

ATLANTIC NAVIGATION HOLDINGS (SINGAPORE) LIMITED

(Incorporated in Singapore)

(Company Registration No. 200411055E)

SECOND SUPPLEMENTAL AGREEMENT TO THE LOAN AGREEMENT

1. INTRODUCTION

The board of directors (the “**Board**”) of Atlantic Navigation Holdings (Singapore) Limited (the “**Company**”) refers to the Company’s announcement on 6 January 2016 in relation to, *inter alia*, the execution of a convertible loan agreement between the Company and SCF-VIII, L.P. for the issuance of the convertible loan and the grant of the option and the right of first refusal to subscribe for new ordinary shares in the capital of the Company (“**Loan Agreement**”) and the Company’s announcement on 10 February 2016 in relation to the execution of a supplemental agreement (“**First Supplemental Agreement**”) to the Loan Agreement (collectively, the “**Announcements**”). Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Announcements.

The Board wishes to announce that the Company and SCF had, on 4 January 2017, entered into a second supplemental agreement (“**Second Supplemental Agreement**”) to further amend, revise and vary the terms of the Loan Agreement (as amended by the First Supplemental Agreement).

The Board wishes to further announce that concurrently with the execution of the Second Supplemental Agreement, Mr. Wong Siew Cheong had, on 4 January 2017, entered into a termination deed with SCF, pursuant to which the parties thereto had agreed to terminate the BW Option Deed and the BW Option with effect from 31 December 2016.

2. REVISED TERMS OF THE LOAN AGREEMENT

2.1 The salient amendments made pursuant to the Second Supplemental Agreement are set out below:

	<i>Terms under the Loan Agreement and First Supplemental Agreement</i>	<i>Revised Terms under the Second Supplemental Agreement</i>
<i>Maturity Date</i>	The later of (i) 31 December 2016; and (ii) the date falling ten (10) business days after the date on which the last of the Compulsory Conditions Precedent has been satisfied in accordance with the Loan Agreement.	(a) 3 January 2019, where no Conversion Notice has been issued prior to such date; and (b) the date falling ten (10) business days after the date on which the last of the Compulsory Conditions Precedent has been satisfied, where a Conversion Notice has been issued prior to 3 January 2019.

	<i>Terms under the Loan Agreement and First Supplemental Agreement</i>	<i>Revised Terms under the Second Supplemental Agreement</i>
<i>Prepayment</i>	<p>The Company may, at any time after 30 June 2016 and subject to either: (a) the satisfaction or waiver of the Compulsory Conditions Precedent in accordance with the Loan Agreement; or (b) it being determined that any one of the Compulsory Conditions Precedent has become unable or incapable of being satisfied, prepay all (and not a portion) of the principal amount of the Loan and all interest accrued and unpaid thereupon up to and including the Prepayment Date (as defined below). The Company shall exercise such right of prepayment by delivering a written notice ("Prepayment Notice") to SCF not less than twenty-eight (28) days prior to the date the Company intends to make such prepayment which must be a business day ("Prepayment Date"), such Prepayment Notice to set out the Prepayment Date, the outstanding amount of the Loan and all interest thereon accruing up to and including the Prepayment Date ("Prepayment Amount").</p>	<p>The Company may, at any time after 3 January 2018 and subject to either: (a) the satisfaction or waiver of the Compulsory Conditions Precedent in accordance with the Loan Agreement; or (b) it being determined that any one of the Compulsory Conditions Precedent has become unable or incapable of being satisfied, prepay all (and not a portion) of the principal amount of Loan and all Interest accrued and unpaid thereupon up to and including the Prepayment Date (as defined below). The Company shall exercise such right of prepayment by delivering a written notice ("Prepayment Notice") to SCF not less than twenty-eight (28) days prior to the date the Company intends to make such prepayment which must be a business day ("Prepayment Date"), such Prepayment Notice to set out the Prepayment Date, the outstanding amount of the Loan and all Interest thereon accruing up to and including the Prepayment Date ("Prepayment Amount").</p> <p>"Interest" is defined as Cash Interest (as defined below) and PIK Interest (as defined below).</p>
<i>Interest</i>	<p>Interest at a rate of eight per cent (8%) per annum ("Interest") shall be payable on the disbursed and outstanding principal amount of the Loan. Interest shall be calculated on the basis of actual days elapsed on a 360 days year and shall be payable in cash by the Company quarterly in arrears. Each interest period shall be one (1) month. The first interest period for the Loan shall start on the Disbursement Date and each subsequent interest period for the Loan shall start on the last day of its preceding interest period.</p>	<p>Interest at a rate of:</p> <p>(a) five per cent (5%) per annum ("Cash Interest") shall be payable on the aggregate of: (i) the disbursed and outstanding principal amount of the Loan; and (ii) the Accrued PIK Interest. Cash Interest shall be calculated on the basis of actual days elapsed on a 360 days year and shall be payable in cash by the Company quarterly in arrears; and</p> <p>(b) ten per cent (10%) per annum ("PIK Interest") shall accrue on the aggregate of: (i) the disbursed and outstanding principal amount of the Loan; and (ii) the Accrued PIK Interest. PIK Interest shall be calculated on the basis of actual days elapsed on a 360 days year and shall accrue quarterly and accumulate unpaid by the Company (the "Accrued PIK Interest"), pending: (i) the Prepayment</p>

	Terms under the Loan Agreement and First Supplemental Agreement	Revised Terms under the Second Supplemental Agreement
		<p>Date or the Maturity Date, when the Accrued PIK Interest shall be paid in cash with the repayment of the Loan; or (ii) SCF electing to convert part or all of the Accrued PIK Interest into Conversion Shares.</p> <p>With respect to both Cash Interest and PIK Interest, each interest period shall be one (1) month. The first interest period for the Loan shall start on 4 January 2017 and each subsequent interest period for the Loan shall start on the last day of its preceding interest period.</p>
<i>Conversion of Loan</i>	<p>The outstanding Loan (and not any part thereof or any interest thereon) may be converted at the option of SCF from time to time, into Conversion Shares by delivery to the Company of a conversion notice (in the form set out in the Loan Agreement) (the “Conversion Notice”) signed by SCF at any time after the Disbursement Date up until the date later of: (i) 31 December 2016; and (ii) the date falling five (5) business days after the date on which the last of the Compulsory Conditions Precedent has been finalized (“Conversion Expiry Date”).</p> <p>Subject to the terms and conditions of the Loan Agreement, the Loan shall be converted into Conversion Shares in accordance with the following formula:</p> <p style="text-align: center;">CS = L / Conversion Price</p> <p>Where:</p> <p>“CS” shall mean the number of Conversion Shares to be issued, round up to the nearest one (1) Share.</p> <p>“L” shall mean the principal sum of the Loan which remains outstanding as at the date SCF issues a Conversion Notice to the Company (“Conversion Date”).</p> <p>“Conversion Price” shall mean US\$0.31, subject to such adjustment set out in the</p>	<p>Any part of the full outstanding Loan and Accrued PIK Interest (but not, for the avoidance of doubt, any unpaid Cash Interest) (together, the “Converted Balance”) may be converted from time to time into Conversion Shares by delivery to the Company of a Conversion Notice signed by SCF at any time after the Disbursement Date up until the Conversion Expiry Date.</p> <p>The Converted Balance shall be converted into Conversion Shares in accordance with the following formula:</p> <p style="text-align: center;">CS = L / Conversion Price</p> <p>Where:</p> <p>“CS” shall mean the number of Conversion Shares to be issued, rounded up to the nearest one (1) Share;</p> <p>“L” shall mean the aggregate of (i) the principal sum of the Loan; and (ii) the Accrued PIK Interest, that remains outstanding as at the Conversion Date; and</p> <p>“Conversion Price” shall mean:</p> <p>(a) US\$0.20 per share, subject to such adjustment as set out in the Loan Agreement; and</p> <p>(b) any Reference Conversion Price,</p>

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	Loan Agreement.	<p>subject to such adjustment as set out in the Loan Agreement, or such other price as agreed in writing between SCF and the Company. For the avoidance of doubt, no Reference Conversion Price shall apply retrospectively to any part of the Loan and/or the Accrued PIK Interest that has been converted into Conversion Shares prior to such Reference Conversion Price taking effect.</p> <p>“Reference Conversion Price” means the lowest price per share at which the Company issues any shares in the capital of the Company to any party, following the date of the Second Supplemental Agreement and prior to the conversion, expiry or earlier termination of the Loan Agreement, where such share issue is not otherwise the result of a Permitted Share Issue.</p> <p>“Permitted Share Issue” means the issue of ROFR Shares to SCF or the issue of any shares that would otherwise have qualified as ROFR Shares (but no other shares), that SCF has declined to accept, to any third party.</p>
<i>Right of first refusal</i>	<p>In the event the Company shall, at any time during the ROFR Period, require further funding for any purpose as approved by the Board to be raised through the issue of new Shares, the Company shall give notice in writing to SCF setting out the amount of funding required (the “Required Funding”) and offering SCF the first right to subscribe for such number of ROFR Shares computed in accordance with the following formula:</p> <p style="text-align: center;">Number of ROFR Shares = X / ROFR Subscription Price (i.e., US\$0.31)</p> <p>“X” means the sum of “Y – A”.</p> <p>“Y” means the Required Funding as set out in the ROFR Offer.</p> <p>“A” means “Y - Z” and where the sum of the foregoing is a negative figure, “A” shall mean “0”.</p>	<p>In the event the Company shall, from time to time prior to the Maturity Date, require further funding for any purpose and such funding is proposed to be raised through an issue or series of issues of new Shares (other than certain excluded issue), where any such issue or issues involve a subscription or offer price of less than US\$0.20 per Share (“Discounted Shares”), the Company shall give a notice in writing to SCF setting out the amount of funding required (“Required Funding”) and the proposed subscription price per Discounted Share (the “ROFR Subscription Price”) and offering SCF the right of first refusal to subscribe for such number of Discounted Shares (“ROFR Shares”) computed in accordance with the following formula (“ROFR Offer”):</p> <p style="text-align: center;">No. of ROFR Shares = X / ROFR Subscription Price</p>

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	<p>“Z” means US\$8.5 million less the aggregate amount of Required Funding comprised in the ROFR Offers made prior to the date of the present ROFR Offer.</p>	<p>“X” means the LOWER of (i) Y and (ii) Z.</p> <p>“Y” means the Required Funding as set out in the ROFR Offer.</p> <p>“Z” means US\$4.0 million less the aggregate amount of Required Funding comprised in ROFR Offers made prior to the date of the present ROFR Offer.</p>
<i>Option</i>	<p>SCF is granted the Option which is exercisable from the Disbursement Date to the date being the later of: (i) 31 December 2016; and (ii) the date falling five (5) business days after the date on which the last of the Conditions Precedent has been satisfied, on the terms and subject to the conditions of the Loan Agreement. The total number of Option Shares to be issued upon the exercise of the Option shall be computed in accordance with the following formula, provided that the number of Options Shares to be issued shall be rounded up to the nearest one (1) Share:</p> <p>Number of Option Shares = US\$8,000,000 / Exercise Price (i.e., US\$0.31)</p>	<p>The Option is terminated and consequential amendments to the Loan Agreement have been made to remove references to the Option and other relevant terms.</p>
<i>Deadline for convening EGM</i>	<p>The Company undertakes that it shall, at the earlier of: (a) 28 April 2016; and (b) the date falling 20 business days after SCF issues to the Company a Conversion Notice and an Exercise Notice, convene a general meeting of Shareholders to seek their approval of a resolution to allot and issue the Conversion Shares, Option Shares and ROFR Shares, on and subject to the terms of the Loan Agreement, and obtain all other approvals necessary or expedient in connection with the foregoing under the Listing Manual, the Code and all applicable laws, save that the Whitewash Resolution need only be passed by the Shareholders upon the grant of the Whitewash Waiver (if at all).</p>	<p>The Company undertakes that it shall, by the earlier of:</p> <p>(i) the 24 February 2017 or such later date as may be agreed by the SCF and the Company in writing; and</p> <p>(ii) the date falling 20 business days after SCF issues to the Company a Conversion Notice,</p> <p>(A) convene a general meeting of Shareholders to obtain their approval via the requisite Shareholders resolution to allot and issue the Conversion Shares, on and subject to the terms of the Loan Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement) and in respect of the execution of the Loan Agreement (as amended by the First</p>

	Terms under the Loan Agreement and First Supplemental Agreement	Revised Terms under the Second Supplemental Agreement
		Supplemental Agreement and the Second Supplemental Agreement) and the transactions contemplated thereunder; and (B) obtain all other approvals necessary or expedient (in the opinion of SCF) in connection with the foregoing under the Listing Manual, the Code and all applicable laws.

Except to the extent expressly varied or amended by the provisions of the First Supplemental Agreement and the Second Supplemental Agreement, the terms and conditions of the Loan Agreement shall remain in full force and effect, and shall bind the Company and SCF.

2.2 *Revised Conversion Price*

The Conversion Price of US\$0.20 (or approximately S\$0.29 based on an exchange rate of US\$1: S\$1.4503) represents a premium of approximately 92.1% to the volume-weighted average price of S\$0.151 per Share, for the trades done on the SGX-ST for the full market day on 3 January 2017, being the last traded day prior to the date of signing of the Second Supplemental Agreement.

The Conversion Price remains subject to adjustments under certain circumstances provided for in the Loan Agreement. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issue and certain capital distribution exercise conducted by the Company. Any such adjustments shall (unless otherwise provided under the Section B: Rules of Catalist of the Listing Manual of the SGX-ST from time to time) be announced by the Company.

2.3 *Conversion Shares*

For illustration only, based on the Conversion Price of US\$0.20 and the aggregate amount of Loan and Accrued PIK Interest of US\$15,839,238 as at 3 January 2019, SCF will be allotted and issued 79,196,190 Conversion Shares upon the conversion of the Loan and Accrued PIK Interest. The Conversion Shares represent (i) approximately 30.4% of the Existing Share Capital¹; and (ii) approximately 23.3% of the Enlarged Share Capital² immediately after Conversion Completion.

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

² Enlarged Share Capital refers to the enlarged issued and paid-up share capital of 339,789,940 Shares (excluding treasury shares) immediately after the Conversion Completion, comprising the Existing Share Capital and the Conversion Shares.

3. DOCUMENT FOR INSPECTION

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

By Order of the Board

Wong Siew Cheong
Executive Chairman and Chief Executive Officer

Date: 6 January 2017

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

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. SAC Advisors Private Limited is a wholly-owned subsidiary of SAC Capital Private Limited.