle East, an international shipping company and a maritime investor.

Each Vessel Buyer is a wholly-owned subsidiary of MAG Offshore incorporated solely for the purpose of acquiring and owning the Vessels.

3.3 Principal Terms of the Master Delivery Agreement, the MOAs, the Ship Management Agreements and the Internal Charters

3.3.1 Master Delivery Agreement

(a) *Documentation*

- (i) On the date of the Master Delivery Agreement, each of the Vessel Sellers and the Vessel Buyers shall enter into an MOA for the sale of a Vessel for the relevant Purchase Price.
- (ii) Each of the Vessel Buyers who is purchasing a Vessel will be subject to an Internal Charter as at the time the Vessel is delivered under the relevant MOA and AMG FZE shall make reasonable efforts to negotiate, agree and enter into a Ship Management Agreement for the Vessel prior to delivery of the first of such Vessel under the MOA. As at the date of this announcement, AMG FZE and each of the Vessel Buyer have entered into the Ship Management Agreements in respect of the Vessels.
- (iii) AMG FZE shall provide the relevant Vessel Buyer with a budget for operating expenses for each Vessel to be purchased by the Vessel Buyer, for which AMG FZE will be a manager under a Ship Management Agreement within five (5) days after the date of the Master Delivery Agreement.

(b) *Conditions Precedent*

Save for certain provisions of the Master Delivery Agreement (including those in paragraphs 3.3.1(a)(ii) and (iii)), the parties' rights and obligations under the Master Delivery Agreement and under each of the MOAs shall be subject to the satisfaction of the following conditions:

- (i) approval to proceed with the sale and purchase of the Vessels pursuant to the Master Delivery Agreement and the MOAs by the Shareholders via an extraordinary general meeting of the Shareholders having been obtained on terms reasonably satisfactory to the parties to the Master Delivery Agreement;
- (ii) the execution of the Ship Management Agreements by all of the parties to it;
- (iii) the execution of the Internal Charters across all Vessels identified under the Master Delivery Agreement that will be the subject of an Internal Charter and External Charter commencing from delivery of such Vessel to the relevant Vessel Buyer under the relevant MOA up until such time as such Vessel is no longer under the management of AMG FZE (the "**Interim Vessels**"); and
- (iv) the Vessel Buyers confirming to the Company in writing that they have obtained committed bank financing for the sale and purchase of the Vessels pursuant to the Master Delivery Agreement and the MOAs and the entry into of the Ship Management Agreements and Internal Charters by the parties to them (collectively, the "**Master Delivery Agreement Transaction**").

Separately, no party shall be obliged to complete the Master Delivery Agreement Transaction (or any part thereof) to the extent they are prevented from completing the Master Delivery Agreement Transaction (or any part thereof) due to the inability of such party (or any of them) having made best efforts to do so, to obtain any consent or approval required under any applicable laws, regulations and rules for the Master Delivery Agreement Transaction arising after the date of the Master Delivery Agreement (a “**Mandatory Consent**”). To the extent that the Master Delivery Agreement Transaction (or part thereof) is prevented from occurring by 31 October 2024 (or such later date as may be agreed in writing between the parties) due to the failure to obtain a Mandatory Consent then without prejudice to rights accrued due to an antecedent breach of the Master Delivery Agreement, the Vessel Deposit as required under each MOA together with interest earned, shall be released immediately to the relevant Vessel Buyers whereafter each MOA shall be null and void.

(c) *Internal and External Charters*

- (i) An indicative list and key details of all charters that the Vessel Sellers understand to the best of their knowledge to be External Charters as at the time of delivery of the relevant Interim Vessel are set out in schedule 2 of the Master Delivery Agreement.

The Vessel Sellers and AMG FZE warrant that the information set out in schedule 2 of the Master Delivery Agreement is, as at the date of the Master Delivery Agreement, accurate, true and complete in all respects.

- (ii) If the Vessel Sellers or AMG FZE has reason to believe that an Interim Vessel will cease to be an Interim Vessel prior to its delivery under the relevant MOA, they shall within forty-eight (48) hours inform the Vessel Buyers and provide reasonable details thereof. The Vessel Sellers and AMG FZE shall keep the Vessel Buyers promptly informed of all material incidents, occurrences and developments relating to the External Charters.
- (iii) If an Interim Vessel ceases to be an Interim Vessel at any time prior to that Vessel's delivery under the relevant MOA, AMG FZE shall within forty-eight (48) hours inform the Vessel Buyers in writing and the Vessel shall be sold free from charter and the Vessel Buyers' obligation to take delivery of that Vessel under the relevant MOA shall be extended by such period (such period not to exceed thirty (30) days from the date of receipt of notification) as is reasonably required by the relevant Vessel Buyer to arrange management, crewing and appropriate employment for that Vessel as from the date of delivery under the relevant MOA. During such period the Vessel shall remain at the cost and risk of the relevant Vessel Seller.
- (iv) For all Interim Vessels, the Vessel Buyer shall enter into an Internal Charter with AMG FZE on or prior to delivery of that Interim Vessel to the relevant Vessel Buyer under the relevant MOA which is effective as at delivery of the relevant Vessel under the relevant MOA.

- (v) For the avoidance of doubt, the relevant Purchase Price for a Vessel shall not be adjusted with respect to the status of the respective Vessel's charter employment at the date of delivery of such Vessel under the relevant MOA.
- (vi) AMG FZE and Vessel Sellers each undertakes to procure that:
 - (1) after the date of the Master Delivery Agreement, no new charters with a duration which extends past the date of delivery of the relevant Vessel under the relevant MOA are entered into in respect of any of the Vessels without the prior written consent of the relevant Vessel Buyer;
 - (2) no owner's options to extend any External Charter (or any charter for any Vessel which would become an External Charter as a result of the exercising of such option) are exercised without the prior written consent of the relevant Vessel Buyer; and
 - (3) no material amendments, variations or waivers are made under any External Charter without the prior written consent of the relevant Vessel Buyer.
- (vii) To the extent that any of the undertakings in paragraph 3.3.1(c)(vi) in respect of any Vessel have been breached, the relevant Vessel Buyer may refuse to take delivery of such Vessel until and unless it is delivered free from all charters. Such refusal shall not automatically amend or delay the Cancelling Date (as defined herein) under the relevant MOA; however, the Vessel Sellers may avail themselves of the mechanism set out in the relevant MOA to request an extension of such Cancelling Date (as defined herein).

(d) *Company's Guarantee*

The Company unconditionally and irrevocably covenants with the Vessel Buyers as a primary obligation of the Company:

- (i) to procure that the Vessel Sellers shall perform punctually all of their obligations under the Master Delivery Agreement and the MOAs and all ancillary documents mentioned therein or related thereto;
- (ii) that, if and whenever the Vessel Sellers shall be in default in the payment when due of any amount payable under any such agreement, the Company shall immediately on demand pay all amounts then payable by the Vessel Sellers as though the Company, instead of the relevant Vessel Seller, was expressed to be the principal debtor;
- (iii) that if any obligation guaranteed by the Company is or becomes unenforceable, invalid or illegal, it will, as an independent, continuing and primary obligation, pay to the relevant Vessel Buyer immediately on demand an amount equal to any and all direct and reasonable losses and expenses the relevant Vessel Buyer incurs as a result of the Vessel Sellers not paying any amount which would, but for such unenforceability, invalidity or illegality, have

been payable by the Vessel Sellers under any of the Master Delivery Agreement and the MOAs and all ancillary documents mentioned therein or related thereto on the date when it would have been due; and

- (iv) to pay to the Vessel Buyers on demand an amount equal to any and all losses and expenses which they may pay or incur in collecting any amount payable by the Vessel Sellers or the Company in connection with any matter referred to in this paragraph 3.3.1(d) including:
 - (1) the disputing and/or settlement of any claim under this paragraph 3.3.1(d) and any steps taken to avoid and advice sought in connection with any actual, threatened or anticipated claim;
 - (2) any legal proceedings in which any of the Vessel Buyers make a claim under this paragraph 3.3.1(d); and
 - (3) the enforcement of any such settlement or judgment.

3.3.2 MOAs

The following paragraphs set out a summary of the principal terms of each MOA.

(a) *Deposit*

A Vessel Buyer shall lodge a deposit (each, a “**Vessel Deposit**”) equivalent to 10.0% of the Vessel Price with Watson Farley & Williams LLP (as the deposit holder) (the “**Deposit Holder**”) within twelve (12) days after the date that:

- (1) the Master Delivery Agreement, the relevant Ship Management Agreement, the relevant Internal Charter and the MOA, and relevant escrow agreement with the Deposit Holder have been signed by parties to them and exchanged in original or by e-mail or telefax; and
- (2) the Deposit Holder has confirmed in writing to the relevant Vessel Seller and Vessel Buyer that the account has been opened.

The Vessel Deposit shall be released in accordance with joint written instructions of the parties to the MOA. Interest, if any, shall be credited to the Vessel Buyers. Any fee charged for holding and releasing the Vessel Deposit shall be borne equally by the parties to the MOA.

Should the Vessel Deposit not be lodged in accordance with the relevant MOA, the relevant Vessel Seller has the right to cancel the MOA, and it shall be entitled to claim compensation for its losses and for all expenses incurred together with interest. The Company will update Shareholders in the event the Vessel Deposits for Vessel are not lodged in accordance with the relevant MOAs

(b) *Payment*

On delivery of the relevant Vessel and the delivery documentation stipulated under the MOA, but not later than three (3) banking days (i.e., for the purpose of an MOA, such day banks are open both in the country of the currency stipulated for the Purchase Price, the Netherlands, Greece, Singapore and the United Arab Emirates) ("**Banking Days**") after the date the Notice of Readiness (as defined herein) has been given in accordance with the MOA:

- (i) the Vessel Deposit shall be released to the relevant Vessel Seller; and
- (ii) the balance of the relevant Purchase Price for the Vessel and all other sums payable on delivery by the Vessel Buyer to the Vessel Seller under the MOA shall be paid in full free of bank charges to the Vessel Seller's account.

The balance of the Purchase Price and all other sums payable on delivery by the Vessel Buyers to the Vessel Sellers shall be prepositioned with the Deposit Holder no later than one (1) Banking Day prior to the date of delivery of the Vessel and held in accordance with the instructions of the Vessel Buyers and/or their financiers for release upon delivery of the relevant Vessel.

Should the Purchase Price not be paid in accordance with the relevant MOA, the relevant Vessel Seller have the right to cancel the MOA, in which case the Vessel Deposit together with interest earned, if any, shall be released to the Vessel Seller. If the Vessel Deposit does not cover its loss, the Vessel Seller shall be entitled to claim further compensation for its losses and for all expenses incurred together with interest if the relevant Vessel Buyer's failure is due to proven negligence.

(c) *Time and Place of Delivery and Notices*

The relevant Vessel shall be delivered and taken over safely afloat at a safe and accessible berth or anchorage or in international waters where it is at the time of delivery always within international navigating limits and the trading limitations of the relevant External Charter for the Vessel (if any) and excluding any jurisdictions which is the subject of sanctions in the Vessel Seller's option.

When the Vessel is at the place of delivery and physically ready for delivery in accordance with the MOA, the Vessel Seller shall give the Vessel Buyer a written notice of readiness for delivery (a "**Notice of Readiness**"). The Notice of Readiness shall not be tendered before 24 September 2024.

If the Vessel Seller anticipates that the Vessel will not be ready for delivery by 31 October 2024 (the "**Cancelling Date**"), it may notify the Vessel Buyer in writing stating the date when the Vessel Seller anticipates that the Vessel will be ready for delivery and proposing a new Cancelling Date. Upon receipt of such notification, the Vessel Buyer shall have the option of either cancelling the MOA within three (3) Banking Days of receipt of the notice or accepting the new date as the new Cancelling Date.

Cancellation, failure to cancel or acceptance of the new Cancelling Date shall be entirely without prejudice to any claim for damages the Vessel Buyer may have under the MOA for the relevant Vessel not being ready by the original Cancelling Date.

Should a Vessel Seller fail to give Notice of Readiness in accordance with the MOA or fail to be ready to validly complete a legal transfer by the Cancelling Date the relevant Vessel Buyer shall have the option of cancelling the MOA. If after Notice of Readiness has been given but before the Vessel Buyer has taken delivery, the relevant Vessel ceases to be physically ready for delivery and is not made physically ready again by the Cancelling Date and new Notice of Readiness given, the Vessel Buyer shall retain its option to cancel. In the event the Vessel Buyer elects to cancel the MOA, the Vessel Deposit together with interest earned, if any, shall be released to the Vessel Buyer immediately.

Should a Vessel Seller fail to give Notice of Readiness by the Cancelling Date or fail to be ready to validly complete a legal transfer, the Vessel Seller shall make due compensation to the relevant Vessel Buyer in the amount equivalent to 10.0% of the relevant Purchase Price for its loss and for all expenses together with interest if the Vessel Seller's failure is due to proven negligence and whether or not the Vessel Buyer cancels the MOA.

Should the Vessel become an actual, constructive or compromised total loss before delivery, the Vessel Deposit together with interest earned, if any, shall be released immediately to the Vessel Buyer whereafter the MOA shall be null and void.

(d) *Inspection*

Depending on the Vessel, a Vessel Buyer:

- (1) shall have the option at its cost and expense to arrange for an underwater inspection by a diver approved by the classification society named in the MOA prior to the delivery of the relevant Vessel. If, despite the relevant Vessel Seller's best effort, an underwater inspection is not conducted, or if the Vessel Buyer waives its right to underwater inspection, the Vessel Seller shall provide the Vessel Buyer with an undertaking at the time of delivery that the Vessel to the best of the Vessel Seller's knowledge has not touched bottom from the time of the Vessel's last drydocking until the time of delivery; or
- (2) shall take over the relevant Vessels without conducting an underwater inspection, and the relevant Vessel Seller shall provide the Vessel Buyer with an undertaking at the time of delivery that the Vessel to the best of the Vessel Seller's knowledge has not touched bottom from the time of the Vessel's last drydocking until the time of delivery.

(e) *Encumbrances*

Each Vessel Seller warrants that the relevant Vessel, at the time of delivery, is free from all charters (other than the relevant Internal Charter and the relevant External Charter), encumbrances, mortgages, taxes and maritime liens or any other debts whatsoever, and is not subject to port state or other administrative detentions.

(f) *Condition on Delivery*

Each Vessel with everything belonging to her shall be at the relevant Vessel Seller's risk and expense until the Vessel is delivered to the relevant Vessel Buyer, but subject to the terms and conditions of the MOA, the Vessel shall be delivered and taken over where she is at the time of delivery as she was at the time of inspection, fair wear and tear excepted. The Vessel shall be delivered free of cargo and free of stowaways with her class maintained without condition/recommendation, free of average damage affecting the Vessel's class, and with her classification certificates and national certificates, as well as all other certificates the Vessel had at the time of inspection, valid and unextended for a period of at least three (3) months after the date of delivery without condition/recommendation by the relevant classification society or the relevant authorities at the time of delivery.

(g) *Conditions Precedent*

Save for certain provisions of the MOA, the rights and obligations of the parties under the MOA shall be subject to the satisfaction of the conditions precedent set out in paragraph 3.3.1(b) of this announcement or waiver of the same in accordance with the Master Delivery Agreement.

In the event that the aforesaid conditions precedent have not been satisfied or waived in writing by both parties to an MOA on the date falling ten (10) days prior to the Cancelling Date (as may be amended from time to time) either party shall have the right to immediately terminate the MOA by written notice to the other party whereupon, if paid, the Vessel Deposit together with interest earned, if any, shall be released immediately to the Vessel Buyer whereafter the MOA shall be null and void without any further liability to either party.

3.3.3 Ship Management Agreement

The following paragraphs set out a summary of the principal terms of each Ship Management Agreement.

(a) *Management Services*

With effect from the date the ownership of each Vessel is acquired by the relevant Vessel Buyer, such Vessel Buyer (as owner of the relevant Vessel) appoints AMG FZE as the manager of the relevant Vessel in respect of the management services including the following:

- (i) technical management;
- (ii) crew management;
- (iii) commercial management; and
- (iv) insurance arrangements.

(b) *Management Fees, Commission and Operating Expenses*

The Vessel Buyer shall pay to AMG FZE the following management fees, commission and operating expenses:

- (i) in respect of technical management, a fixed daily management fee, pro-rated in connection with the technical management of the relevant Vessel, which shall be payable per calendar month in advance;
- (ii) in respect of commercial management, a commission based of an agreed percentage of the net revenue earned and actually received by the Vessel Buyer pursuant to the Internal Charter. "Net revenue" means all proceeds received by the Vessel Buyer under the Internal Charter less all taxes (including only withholding taxes payable at source) that are incurred or applied on such proceeds or are for the account of the Vessel Buyer or owner in connection with the trading of the Vessel or under the relevant Internal Charter or External Charter (without double counting); and
- (iii) operating expenses for each Vessel, which shall be based on actual operating expenses incurred at cost plus 7.5%.

3.3.4 Internal Charters

To facilitate and ensure the continued performance of the External Charter by AMG FZE in relation to the External Charters, each Vessel under an Internal Charter shall be deemed automatically delivered by the relevant Vessel Buyer as owner to AMG FZE as charterer immediately from the time of the delivery of the Vessel by the Vessel Seller to the Vessel Buyer pursuant to the relevant MOA.

Except to the extent detailed in each Internal Charter, the terms on which AMG FZE takes the Vessel on charter from the relevant Vessel Buyer shall be back-to-back (*mutatis mutandis*) with the terms of the External Charter.

3.4 **Use of proceeds**

The net sale proceeds from the Proposed Disposal, after deducting the key professional costs and expenses, is estimated to be approximately US\$180.75 million (S\$235.66 million⁴) (the "**Net Proceeds**").

Having considered the Group's working capital and operational requirements (including restructuring and streamlining its MLS platform), repayment of debts, and to explore potential investment and/or acquisition opportunities, the balance Net Proceeds, which amounts to approximately US\$120.00 million (S\$156.46 million), will be utilised toward the Proposed Distribution as follows:

- (i) US\$62.00 million (equivalent to approximately S\$80.84 million) shall be distributed to Shareholders pursuant to the Proposed Capital Reduction; and

⁴ In this announcement, unless otherwise stated, conversions of US\$ into S\$ is based on the closing rate of US\$1.00:S\$1.3038 as at 4 September 2024 as extracted from Bloomberg L.P..

- (ii) US\$58.00 million (equivalent to approximately S\$75.62 million) shall be distributed to Shareholders pursuant to the Proposed Special Dividend.

Based on 523,512,144 issued ordinary shares in the capital of the Company (“Shares”) (excluding treasury shares and subsidiary holdings) as at the date of this announcement, the Proposed Distribution represents an aggregate of approximately US\$0.23 (S\$0.30) per Share.

3.5 Relative figures under Chapter 10 of the Catalist Rules

The relative figures for the Proposed Disposal as computed on the bases set out in Rule 1006 of the Catalist Rules and the latest announced unaudited consolidated financial information of the Group for 6M2024 are as follows:

Rule	Basis	%
1006(a)	Net asset value of the Fleet, compared with the Group’s net asset value	133.9 ⁽¹⁾
1006(b)	Net profit attributable to the Fleet, compared with the Group’s net profit	97.5 ⁽²⁾
1006(c)	Aggregate value of the consideration received, compared with the Company’s market capitalisation ⁽³⁾ based on the total number of issued Shares (excluding treasury shares and subsidiary holdings)	137.1 ⁽³⁾
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable ⁽⁵⁾

Notes:

- (1) Based on the net book value of the Fleet of US\$162.43 million compared to the net asset value of the Group of US\$121.31 million as at 30 June 2024.
- (2) Under Rule 1002(3)(b) of the Catalist Rules, "net profits" is defined as profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. The relative figure is computed based on estimated net profits of US\$21.03 million attributable to the Fleet compared to net profits of US\$21.57 million of the Group for 6M2024.

- (3) Based on the Consideration of US\$183.00 million (which is equivalent to approximately S\$238.60 million) and the market capitalisation of the Company of S\$174.07 million. Under Rule 1002(5) of the Catalist Rules, “market capitalisation” is determined by multiplying the number of Shares in issue by the weighted average price of such Shares transacted on the market day preceding the date of the Master Delivery Agreement. Accordingly, the market capitalisation of the Company is based on 523,512,144 Shares in issue (excluding treasury shares and subsidiary holdings) and the weighted average price of S\$0.3325 of the Shares transacted on 4 September 2024 (the “**Last Trading Day**”), being the last market date preceding the date of the Master Delivery Agreement that the Shares were traded on the SGX-ST.
- (4) Rule 1006(d) of the Catalist Rules is not applicable to a disposal of assets.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed on the basis set out in Rules 1006(a), 1006(b) and 1006(c) of the Catalist Rules exceed 50%, the Proposed Disposal is classified as a “major transaction” under Chapter 10 of the Catalist Rules, and pursuant to Rule 1014 of the Catalist Rules, the Proposed Disposal shall be conditional upon the approval of Shareholders in the EGM to be convened by the Company.

In addition, Section 160 of the Companies Act 1967 of Singapore (the “**Companies Act**”) provides that the directors of a company shall not carry into effect any proposals for disposing of the whole or substantially the whole of the company’s undertaking or property unless those proposals have been approved by the company in general meeting. As the Proposed Disposal represents a substantial part of the business and undertaking of the Company, the Company is also required under Section 160 of the Companies Act to obtain the approval of the Shareholders for the Proposed Disposal.

A circular containing further information on the Proposed Disposal, the Proposed Distribution and the EGM will be despatched to Shareholders in due course (the “**Circular**”).

4. THE PROPOSED DISTRIBUTION

4.1 Details of the Proposed Capital Reduction

As at the date of this announcement, the Company has an issued share capital of approximately US\$111.47 million comprising 523,512,144 Shares. The Company has no treasury shares or subsidiary holdings as at the date of this announcement.

Subject to the conditions set out in paragraph 4.5 below, the Company proposes to carry out the Proposed Capital Reduction pursuant to Section 78A read with Section 78C of the Companies Act.

The Proposed Capital Reduction will be effected by:

- (i) reducing the issued and paid-up share capital of the Company by the amount of US\$62.00 million (equivalent to approximately S\$80.84 million); and

- (ii) returning to all Shareholders equally, the aggregate amount of US\$62.00 million (equivalent to approximately S\$80.84 million, being the surplus of the Net Proceeds in excess of the Group's needs, by way of a cash distribution of approximately S\$0.15 per Share held by a Shareholder as at the record date to be announced by the Company (the "**Proposed Cash Distribution**").

The aggregate amount to be paid to each Shareholder pursuant to the Proposed Capital Reduction and the Proposed Cash Distribution will be based on the shareholding of each Shareholder as at the record date to be announced by the Company, and will be adjusted by rounding down any fractions of a cent to the nearest cent, where applicable.

The Proposed Capital Reduction will not result in any change in the number of Shares held by any Shareholder. Each Shareholder will hold the same number of Shares before and immediately after the Proposed Capital Reduction.

4.2 Details of the Proposed Special Dividend

Subject to the conditions set out in paragraph 4.5 below (including the completion of the Proposed Disposal), the Company also proposes to distribute a one-tier tax-exempt special interim dividend of approximately S\$0.14 per Share, which amounts to an aggregate US\$58.00 million (equivalent to approximately S\$75.62 million) based on 523,512,144 Shares as at the date of this announcement.

4.3 Funds for the Proposed Distribution

The Proposed Distribution will be funded from the Net Proceeds from the Proposed Disposal and internal resources of the Company.

4.4 Solvency Statement for the Proposed Capital Reduction

In determining the Proposed Cash Distribution to Shareholders, the Board will be required to ensure that the Company will have retained sufficient capital to support its existing operations and pay its debts.

Pursuant to this and in compliance with the provisions of Section 78C of the Companies Act, the Directors will each make a solvency statement ("**Solvency Statement**") confirming that:

- (a) as regards the Company's situation at the date of the Solvency Statement, there is no ground on which the Company could be found to be unable to pay its debts;
- (b) the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the Solvency Statement; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the Proposed Capital Reduction, become less than the value of its liabilities (including contingent liabilities).

Copies of the Solvency Statements will be made available for inspection at the EGM, as well as at the registered office of the Company for a period of six (6) weeks beginning with the date of the EGM.

4.5 Conditions for the Proposed Distribution

The Proposed Distribution comprising the Proposed Capital Reduction and Proposed Special Dividend is conditional upon the completion of the Proposed Disposal and approval of Shareholders at the EGM. The Proposed Capital Reduction requires approval by way of a special resolution (i.e., at least 75.0% of the voting shares of those Shareholders present and voting), whereas the Proposed Special Dividend requires approval by way of an ordinary resolution (i.e., more than 50.0% of the voting shares of those Shareholders present and voting), each to be passed at the EGM.

Additionally, the Proposed Capital Reduction is subject to, *inter alia*:

- (a) the Directors making the Solvency Statement in relation to the Proposed Capital Reduction and compliance with other relevant solvency requirements as required by the Companies Act;
- (b) compliance with the relevant publicity requirements as prescribed in the Companies Act;
- (c) no application having been made for the cancellation of the Shareholders' resolution approving the Proposed Capital Reduction by any creditor of the Company within the timeframe prescribed in the Companies Act, or if such application was made, the withdrawal or dismissal thereof by the judicial authorities; and
- (d) the Company after the end of six (6) weeks (but before the end of eight (8) weeks) beginning with the date on which the Proposed Capital Reduction was approved by the Shareholders, lodging with the Accounting and Corporate Regulatory Authority of Singapore:
 - (i) a statement made by the Directors confirming that the requirements under Section 78C(1)(c) and Section 78C(3) (if applicable) of the Companies Act have been complied with, and that no application for cancellation of the resolution has been made; and
 - (ii) a notice containing the Proposed Capital Reduction information.

The Company will make an immediate announcement to update Shareholders if any of the conditions for the Proposed Distribution as set out in this paragraph is not met.

The Circular containing further information on the Proposed Distribution, the Proposed Disposal and the EGM will be despatched to Shareholders in due course.

5. RATIONALE FOR THE PROPOSED TRANSACTIONS

5.1 Rationale for the Proposed Disposal

5.1.1 Realisation of Value

The Proposed Disposal represents a reasonable option for the Company to realise the value of its Fleet and allows Shareholders to unlock the value of their shares through the Proposed Distribution.

The aggregate consideration of US\$183.0 million for the Fleet:

- (a) is US\$20.57 million higher than the aggregate net book value of the Fleet of US\$162.43 million as at 30 June 2024;
- (b) represents a premium of 0.03% to the aggregate average market value of the Fleet of US\$182.95 million as carried out by the Independent Valuers; and
- (c) translates to an unaudited pro forma net assets value (“NAV”) of US\$141.88 million (or S\$184.98 million) as at 30 June 2024, being US\$0.27 per Share or S\$0.35 per Share⁵, which represents a premium of 5.5% to the closing price of S\$0.335 per Share on the Last Trading Day.

Additionally, the average daily trading volume of the Shares for the 12-, 6-, 3- and 1-month periods prior to and including the Last Trading Day were approximately 88,000, 144,000, 126,000 and 101,000, respectively. The Board has also considered that the trading liquidity of the Shares have been relatively low for the aforementioned periods and thus, there could be practical difficulties for Shareholders to realise the value of their Shares in full by selling in the open market, in the absence of the Proposal Transactions. Therefore, the Proposal Disposal (and subsequent through the Proposed Distribution) enables Shareholders to realise value for their Shares, compared to the realisation of value through potential future appreciation of the Shares, which may or may not materialise (see paragraph 5.1.2 below for further details).

As at the date of this announcement, the Board has also not received any alternative or unsolicited offers for the potential acquisition of the Fleet and/or the Shares from any other parties.

5.1.2 Mitigation of Market Risks

In connection with its appointment, the Fleet Financial Adviser had presented and advised the Company of, *inter alia*, the following observations:

⁵ Derived based on the NAV of the Group as at 30 June 2024, the net gain in disposal, and the total number of outstanding Shares of 523,512,144 as at the date of this announcement. The unaudited pro forma NAV per Share is illustrative and is not intended to represent the distribution per Share to be received by Shareholders arising from the Proposed Disposal. Please refer to Appendix B to this announcement for the details of the pro forma financial effects.

- (a) the Clarksons Offshore Index (“**COI**”), which tracks rig, offshore support vessel and subsea day rates, rose by 27.0% in 2023 to a multi-year high of 106 points and projections suggest the COI will reach all-time highs in 2024;⁶
- (b) the majority of the other shipping markets, and especially those linked to offshore (such as the tanker market), are also factoring in higher asset prices, which in turns suggest that such markets may be nearing its peak cycle; and
- (c) in a cyclical industry such as the shipping industry, to be able to procure tangible interest from potential buyers, it would be prudent to move towards monetisation of the Group’s assets ahead of a potential market peak.

As at the date of this announcement, the COI, as shown on Clarksons Research Services Limited’s Offshore Intelligence Network website (<https://www.clarksons.net/oin/>), has further risen to 122.4 points.

Separately, while the current offshore market sentiments have been positive, as announced by the Company in its results announcement for 6M2024, the market environment is also expected to be impacted by the global economy facing headwinds, including slowing growth, volatility in oil prices as well as the heightened uncertainties arising from the conflict in the Middle East.

The market price of the Shares is also subject to a number of factors, including the performance of the Fleet, availability of financing, trading liquidity of the Shares, and prevailing interest rates and economic conditions in the Middle East region.

Therefore, the realisation of value in the Fleet through the Proposed Disposal and subsequent the Proposed Distribution will enable the value in the Fleet to be realised without any further exposure of the Shares to potential market risks.

5.2 Rationale for the Proposed Distribution

The Proposed Distribution will comprise the Proposed Capital Reduction (including the Proposed Cash Distribution) and the Proposed Special Dividend. Accordingly, the Proposed Distribution represents an aggregate distribution of US\$0.23 (S\$0.30) per Share, which represents about approximately 89.6% of the closing price of S\$0.335 per Share on the Last Trading Day.

The Board is of the view that the Proposed Distribution is in the interests of the Company under the current circumstances as it would return to Shareholders, the part of the Net Proceeds in excess of the immediate requirements of the Company, whilst maintaining sufficient flexibility to position itself to take advantage of business and/or investment opportunities which may arise in the near or medium term.

The Proposed Capital Reduction and the Proposed Special Dividend will result in the Shareholders realising their investment in cash which may not be readily available through the

⁶ As reported in World Oil’s article titled “Clarksons Research: Offshore oil and gas vessel market rates approaching all-time high in 2024” (<https://www.worldoil.com/news/2024/1/11/clarksons-research-offshore-oil-and-gas-vessel-market-rates-approaching-all-time-high-in-2024>).

open market sale of the Shares given the limited free float and low trading volume of the Shares, while retaining their Shares in the Company.

Further details of the use of proceeds from the Proposed Disposal are as set out in paragraph 3.4 of this announcement.

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL AND PROPOSED DISTRIBUTION

The pro forma financial effects of the Proposed Disposal and the Proposed Distribution are set out in the Appendix B to this announcement. The pro forma financial effects are for illustration purposes only and may not reflect the actual financial position of the Group after the Proposed Disposal and the Proposed Distribution.

7. SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transactions and there are no service contracts arising from the Proposed Transactions.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the date of this announcement:

- (a) Saeed Investment Pte. Ltd. ("**Saeed**"), a substantial and controlling Shareholder of the Company, indirectly holds 262,918,394 Shares representing 50.22% of the total issued share capital of the Company;
- (b) Mr Kum Soh Har, Michael (the Group's Non-Executive Non-Independent Chairman) and his spouse, Mdm Ong Bee Yong, Lynda, are deemed interested in the 262,918,394 Shares held by Saeed by virtue of Section 7 of the Companies Act;
- (c) Mr Wong Siew Cheong, Bill (the Group's Executive Director and Chief Executive Officer) ("**Mr Wong**") is interested in an aggregate 199,974,000 Shares, representing 38.20% of the total issued share capital of the Company, comprising his direct interest in 166,599,000 Shares, and deemed interest in 33,375,000 Shares held by his spouse, Mdm Chong Mee Chin; and
- (d) Mdm Chong Mee Chin, a substantial Shareholder and spouse of Mr Wong, holds 33,375,000 Shares, representing 6.38% of the total issued share capital of the Company.

Save as disclosed in this paragraph 8, none of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Transactions other than by reason only of being a Director of the Company or a Shareholder.

9. DESPATCH OF CIRCULAR

The Circular containing, *inter alia*, further information on the Proposed Transactions and the EGM will be despatched to Shareholders in due course.

10. CAUTION IN TRADING

Shareholders are advised to exercise caution when dealing in the Company's securities as the Proposed Transactions are subject to certain conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Transactions will be completed. 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. When in any doubt, Shareholders are advised to seek independent advice from their stockbroker, bank manager, accountant, solicitor or any other professional adviser.

11. RESPONSIBILITY STATEMENT

The Directors 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 Transactions and the Group, 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 taken 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.

12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Master Delivery Agreement, the MOAs, the Ship Management Agreements, the Internal Charters and the Valuation Certificates are available for inspection during normal business hours at the registered office of the Company at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 for three (3) months from the date of this announcement.

By Order of the Board

Wong Siew Cheong, Bill

Executive Director and Chief Executive Officer

9 September 2024

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

APPENDIX A – DETAILS OF THE FLEET

IMO No.	Vessel Name	Owner of Vessel (Vessel Sellers)	Buyer of Vessel (Vessel Buyers)	Type	Year Built / Re-purposed	Purchase Price (US\$) ¹	Book Value as at 30 June 2024 (US\$'000) ²	Market Value as at 30 June 2024 (US\$'000) ³	
								Clarksons Valuations	CWA
9774654	AOS Maintainer I	Atlantic Offshore Inc.	MAG Maintainer I Holdings LLC	Jack-Up Accommodation Barge	2015	43,000,000	41,000	50,000	41,500
9734903	AOS Glory	Pacific International Offshore Inc.	MAG Glory Holdings LLC	Multi-purpose Platform Supply Vessel	2024	16,000,000 ⁴	9,364	19,000	9,500
9746853	Atlantic Capella	Oasis Marine Inc.	MAG Capella Holdings LLC	Accommodation Work Boat	2016	15,500,000 ⁵	13,697	11,500	14,000
9754513	Vega Egypt 1	Atlantic Oceana Inc.	MAG Jupiter Holdings LLC	Platform Supply Vessel	2017	15,000,000	9,675	17,500	11,000
9783629	AOS Neptune	Lift-Offshore Inc.	MAG Neptune Holdings LLC	Platform Supply Vessel	2015	14,000,000	12,446	16,500	12,800
9701762	AOS Victory	Atlantic Offshore Services Inc.	MAG Victory Holdings LLC	Anchor Handling Tug Supply Vessel	2014	11,000,000	10,968	9,500	11,100
9818486	AOS Sapphire	ATNAV Maritime Inc.	MAG Sapphire Holdings LLC	Shallow Draft Anchor Handling Tug Supply Vessel	2018	7,600,000	7,555	6,250	7,650
9818474	AOS Emerald	ATNAV Inc.	MAG Emerald Holdings LLC	Shallow Draft Anchor Handling Tug Supply Vessel	2018	7,300,000	7,275	6,250	7,350
9818462	AOS Vision	ATNAV Nautical Inc.	MAG Vision Holdings LLC	Maintenance Utility Vessel	2018	5,250,000	5,212	5,750	5,300
9748928	Team Clio	Crossworld Marine Services Inc.	MAG Clio Holdings LLC	Maintenance Utility Vessel	2019	5,200,000	5,200	6,500	5,250
9818448	AOS Valor	ATNAV International Inc.	MAG Valor Holdings LLC	Maintenance Utility Vessel	2018	5,100,000	5,082	5,750	5,150
9647837	AOS Power	Pacific International Offshore Inc.	MAG Power Holdings LLC	Anchor Handling Tug	2012	5,050,000	5,000	5,250	5,050

APPENDIX A – DETAILS OF THE FLEET

IMO No.	Vessel Name	Owner of Vessel (Vessel Sellers)	Buyer of Vessel (Vessel Buyers)	Type	Year Built / Re-purposed	Purchase Price (US\$) ¹	Book Value as at 30 June 2024 (US\$'000) ²	Market Value as at 30 June 2024 (US\$'000) ³	
								Clarksons Valuations	CWA
9818436	AOS Valiant	ATNAV Offshore Inc.	MAG Valiant Holdings LLC	Maintenance Utility Vessel	2018	4,900,000	4,856	5,750	4,950
9818450	AOS Venture	ATNAV Oceanic Inc.	MAG Venture Holdings LLC	Maintenance Utility Vessel	2018	4,900,000	4,870	5,750	4,950
9818424	AOS Eagle	ATNAV Marine Inc.	MAG Eagle Holdings LLC	Work Utility Vessel	2018	4,800,000	4,759	5,750	4,850
9592630	AOS Handler	BIMAR Offshore Inc.	MAG Handler Holdings LLC	Anchor Handling Tug Supply Vessel	2010	4,400,000 ⁶	3,500	4,500	3,550
9561136	Discovery	Oasis Marine Inc.	MAG Discovery Holdings LLC	Dive Support Vessel	2010	3,900,000	2,232	5,500	2,300
9543237	AOS Provider	Atlantic Oceana Inc	MAG Provider Holdings LLC	Anchor Handling Tug Supply Vessel	2010	3,550,000	3,500	4,500	3,550
9592642	AOS Hauler	BIMAR Offshore Inc.	MAG Hauler Holdings LLC	Anchor Handling Tug Supply Vessel	2010	3,550,000	3,500	4,500	3,550
9772656	AOS Swift	Atlantic Offshore Services Inc.	MAG Swift Holdings LLC	Crew Boat	2015	3,000,000	2,742	3,750	2,800

Notes:

- (1) Based on the Vessel Price and the related mobilisation costs and upgrading expenses for the Vessels “AOS Glory”, “Atlantic Capella” and “AOS Handler”.
- (2) Based on the unaudited consolidated financial information of the Group for 6M2024.
- (3) The approximate market value of the Vessels were provided by Clarksons Valuations as at 30 June 2024, on the basis of prompt charterfree delivery and as between a willing Seller and a willing Buyer for cash payment under normal commercial terms. Clarksons Valuations prepared the valuations by collating shipbrokers' price estimates and/or ideas and market knowledge including recent transactions and negotiations where available, then seeking to validate such price estimates and/or ideas, where possible and appropriate, with details held on their database, information in relevant works of reference in their possession and particulars given to them for the valuation. Clarksons Valuations has not physically inspected the Vessels nor inspect their classification records and have assumed that the Vessels were in good and seaworthy condition and would have been delivered free from all debts, registered encumbrances and maritime liens. Clarksons Valuations' valuation is based solely on a subjective opinion of the approximate market value applying the methodology described in this paragraph as at 30 June 2024 only and should not be taken to apply to any other date as market values in the offshore industry can be volatile.

APPENDIX A – DETAILS OF THE FLEET

The valuation by CWA has been undertaken on a market value basis in accordance with the International Valuation Standards (2022), which is based on the Vessels' documents dated 30 June 2024 and takes into consideration the Vessels' age, size, type and characteristics and assuming a sale between a willing buyer and a willing seller and has been prepared based on recent transactions and broker's market knowledge. The opinion given by CWA is subject to the relevant Vessel having no existing un-repaired damage to hull, machinery or outfit, which might form part of an average claim. The valuation was based upon charter-free basis, free average, free of liens and encumbrances with valid full-term classification and statutory certificates.

- (4) Includes mobilisation costs of US\$500,000 payable on delivery of the Vessel "AOS Glory".
- (5) Includes mobilisation costs of US\$1,600,000 payable on delivery of the Vessel "Atlantic Capella".
- (6) Includes mobilisation costs of US\$900,000 payable on delivery of the Vessel "AOS Handler".

APPENDIX B – FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL AND THE PROPOSED DISTRIBUTION

(1) Assumptions

The pro forma financial effects of the Proposed Disposal and the Proposed Distribution are purely for illustrative purposes. The pro forma financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2023, being the most recently completed financial year, and the unaudited consolidated financial statements of the Group for 6M2024, and on the following key bases and assumptions:

- (a) for the purposes of illustrating the financial effects on the NAV per Share and the net tangible asset (“**NTA**”) per Share of the Group, it is assumed that the Proposed Disposal and the Proposed Distribution had been completed on 31 December 2023 and 30 June 2024, respectively;
- (b) the NAV per Share and the NTA per Share is computed based on the 523,512,144 Shares in issue (excluding treasury shares and subsidiary holdings) as at 31 December 2023 and 30 June 2024, respectively, and the earnings per share (“**EPS**”) of the Group is computed based on the weighted average number of 523,512,144 Shares in issue for FY2023 and 6M2024;
- (c) for the purposes of illustrating the financial effects of the Proposed Disposal and the Proposed Distribution on the EPS of the Group for FY2023 and 6M2024, it is assumed that the Proposed Disposal and the Proposed Distribution had been completed on 1 January 2023 and 1 January 2024, respectively; and
- (d) save for the key professional costs and expenses, the computation does not take into account any other expenses that may be incurred in relation to the Proposed Disposal and/or the Proposed Distribution.

(2) Share Capital of the Company

AS AT 31 DECEMBER 2023 AND AS AT 30 JUNE 2024

	Before the Proposed Disposal and Proposed Distribution	After the Proposed Disposal and before Proposed Distribution	After the Proposed Disposal and Proposed Distribution ⁽¹⁾
No. of Shares	523,512,144	523,512,144	523,512,144
Share capital (US\$'000)	111,471	111,471	49,471

APPENDIX B – FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL AND THE PROPOSED DISTRIBUTION

(3) NAV

	<u>AS AT 31 DECEMBER 2023</u>			<u>AS AT 30 JUNE 2024</u>		
	Before the Proposed Disposal and Proposed Distribution	After the Proposed Disposal and before Proposed Distribution	After the Proposed Disposal and Proposed Distribution⁽¹⁾	Before the Proposed Disposal and Proposed Distribution	After the Proposed Disposal and before Proposed Distribution	After the Proposed Disposal and Proposed Distribution⁽¹⁾
NAV attributable to Shareholders (US\$'000)	99,804	142,936 ⁽²⁾	22,936	121,312	139,630 ⁽²⁾	19,630
NAV per Share (US cents)	19.06	27.30	4.38	23.17	26.67	3.75

(4) NTA

	<u>AS AT 31 DECEMBER 2023</u>			<u>AS AT 30 JUNE 2024</u>		
	Before the Proposed Disposal and Proposed Distribution	After the Proposed Disposal and before Proposed Distribution	After the Proposed Disposal and Proposed Distribution⁽¹⁾	Before the Proposed Disposal and Proposed Distribution	After the Proposed Disposal and before Proposed Distribution	After the Proposed Disposal and Proposed Distribution⁽¹⁾
NTA Attributable to Shareholders (US\$'000)	99,798	142,930 ⁽²⁾	22,930	121,306	139,624 ⁽²⁾	19,624
NTA per Share (US cents)	19.06	27.30	4.38	23.17	26.67	3.75

APPENDIX B – FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL AND THE PROPOSED DISTRIBUTION

(5) EPS

	<u>FY2023</u>			<u>6M2024</u>		
	Before the Proposed Disposal and Proposed Distribution	After the Proposed Disposal and before Proposed Distribution	After the Proposed Disposal and Proposed Distribution ⁽¹⁾	Before the Proposed Disposal and Proposed Distribution	After the Proposed Disposal and before Proposed Distribution	After the Proposed Disposal and Proposed Distribution ⁽¹⁾
Earnings attributable to Shareholders (US\$'000)	18,113	46,174	46,174	21,546	18,836	18,836
Earnings per Share (US cents)	3.46	8.82	8.82	4.12	3.60	3.60

Notes:

- (1) The effect of the Proposed Disposal and Proposed Distribution on the paid-up capital of the Company, NAV, NTA and EPS of the Group takes into account the Proposed Cash Distribution of approximately US\$62.00 million (S\$80.84 million) and the Proposed Special Dividend of US\$58.00 million (S\$75.62 million).
- (2) As at 31 December 2023, the NAV and NTA attributable to Shareholders did not consist of the net book value of the Vessel “Atlantic Capella” as it was only acquired in February 2024, and the Vessel “AOS Glory” was under construction as at 31 December 2023. Assuming that the ascribed value of the Vessels “Atlantic Capella” and “AOS Glory” had been excluded from the Consideration, both the NAV and NTA attributable to Shareholders after the Proposed Disposal and before Proposed Distribution would have been US\$112.49 million with a NAV per Share and NTA per Share of 21.49 US cents. The NAV and NTA attributable to Shareholders after the Proposed Disposal and Proposed Distribution would not have been meaningful as the Proposed Distribution was arrived at based on the Consideration.