



ATLANTIC NAVIGATION HOLDINGS (SINGAPORE) LIMITED

(Company Registration No. 200411055E)

RESPONSES TO QUERIES RAISED BY THE SINGAPORE EXCHANGE REGULATION

The Board of Directors (the “**Board**”) of Atlantic Navigation Holdings (Singapore) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 13 August 2021 (the “**Announcement**”) on its unaudited condensed interim consolidated financial statements for the six months ended 30 June 2021 and wishes to provide its responses to the following queries raised by the Singapore Exchange Regulation Pte. Ltd. (“**SGX RegCo**”) on 20 August 2021, as follows:

SGX RegCo’s Queries	Company’s Responses
<p>1. It is disclosed in the P/L that impairment of PPE was US\$8.0m for 1HFY2021.</p> <p>In para 2.2(b)(ii), it was stated that 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. 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.</p> <p>Please disclose the following information:</p> <p>(i) Whether any valuation was conducted; and if so, the basis and date of such valuation, the valuer;</p> <p>(ii) Please elaborate on how the recoverable amount and the impairment loss amount is determined;</p> <p>(iii) The Board’s confirmation as to whether it is satisfied with the reasonableness of the methodologies used to</p>	<p>(i) For 2QFY2021 financial results, vessel valuation across the entire fleet of vessels was conducted by Cleghorn, Wilton & Associates, Ltd. (the “Valuer”), established in the UAE in 1979 and it has been the Group’s valuer since its inception. The date of the valuation is 30 June 2021.</p> <p>(ii) The Group engages the Valuer which provides valuations for a view of the market value, having taken into consideration mainly the vessel’s age, size, type and characteristics, based on a sale between a willing buyer and a willing seller and its own professional knowledge. Such valuation as determined being the market value is deemed as the recoverable amount, and the impairment is determined as the difference between the recoverable amount and the book value as at 30 June 2021.</p> <p>(iii) The Board confirms that it is satisfied with the reasonableness of the methodologies used to determine the amount of impairment.</p> <p>(iv) Please see above responses to part (i) and (ii) on how the impairment was determined and the main factors taken into consideration.</p>

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<p>determine amount of impairment; and</p> <p>(iv) Please elaborate on the reasons for the impairment loss.</p>																																																																																					
<p>2. The Group recorded current trade receivables of US\$8.6m. Please disclose the following:</p> <p>(i) Aging of the Group's trade receivables;</p> <p>(ii) The Company's plans to recover the trade receivables and what are the actions taken to recover them;</p> <p>(iii) Whether the receivables are due from major customer(s) and whether the Company continues to transact with these customer(s);</p> <p>(iv) The Board's opinion on the reasonableness of the methodologies used to determine the value of the impairment of the trade and other receivables; and</p> <p>(v) The Board's assessment of the recoverability of the remaining trade and other receivables.</p>	<p>(i) Aging schedules of the Group's trade receivables are set out below:</p> <p style="text-align: right;">30 June 2021 US\$'000</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Trade receivables (Gross)¹</td> <td style="text-align: right;">8,359</td> </tr> <tr> <td>Unbilled receivables</td> <td style="text-align: right;">131</td> </tr> <tr> <td>Retention receivable²</td> <td style="text-align: right;">1,963</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">10,453</td> </tr> <tr> <td>Provision for impairment, cumulative*</td> <td style="text-align: right;">(1,841)*</td> </tr> <tr> <td>Net receivables</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">8,612</td> </tr> </table> <p>Notes:</p> <p><i>1. Aging of Trade Receivables</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center;">Aging past due</th> <th style="text-align: center;">Gross</th> <th style="text-align: center;">Provision for impairment</th> <th style="text-align: center;">Net</th> <th colspan="2" style="text-align: center;">Collection to-date</th> </tr> <tr> <th style="text-align: center;">US\$'000</th> <th style="text-align: center;">US\$'000</th> <th style="text-align: center;">US\$'000</th> <th style="text-align: center;">US\$'000</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Current / Not Due</td> <td style="text-align: right;">3,066</td> <td style="text-align: center;">-</td> <td style="text-align: right;">3,066</td> <td style="text-align: right;">1,052</td> <td style="text-align: right;">34%</td> </tr> <tr> <td style="text-align: center;">1 - 30 days</td> <td style="text-align: right;">2,198</td> <td style="text-align: center;">-</td> <td style="text-align: right;">2,198</td> <td style="text-align: right;">2,006</td> <td style="text-align: right;">91%</td> </tr> <tr> <td style="text-align: center;">31 - 60 days</td> <td style="text-align: right;">732</td> <td style="text-align: center;">-</td> <td style="text-align: right;">732</td> <td style="text-align: right;">704</td> <td style="text-align: right;">96%</td> </tr> <tr> <td style="text-align: center;">60 - 90 days</td> <td style="text-align: right;">75</td> <td style="text-align: center;">-</td> <td style="text-align: right;">75</td> <td style="text-align: right;">39</td> <td style="text-align: right;">52%</td> </tr> <tr> <td style="text-align: center;">91-150 days</td> <td style="text-align: right;">46</td> <td style="text-align: right;">(25)</td> <td style="text-align: right;">21</td> <td style="text-align: right;">9</td> <td style="text-align: right;">43%</td> </tr> <tr> <td style="text-align: center;">> 150 days</td> <td style="text-align: right;">2,242</td> <td style="text-align: right;">(1,816)</td> <td style="text-align: right;">426</td> <td style="text-align: right;">426</td> <td style="text-align: right;">100%</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">8,359</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">(1,841)*</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">6,518</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">4,236</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">65%</td> </tr> </tbody> </table> <p>* There was no additional provision for impairment during 1HFY2021. Please refer to Note 19, Page 84 of Annual Report 2020 for details.</p> <p><i>2. Aging of Retention Receivables</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center;">Aging past due</th> <th style="text-align: center;">Gross</th> <th colspan="2" style="text-align: center;">Collection to-date</th> </tr> <tr> <th style="text-align: center;">US\$'000</th> <th style="text-align: center;">US\$'000</th> <th style="text-align: center;">%</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Current / Not Due</td> <td style="text-align: right;">664</td> <td style="text-align: center;">-</td> <td style="text-align: center;">NA</td> </tr> <tr> <td style="text-align: center;">> 90 days</td> <td style="text-align: right;">1,299</td> <td style="text-align: right;">1,299</td> <td style="text-align: right;">100%</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,963</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,299</td> <td></td> </tr> </tbody> </table> <p>(ii) The Group engages and maintains close working relationships with its customers where the majority of them are vessel-chartering customers with on-going relationships and contracts. To-date, as shown in the tables above, the majority of the due payments had been paid. Please also see responses to 2(iii) below.</p>	Trade receivables (Gross) ¹	8,359	Unbilled receivables	131	Retention receivable ²	1,963		10,453	Provision for impairment, cumulative*	(1,841)*	Net receivables	8,612	Aging past due	Gross	Provision for impairment	Net	Collection to-date		US\$'000	US\$'000	US\$'000	US\$'000	%	Current / Not Due	3,066	-	3,066	1,052	34%	1 - 30 days	2,198	-	2,198	2,006	91%	31 - 60 days	732	-	732	704	96%	60 - 90 days	75	-	75	39	52%	91-150 days	46	(25)	21	9	43%	> 150 days	2,242	(1,816)	426	426	100%	Total	8,359	(1,841)*	6,518	4,236	65%	Aging past due	Gross	Collection to-date		US\$'000	US\$'000	%	Current / Not Due	664	-	NA	> 90 days	1,299	1,299	100%	Total	1,963	1,299	
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	<p>(iii) Approximately 86% of the aging past due are related to 5 major customers, out of which approximately 79% of these past due have already been paid to-date.</p> <p>These major customers are vessel-chartering customers which the Group has been working for a long period of time and are mainly national oil companies and reputable international contractors with established presence in the Middle East. Over the past years, there have been no impairments related to these customers.</p> <p>On the basis above, the Company intends to continue to transact with these customers.</p> <p>(iv) On the advice of the management, the Board is of the opinion that the methodologies used to determine the value impairment of trade receivables as disclosed on Note 2.2(b)(iii) of the Announcement are reasonable. There was no additional provision for impairment of trade and other receivables for 1HFY2021.</p> <p>(v) On the advice of the management, the Board expects the trade and other receivables, net of provision for ECL as per Note 2.2(b)(iii) of the Announcement to be recoverable as at 30 June 2021.</p>

By Order of the Board

Wong Siew Cheong
Executive Director and Chief Executive Officer

23 August 2021

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

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