



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

(Company Registration No. 200411055E)

### **Results for the Financial Period Ended 30 September 2015**

#### **Unaudited Financial Statements and Dividend Announcement**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

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Third Quarter Financial Statement Announcement as on 30 September 2015

Part I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3) ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended			9 months ended		
	30/9/2015 ("3Q2015")	30/9/2014 ("3Q2014")	Increase/ (Decrease) %	30/9/2015 ("9M2015")	30/9/2014 ("9M2014")	Increase/ (Decrease) %
<b>(US\$'000)</b>						
<b>Revenue</b>	13,015	11,667	11.6	38,719	35,265	9.8
Cost of services	(7,024)	(6,609)	6.3	(21,223)	(20,296)	4.6
<b>Gross profit</b>	5,991	5,058	18.4	17,496	14,969	16.9
Finance income	3	2	50.0	10	8	25.0
Other income	5	4	25.0	12	17	(29.4)
<b>Other items of expense</b>						
Marketing and distribution expenses	(73)	(82)	(11.0)	(123)	(213)	(42.3)
Administrative expenses	(1,708)	(1,379)	23.9	(4,430)	(3,739)	18.5
Finance costs	(294)	(407)	(27.8)	(944)	(1,228)	(23.1)
Non operating expense	-	(373)	N.M.	(368)	(373)	(1.3)
<b>Profit before tax</b>	3,924	2,823	39.0	11,653	9,441	23.4
Income tax expense	-	-	-	-	-	-
<b>Profit for the period attributable to owners of the Company</b>	3,924	2,823	39.0	11,653	9,441	23.4
<b>Other comprehensive income</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Gain on fair value changes in derivatives	-	-	-	-	206	N.M.
<b>Total comprehensive income for the period attributable to owners of the Company</b>	3,924	2,823	39.0	11,653	9,647	20.8

N.M.: not meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

	3 months ended			9 months ended		
	30/9/2015 ("3Q2015")	30/9/2014 ("3Q2014")	Increase/ (Decrease) %	30/9/2015 ("9M2015")	30/9/2014 ("9M2014")	Increase/ (Decrease) %
<b>(US\$'000)</b>						
<b>Profit for the period is stated after (charging)/crediting:</b>						
Depreciation of property, vessels and equipment	(1,343)	(1,214)	10.6	(3,926)	(3,528)	11.3
Gain / (Loss) on disposal of property, vessels and equipment	2	(290)	N.M.	2	(309)	N.M.
Impairment loss on property, vessels and equipment	(23)	-	N.M.	(23)	-	N.M.
Grant of equity-settled share options to employees	(20)	(158)	(86.7)	(74)	(158)	(53.2)
Write-off of prepaid dry-docking and marine insurance expenses relating to disposed vessel	-	(83)	N.M.	-	(83)	N.M.
Provision for unauthorised withdrawal of funds	-	-	N.M.	(368)	-	N.M.
Loss on de-recognition of derivatives	-	-	N.M.	-	(24)	N.M.

N.M.: not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

**Statement of Financial Position**

	<b>Group</b>		<b>Company</b>	
	Unaudited As at 30/9/2015	Audited As at 31/12/2014	Unaudited As at 30/9/2015	Audited As at 31/12/2014
<b>(US\$'000)</b>				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, vessels and equipment	108,746	100,021	-	-
Intangible assets	141	-	141	-
Investment in subsidiaries	-	-	66,741	66,741
Investment in an associate	448	-	448	-
Prepayments	52	120	-	-
	<u>109,387</u>	<u>100,141</u>	<u>67,330</u>	<u>66,741</u>
<b>Current assets</b>				
Inventories	107	69	-	-
Vessels held for sale	719	-	-	-
Trade and other receivables	15,970	13,283	23,978	28,183
Prepayments	457	227	3	-
Cash and cash equivalents	5,128	6,054	579	491
Bank deposits pledged	1,079	2,044	-	1,042
	<u>23,460</u>	<u>21,677</u>	<u>24,560</u>	<u>29,716</u>
<b>Total assets</b>	<u>132,847</u>	<u>121,818</u>	<u>91,890</u>	<u>96,457</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	7,195	5,407	23	142
Other liabilities	2,916	2,941	94	42
Loans and borrowings	16,362	15,505	12,125	12,125
	<u>26,473</u>	<u>23,853</u>	<u>12,242</u>	<u>12,309</u>
<b>Net current (liabilities)/assets</b>	<u>(3,013)</u>	<u>(2,176)</u>	<u>12,318</u>	<u>17,407</u>
<b>Non-current liabilities</b>				
Provisions	430	352	-	-
Loans and borrowings	12,306	14,132	6,344	9,063
	<u>12,736</u>	<u>14,484</u>	<u>6,344</u>	<u>9,063</u>
<b>Total liabilities</b>	<u>39,209</u>	<u>38,337</u>	<u>18,586</u>	<u>21,372</u>
<b>Net assets</b>	<u>93,638</u>	<u>83,481</u>	<u>73,304</u>	<u>75,085</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	12,370	12,370	85,534	85,534
Other reserves	550	476	291	217
Retained earnings/(accumulated losses)	80,718	70,635	(12,521)	(10,666)
<b>Total equity</b>	<u>93,638</u>	<u>83,481</u>	<u>73,304</u>	<u>75,085</u>
<b>Total equity and liabilities</b>	<u>132,847</u>	<u>121,818</u>	<u>91,890</u>	<u>96,457</u>

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

	As at		As at	
	30/9/2015		31/12/2014	
(US\$'000)	Secured	Unsecured	Secured	Unsecured
(a) Amount repayable in one year or less, or on demand	16,362	-	15,505	-
(b) Amount repayable after one year	12,306	-	14,132	-
<b>Total borrowing and securities</b>	<b>28,668</b>	<b>-</b>	<b>29,637</b>	<b>-</b>

The above credit facilities are secured by one or several of

- (i) Mortgage over certain vessels;
- (ii) Assignment of earnings/charter proceeds, insurances and requisition compensation of mortgaged vessels;
- (iii) Assignment of all rights, titles and interests of mortgaged vessels' charters;
- (iv) Bank deposits pledged in a retention account; and
- (v) Financial covenant which requires the Group to maintain Tangible Net Worth of at least US\$50 million.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>Statement of Cash Flows</b>	<b>9 months end</b>	
	<b>30/9/2015</b>	<b>30/9/2014</b>
<b>(US\$'000)</b>		
<b>Operating activities</b>		
Profit before tax	11,653	9,441
<b>Adjustments for:</b>		
(Gain) / Loss on disposal of property, vessels and equipment	(2)	309
Interest income	(10)	(8)
Depreciation of property, vessels and equipment	3,926	3,528
Write-off of prepaid dry-docking and marine insurance expenses relating to disposed vessel	-	83
Share of results of an associate	53	-
Finance costs	944	1,228
Provisions	114	71
Impairment loss on property, vessels and equipment	23	-
Grant of equity-settled share options to employees	74	158
<b>Operating cash flows before changes in working capital</b>	<b>16,775</b>	<b>14,810</b>
(Increase) / decrease in inventories	(38)	161
Increase in vessels held for sale	(719)	-
(Increase) / decrease in trade and other receivables	(2,687)	2,201
Increase in prepayments	(162)	(55)
Increase in trade and other payables	1,751	2,085
Decrease in other liabilities	(24)	(1,853)
<b>Cash flows from operations</b>	<b>14,896</b>	<b>17,349</b>
Interest received	10	8
Interest paid	(944)	(1,228)
<b>Net cash flows from operating activities</b>	<b>13,962</b>	<b>16,129</b>
<b>Investing activities</b>		
Purchase of property, vessels and equipment	(12,714)	(22,271)
Proceeds from disposal of property, vessels and equipment	42	1,037
Investment in an associate	(500)	-
Addition to intangible assets	(141)	-
<b>Net cash flows used in investing activities</b>	<b>(13,313)</b>	<b>(21,234)</b>
<b>Financing activities</b>		
Dividends on ordinary shares	(1,570)	(1,462)
Proceeds from loans and borrowings	7,784	17,000
Repayment of loans and borrowings	(8,754)	(13,250)
Decrease in bank deposits pledged	965	897
<b>Net cash flows (used in) / generated from financing activities</b>	<b>(1,575)</b>	<b>3,185</b>
Net decrease in cash and cash equivalents	(926)	(1,920)
Cash and cash equivalents at beginning of the period	6,054	7,285
<b>Cash and cash equivalents at end of the period</b>	<b>5,128</b>	<b>5,365</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Changes in Equity**

Group	Equity, total		Share capital		Other reserves			Retained earnings
	US\$'000	US\$'000	Hedging	Share Option	Merger	Total		
			US\$'000	US\$'000	US\$'000	US\$'000		
<b>Balance at 1 January 2015</b>	<b>83,481</b>	<b>12,370</b>	-	217	259	476	<b>70,635</b>	
Profit for the period, representing total comprehensive income for the period	4,386	-	-	-	-	-	4,386	
Grant of equity-settled share options to employees	33	-	-	33	-	33	-	
<b>Balance at 31 March 2015</b>	<b>87,900</b>	<b>12,370</b>	-	250	259	509	<b>75,021</b>	
Profit for the period, representing total comprehensive income for the period	3,343	-	-	-	-	-	3,343	
Dividends on ordinary shares	(1,570)	-	-	-	-	-	(1,570)	
Grant of equity-settled share options to employees	21	-	-	21	-	21	-	
<b>Balance at 30 June 2015</b>	<b>89,694</b>	<b>12,370</b>	-	271	259	530	<b>76,794</b>	
Profit for the period, representing total comprehensive income for the period	3,924	-	-	-	-	-	3,924	
Grant of equity-settled share options to employees	20	-	-	20	-	20	-	
<b>Balance at 30 September 2015</b>	<b>93,638</b>	<b>12,370</b>	-	291	259	550	<b>80,718</b>	

Group	Equity, total		Share capital		Other reserves			Retained earnings
	US\$'000	US\$'000	Hedging	Share Option	Merger	Total		
			US\$'000	US\$'000	US\$'000	US\$'000		
<b>Balance at 1 January 2014</b>	<b>71,131</b>	<b>12,370</b>	(206)	-	259	53	<b>58,708</b>	
Profit for the period	3,033	-	-	-	-	-	3,033	
Gain on fair value changes in derivatives	50	-	50	-	-	50	-	
Total comprehensive income for the period	3,083	-	50	-	-	50	3,033	
<b>Balance at 31 March 2014</b>	<b>74,214</b>	<b>12,370</b>	(156)	-	259	103	<b>61,741</b>	
Profit for the period, representing total comprehensive income for the period	3,585	-	-	-	-	-	3,585	
Dividends on ordinary shares	(1,462)	-	-	-	-	-	(1,462)	
Gain on fair value changes in derivatives	156	-	156	-	-	156	-	
<b>Balance at 30 June 2014</b>	<b>76,493</b>	<b>12,370</b>	-	-	259	259	<b>63,864</b>	
Profit for the period	2,823	-	-	-	-	-	2,823	
Gain on fair value changes in derivatives	158	-	-	158	-	158	-	
Total comprehensive income for the period	2,981	-	-	158	-	158	2,823	
<b>Balance at 30 September 2014</b>	<b>79,474</b>	<b>12,370</b>	-	158	259	417	<b>66,687</b>	

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statement of Changes in Equity**

Company	Equity, total	Share capital	Share Option reserve	Accumulated losses
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 January 2015</b>	<b>75,085</b>	<b>85,534</b>	<b>217</b>	<b>(10,666)</b>
Loss for the period, representing total comprehensive income for the period	(110)	-	-	(110)
Grant of equity-settled share options to employees	33	-	33	-
<b>Balance at 31 March 2015</b>	<b>75,008</b>	<b>85,534</b>	<b>250</b>	<b>(10,776)</b>
Loss for the period, representing total comprehensive income for the period	(86)	-	-	(86)
Dividends on ordinary shares	(1,570)	-	-	(1,570)
Grant of equity-settled share options to employees	21	-	21	-
<b>Balance at 30 June 2015</b>	<b>73,373</b>	<b>85,534</b>	<b>271</b>	<b>(12,432)</b>
Loss for the period, representing total comprehensive income for the period	(89)	-	-	(89)
Grant of equity-settled share options to employees	20	-	20	-
<b>Balance at 30 September 2015</b>	<b>73,304</b>	<b>85,534</b>	<b>291</b>	<b>(12,521)</b>

Company	Equity, total	Share capital	Share Option reserve	Accumulated losses
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Balance at 1 January 2014</b>	<b>74,856</b>	<b>85,534</b>	<b>-</b>	<b>(10,678)</b>
Profit for the period, representing total comprehensive income for the period	1,932	-	-	1,932
<b>Balance at 31 March 2014</b>	<b>76,788</b>	<b>85,534</b>	<b>-</b>	<b>(8,746)</b>
Loss for the period, representing total comprehensive income for the period	(91)	-	-	(91)
Dividends on ordinary shares	(1,462)	-	-	(1,462)
<b>Balance at 30 June 2014</b>	<b>75,235</b>	<b>85,534</b>	<b>-</b>	<b>(10,299)</b>
Loss for the period, representing total comprehensive income for the period	(53)	-	-	(53)
Grant of equity-settled share options to employees	158	-	158	-
<b>Balance at 30 September 2014</b>	<b>75,340</b>	<b>85,534</b>	<b>158</b>	<b>(10,352)</b>

**1 (d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Company	Number of ordinary shares	Share capital (US\$'000)
As at 30 June 2015	260,593,750	85,534
As at 30 September 2015	260,593,750	85,534

During the 3-month period ended 30 September 2015, there were no changes in the issued and paid-up share capital of the Company.

As at 30 September 2015, the total number of share options outstanding was 4,800,000 (30 September 2014: 4,050,000).

On 30 January 2014, the Company granted 4,050,000 share options pursuant to the Atlantic 2008 Employee Share Option Scheme ("Atlantic 2008 ESOS"). 2,025,000 share options are exercisable between 30 January 2015 and 29 January 2019, and the remaining 2,025,000 share options are exercisable between 30 January 2016 and 29 January 2019, at the exercise price of S\$0.34 if the vesting conditions are met. On 12 May 2015, the Company granted 750,000 share options pursuant to the Atlantic 2015 Employee Share Option Scheme ("Atlantic 2015 ESOS"). 375,000 share options are exercisable between 12 May 2016 and 11 May 2021, and the remaining 375,000 share options are exercisable between 12 May 2017 and 11 May 2021, at the exercise price of S\$0.43 if the vesting conditions are met.

Save as disclosed, there were no other outstanding convertibles or treasury shares as at 30 September 2015 and 30 September 2014.

**1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at	
	30/9/2015	31/12/2014
Total number of issued shares excluding treasury shares	260,593,750	260,593,750

There were no treasury shares as at 30 September 2015 and 31 December 2014.

**1 (d)(iv) A statement showing all the sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the year ended 31 December 2014, as well as the applicable Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2015. The adoption of these new and revised FRSs has no material effect on the results announcement for the current financial period.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to item 4 above.



**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	3 months ended		9 months ended	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
Earnings per ordinary share ("EPS") for the period based on net profit attributable to owners of the Company (US\$ cents)				
Basic EPS	1.51	1.08	4.47	3.62
Diluted EPS	1.48	1.07	4.40	3.57
Weighted average number of ordinary shares on issue applicable to basic EPS	260,593,750	260,593,750	260,593,750	260,593,750
Weighted average number of ordinary shares on issue applicable to diluted EPS	265,033,860	264,213,530	265,033,860	264,213,530

For the purpose of calculating the diluted EPS, net profit attributable to owners of the Company and the weighted average number of ordinary shares in issue are adjusted for the dilutive effects of potential ordinary share issues. The Company has one category of potential dilutive ordinary shares, which are the share options as at 30 September 2015 and 30 September 2014.

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

	Group as at		Company as at	
	30/9/2015	31/12/2014	30/9/2015	31/12/2014
Net asset value per ordinary share (US\$ cents)	35.93	32.03	28.13	28.81

The net asset values per ordinary share of the Company and the Group as at 30 September 2015 and 31 December 2014 were calculated based on 260,593,750 issued shares (excluding treasury shares) as at 30 September 2015 and 31 December 2014.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) Review of results of operations

(i) Revenue by business segments

	3 months ended			9 months ended		
	30/9/2015 ("3Q2015")	30/9/2014 ("3Q2014")	Increase/ (Decrease) %	30/9/2015 ("9M2015")	30/9/2014 ("9M2014")	Increase/ (Decrease) %
<b>(US\$'000)</b>						
Marine logistics services	12,284	11,101	10.7	36,639	33,032	10.9
Ship repair, fabrication and other marine services	731	566	29.2	2,080	2,233	(6.8)
	<u>13,015</u>	<u>11,667</u>	<u>11.6</u>	<u>38,719</u>	<u>35,265</u>	<u>9.8</u>

The Group's revenue for marine logistics services business for 3Q2015 increased by US\$1.2 million or 10.7% compared to 3Q2014. The increase in revenue was mainly attributable to (a) an increase in chartering revenue of US\$1.6 million or 16.9%, from US\$8.0 million in 3Q2014 to US\$9.6 million in 3Q2015, mainly contributed by a new vessel and two jointly-operated vessels added to the fleet in 3Q2015; and (b) partially offset by a decrease in revenue from cross charter of US\$0.4 million or 14.6%, from US\$3.1 million in 3Q2014 to US\$2.7 million in 3Q2015.

The Group's revenue for the ship repair, fabrication and other marine services business for 3Q2015 increased by US\$0.2 million or 29.2% compared to 3Q2014, mainly due to higher level of repairs undertaken on third party vessels.

(ii) Gross profit and gross profit margin

	3 months ended			9 months ended		
	30/9/2015 ("3Q2015")	30/9/2014 ("3Q2014")	Increase/ (Decrease) %	30/9/2015 ("9M2015")	30/9/2014 ("9M2014")	Increase/ (Decrease) %
<b>(US\$'000)</b>						
<b>Gross profit</b>						
Marine logistics services	5,647	4,802	17.6	16,424	14,164	16.0
Ship repair, fabrication and other marine services	344	256	34.4	1,072	805	33.2
	<u>5,991</u>	<u>5,058</u>	<u>18.5</u>	<u>17,496</u>	<u>14,969</u>	<u>16.9</u>

	3 months ended		9 months ended	
	30/9/2015 ("3Q2015")	30/9/2014 ("3Q2014")	30/9/2015 ("9M2015")	30/9/2014 ("9M2014")
<b>Gross profit margin</b>				
Marine logistics services	46.0%	43.3%	44.8%	42.9%
Ship repair, fabrication and other marine services	47.1%	45.2%	51.5%	36.1%
	<u>46.0%</u>	<u>43.4%</u>	<u>45.2%</u>	<u>42.4%</u>

Gross profit for the marine logistics services business for 3Q2015 increased by US\$0.8 million or 17.6% compared to 3Q2014, mainly due to an increase in chartering revenue on the back of a decline in cost of services resulting from the Group's cost control and management program. Gross profit margin improved to 46.0% for 3Q2015 as compared to 43.3% for 3Q2014.

Gross profit for the ship repair, fabrication and other marine services business for 3Q2015 increased by US\$0.1 million or 34.4% compared to 3Q2014 as a result of higher level of repair undertaken on third party vessels. Gross profit margin improved to 47.1% for 3Q2015 as compared to 45.2% for 3Q2014.

(iii) Marketing and distribution expenses

Marketing and distribution expenses in 3Q2015 comprised mainly travel, consultancy and exhibition expenses.

**(iv) Administrative expenses**

Administrative expenses for 3Q2015 increased by US\$0.3 million or 23.9% as compared to 3Q2014. This was substantially due to an increase in staff salary and quarterly provisions made for services and other contractual obligations charged or accrued for FY2015 in 3Q2015 as compared to yearly provisions made in end FY2014 for such services or obligations in FY2014.

**(v) Finance costs**

Finance costs for 3Q2015 decreased by 27.8% as compared to 3Q2014 due to lower level of borrowings.

**(vi) Profit before tax**

Profit before tax for 3Q2015 increased by US\$1.1 million or 39.0% from US\$2.8 million in 3Q2014 to US\$3.9 million in 3Q2015. This was mainly due to higher gross profit, decline in finance cost and adoption of cost control and management program.

**(b) Review of financial position**

**(i) Non-current assets**

Non-current assets increased by US\$9.3 million, from US\$100.1 million as at 31 December 2014 to US\$109.4 million as at 30 September 2015. This was primarily due to (a) additions of US\$12.7 million of new vessels and capital-work-progress relating to new vessels; (b) investment in an associate of US\$0.4 million; and (c) new intangible assets of US\$0.1 million, partially offset by depreciation charge of US\$3.9 million..

**(ii) Current assets**

Current assets increased by US\$1.8 million, from US\$21.7 million as at 31 December 2014 to US\$23.5 million as at 30 September 2015. This was mainly due to an increase in trade and other receivables of US\$2.7 million, vessels held for sale of US\$0.7 million and prepayments of US\$0.2 million, partially offset by decrease in cash and cash equivalent of US\$0.9 million and bank deposits pledged of US\$1.0 million. The increase in trade and other receivables by US\$2.7 million was due to incremental business from the Group's new vessels as well as new charters for the Group's owned fleet and cross charter and the credit terms extended thereof for these charter parties. The decrease in bank deposits pledged was due to the use of such bank deposits for repayment of instalment of principal amount of existing loans upon the approval of the relevant principal bank.

**(iii) Non-current liabilities**

Non-current liabilities decreased by US\$1.7 million, from US\$14.5 million as at 31 December 2014 to US\$12.7 million as at 30 September 2015. This was mainly due to repayment of term loans and borrowings of US\$5.3 million, partially offset by a new secured loan of US\$4.3 million (of which US\$3.4 million is the non-current portion).

**(iv) Current liabilities**

Current liabilities increased by US\$2.6 million, from US\$23.9 million as at 31 December 2014 to US\$26.5 million as at 30 September 2015, primarily due to an increase in trade and other payables by US\$1.8 million, and an increase in loans and borrowings by US\$0.9 million.

**(v) Net current liabilities**

The Group is in net current liabilities position as at 30 September 2015 due to increased utilisation of banking facilities and internal resources to fund the acquisition of US\$12.7 million of vessels and equipments during 3Q2015. However, the Group has sufficient standby credit facilities to meet its working capital requirement.

**(c) Liquidity and capital resources**

**(i) Net cash flow generated from operating activities**

Net cash flows from operating activities amounted to US\$14.0 million in 9M2015. This was mainly due to operating cash flows before changes in working capital of US\$16.8 million and an increase in trade and other payables of US\$1.8 million, partially offset by an increase in trade and other receivables of US\$2.7 million, increase in vessels held for sale of US\$0.7 million, increase in prepayments of US\$0.2 million .

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

Net cash flows used in investing activities amounted to US\$13.3 million in 9M2015. This was mainly due to (i) purchase of property, vessels and equipment of US\$12.7 million, of which US\$4.0 million was for the purchase of new vessel and US\$7.8 million was for new vessels under construction; and (ii) investment in an associate of US\$0.5 million.

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

Net cash flows used in financing activities of US\$1.6 million in 9M2015 was a result of repayment of loans and borrowings of US\$8.8 million, payment of dividends to shareholders of US\$1.6 million, partially offset by new loans and borrowings of US\$7.8 million and decrease of US\$1.0 million in bank deposits pledged.

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

Not applicable.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group continues to be cautious with its fleet upgrade and expansion program given the existing uncertainties in the oil and gas sector caused by oil price slide, and acquisition of new operating assets are made on the back of firm or high probability of securing long term charter(s) from its clients. The Group will continue to review specific opportunities within its core market in the Middle East where offshore energy and production levels are being maintained, as well as within the Group's targeted new markets in Malaysia and West Africa.

The Group has purchased a new vessel in August 2015 for a total cost over US\$4.0 million (inclusive of mobilisation costs) and had deployed it instantly with a Norwegian oil and gas company on a long term charter. This vessel has increased the size of the Group's operating fleet to 17. The Group had also signed a contract for the acquisition of a new self-elevating unit (liftboat) which is expected to be delivered in December 2015. The new acquisitions are expected to be funded through bank loans, for which new banking facilities had been extended to and accepted by the Group, and also internal resources.

As part of fleet upgrading and expansion program, the Group has existing contracts with shipbuilders for construction of 3 new vessels, including (i) a 90-meter self-elevating unit for US\$56 million, (ii) a 75-meter platform supply vessel both expected to be delivered by end of 2015; and (iii) a self-propelled self-elevating liftboat expected to be delivered in April 2016.

With the existing uncertainties in the oil and gas sector due to lower oil prices, the Group's business risk management processes had been heightened to focus on (i) maintenance of its high vessels utilisation rates, and (ii) controlling and managing its operational cost to mitigate against any material deterioration in charter fees resulting for volatilities in the sector.

**11 Dividend**

Not applicable.

**12 If no dividend has been declared/(recommended), a statement to that effect.**

No dividend has been declared or recommended.

**13 Interested Person Transactions**

Name of Interested Person	Aggregate value of all interested person transactions entered into during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a)) US\$' 000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)  US\$' 000
N/A	-	-

There was no interested person transaction entered into by the Group with value of more than S\$100,000 during 3Q2015.

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

**14 Negative confirmation by the Board pursuant to Rule 705(5)**

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited interim financial results for the financial period ended 30 September 2015 to be false or misleading in any material aspect.

**15 Issuer to confirm that it has procured undertaking from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1).**

The Board of Directors confirms that, they have procured undertaking from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1).

BY ORDER OF THE BOARD

Wong Siew Cheong

Executive Chairman and Chief Executive Officer

12 November 2015