



Atlantic Navigation
Holdings (Singapore) Limited

ATLANTIC NAVIGATION HOLDINGS (SINGAPORE) LIMITED

(Company Registration No. 200411055E)

Condensed Interim Consolidated Financial Statements for the Financial Period Ended 30 June 2024

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

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

	Note	The Group		
		6 months ended 30 June 2024 ("1H2024")	6 months ended 30 June 2023 ("1H2023")	Increase/ (Decrease) %
		US\$'000	US\$'000	
Revenue	4	53,224	43,569	22.2
Cost of services ¹		(31,797)	(27,095)	17.4
Gross profit		21,427	16,474	30.1
Other items of income				
Other income		-	80	N.M.
Gain on liquidation of a joint operation		880	-	N.M.
Reversal of impairment on property, vessel and equipment		6,826	-	N.M.
Other items of expense				
Marketing and distribution expenses		(30)	(60)	(50.0)
Administrative expenses ²		(4,623)	(3,458)	33.7
Finance costs		(2,745)	(2,412)	13.8
Withholding tax expense		(165)	(165)	-
Profit before tax	6	21,570	10,459	>100.0
Income tax expense		(24)	-	N.M.
Profit for the period, attributable to owners of the Company		21,546	10,459	>100.0
Adjusted EBITDA for the period³		22,725	17,867	27.2

(1) Cost of services include depreciation of US\$6,018,000 in 1H2024 (1H2023: US\$4,906,000) relating to vessels as disclosed in Note 6.1.

(2) Administrative expenses include depreciation and amortization of US\$98,000 in 1H2024 (1H2023: US\$90,000) relating to office equipment and other assets respectively as disclosed in Note 6.1.

(3) Adjusted EBITDA is computed based on the profit before tax, finance costs, depreciation, amortization, gain on liquidation of a joint operation and reversal of impairment on property, vessel and equipment.

Consolidated statement of comprehensive income

Profit for the period		21,546	10,459	>100.0
<u>Items that may be reclassified subsequently to profit or loss</u>				
Net fair value changes on cash flow hedges		(38)	125	N.M.
Other comprehensive income for the period, net of tax		(38)	125	N.M.
Total comprehensive income for the period, attributable to owners of the Company		21,508	10,584	>100.0

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

Basic (US\$ cent)	4.12	2.00
Diluted (US\$ cent)	4.12	2.00

N.M.: not meaningful

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		Unaudited	Audited	Unaudited	Audited
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Non-current assets					
Property, vessels and equipment	8	165,617	141,645	-	-
Right-of-use assets		214	252	-	-
Intangible assets		6	6	-	-
Investment in subsidiaries		-	-	67,770	67,770
Advances, deposits and other receivables		-	-	-	5,193
Derivatives	12	97	135	-	-
		<u>165,934</u>	<u>142,038</u>	<u>67,770</u>	<u>72,963</u>
Current assets					
Inventories		152	201	-	-
Advances, deposits and other receivables		1,631	2,647	12,243	6,979
Prepayments		844	349	16	4
Trade receivables	9	20,487	16,900	1,044	1,022
Cash and bank balances		4,527	3,906	475	197
Restricted cash		2,967	3,917	-	-
		<u>30,608</u>	<u>27,920</u>	<u>13,778</u>	<u>8,202</u>
Total assets		196,542	169,958	81,548	81,165
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables		11,162	10,219	-	-
Accruals and other payables		4,180	4,794	222	257
Income tax payables		30	79	30	79
Other non-financial liabilities		170	346	-	-
Amount due to shareholders	11	12,542	6,831	12,542	6,831
Lease liabilities		76	72	-	-
Loans and borrowings	10	18,230	13,386	-	-
		<u>46,390</u>	<u>35,727</u>	<u>12,794</u>	<u>7,167</u>
Net current (liabilities)/assets		(15,782)	(7,807)	984	1,035
Non-current liabilities					
Provisions		1,152	1,043	-	-
Amount due to shareholders	11	-	5,248	-	5,248
Lease liabilities		157	198	-	-
Loans and borrowings	10	27,531	27,938	-	-
		<u>28,840</u>	<u>34,427</u>	<u>-</u>	<u>5,248</u>
Total liabilities		75,230	70,154	12,794	12,415
Net assets	7	121,312	99,804	68,754	68,750
Equity attributable to owners of the Company					
Share capital	13	38,307	38,307	111,471	111,471
Other reserves		7,163	7,201	6,807	6,807
Retained earnings/(accumulated losses)		75,842	54,296	(49,524)	(49,528)
Total equity		121,312	99,804	68,754	68,750
Total equity and liabilities		196,542	169,958	81,548	81,165

C. Condensed interim statements of changes in equity

The Group	Equity, total	Share capital	Other reserves	Retained earnings
	US\$'000	US\$'000	US\$'000	US\$'000
2024				
Balance at 1 January 2024	99,804	38,307	7,201	54,296
Profit for the year	21,546	-	-	21,546
<u>Other comprehensive income</u>				
Net fair value changes on cash flow hedges	(38)	-	(38)	-
Other comprehensive income for the year, net of tax	(38)	-	(38)	-
Balance at 30 June 2024	121,312	38,307	7,163	75,842
2023				
Balance at 1 January 2023	81,833	38,307	7,343	36,183
Profit for the year	10,459	-	-	10,459
<u>Other comprehensive income</u>				
Net fair value changes on cash flow hedges	125	-	125	-
Other comprehensive income for the year, net of tax	125	-	125	-
Balance at 30 June 2023	92,417	38,307	7,468	46,642

The Company	Equity, total	Share capital	Other reserves	Accumulated losses
	US\$'000	US\$'000	US\$'000	US\$'000
2024				
Balance at 1 January 2024	68,750	111,471	6,807	(49,528)
Profit for the year, representing total comprehensive income for the year	4	-	-	4
Balance at 30 June 2024	68,754	111,471	6,807	(49,524)
2023				
Balance at 1 January 2023	68,605	111,471	6,807	(49,673)
Profit for the year, representing total comprehensive income for the year	55	-	-	55
Balance at 30 June 2023	68,660	111,471	6,807	(49,618)

D. Condensed interim consolidated statement of cash flows

	Note	The Group	
		6 months	6 months
		ended 30	ended 30
		June 2024	June 2023
		US\$'000	US\$'000
Operating activities			
Profit before tax		21,570	10,459
Adjustments for:			
Depreciation of property, vessels and equipment	6	6,078	4,958
Depreciation of right-of-use assets	6	38	38
Gain on liquidation of a joint operation		(880)	-
Reversal of impairment on property, vessels and equipment		(6,826)	-
Finance costs		2,745	2,412
Provisions		116	93
Total adjustments		1,271	7,501
Operating cash flows before changes in working capital		22,841	17,960
Decrease/(increase) in inventories		49	(22)
Increase in trade receivables		(3,587)	(3,661)
Decrease/(increase) in advances, deposits and other receivables		117	(1,040)
Increase in prepayments		(495)	(486)
Increase in trade payables		943	1,079
(Decrease)/increase in accruals and other payables		(751)	1,968
Decrease in provisions		(7)	(62)
(Decrease)/increase in other non-financial liabilities		(176)	142
Total changes in working capital		(3,907)	(2,082)
Cash generated from operations		18,934	15,878
Interest paid		(2,218)	(1,765)
Net cash flows generated from operating activities		16,716	14,113
Investing activities			
Purchase of property, vessels and equipment		(23,224)	(18,111)
Proceeds from liquidation of a joint operation		1,779	-
Net cash flows used in investing activities		(21,445)	(18,111)
Financing activities			
Repayment of shareholders' advances		-	(784)
Proceeds from loans and borrowings		12,000	20,000
Repayment of loans and borrowings		(7,563)	(12,226)
Repayment of principal portion of lease liabilities		(37)	(32)
(Increase)/decrease in bank deposits pledged and restricted cash		950	(3,367)
Net cash flows generated from financing activities		5,350	3,591
Net increase in cash and cash equivalents		621	(407)
Cash and cash equivalents at beginning of the period		3,906	2,417
Cash and cash equivalents at end of the period		4,527	2,010

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Atlantic Navigation Holdings (Singapore) Limited (the "Company", and together with its subsidiaries, the "Group") is a limited liability company incorporated in Singapore and is listed on the Catalist board of Singapore Exchange Securities Trading Limited (the "SGX-ST").

The immediate and ultimate holding company is Saeed Investment Pte. Ltd., which is incorporated in Singapore.

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

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

2. Basis of preparation

The condensed interim consolidated financial statements as at and for the financial period ended 30 June 2024 ("1H2024") have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting*. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023. Accordingly, the condensed interim consolidated financial statements should be read in conjunction with the Group's Annual Report for the year ended 31 December 2023.

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

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

2.1. New and amended standards adopted by the Group

On 1 January 2024, the Group has adopted the new or amended SFRS(I)s and Interpretations of SFRS(I)s ("INT SFRS(I)s") that are mandatory for application for the financial year.

The adoption of these new or amended SFRS(I)s and INT SFRS(I)s did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current financial year.

2.2. Use of judgements and estimates

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

(a) Judgments made in applying accounting policies

Management is of the opinion that there were no significant judgements made in applying the accounting policies in the condensed consolidated interim financial statements.

(b) Key sources of estimation uncertainty

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

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

The Group reviews the residual values and useful lives of vessels, machinery and equipment at the end of each reporting period. The cost of the vessels, machinery and equipment is depreciated on a straight-line basis over the vessels, machinery and equipment's estimated useful lives. Management estimates the useful lives of the vessels to be within 9 to 25 years and machinery and equipment to be within 3 to 5 years. Changes in the expected level of usage and technological developments could impact the economic useful lives of the vessels, machinery and equipment; therefore, future depreciation charges could be revised.

The carrying amount of the Group's vessels, machinery and equipment as at 30 June 2024 was US\$164,419,000 (31 December 2023: US\$141,423,000). A 10% difference in the expected useful lives of these assets from management's estimates would result in approximately US\$605,000 (1H2023: US\$494,000) variance in the Group's profit before tax for the year ended 30 June 2024.

(ii) Recoverable value of non-financial assets

The Group assesses, at least at each year end, whether there is any indication that its vessels may be impaired. If such indicator exists, the Group estimates the recoverable amount of the vessel by engaging independent professional valuation expert to perform a valuation of the vessel's fair value less costs of disposal.

Reversal of impairment charge on the Group's vessels aggregating to US\$6,826,000 (2023: US\$Nil) was recognised during the current financial period. If the fair value less costs of disposal decrease by 10% from the fair value based on valuation reports, impairment charges of US\$14,519,000 (1H2023: US\$10,592,000) would be incurred for the period ended 30 June 2024.

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

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future. The carrying amount of trade receivables as at 30 June 2024 was US\$20,487,000 (31 December 2023: US\$16,900,000).

3. Seasonal operations

The Group's businesses were not significantly affected by seasonal or cyclical factors during the financial period ended 30 June 2024.

4. Segment and revenue information

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

4.1. Reportable segments

	6 months ended 30 June 2024			
	MLS	SRM	Elimination	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	52,677	3,314	(2,767)	53,224
Segment results	20,061	1,366	-	21,427
Gain on liquidation of a joint operation	880	-	-	880
Reversal of impairment on property, vessels and equipment	6,826	-	-	6,826
Marketing and distribution expenses	(30)	-	-	(30)
Administrative expenses	(3,618)	(726)	-	(4,344)
Finance costs	(2,745)	-	-	(2,745)
Withholding tax	(165)	-	-	(165)
Segment profit	21,209	640	-	21,849
Unallocated expenses:				
Administrative expenses				(279)
Profit before tax				21,570
Income tax expense				(24)
Profit for the period				21,546
<u>Material non-cash items:</u>				
Gain on liquidation of a joint operation	880	-	-	880
Reversal of impairment on property, vessels and equipment	6,826	-	-	6,826
Depreciation of property, vessels and equipment	(6,059)	(19)	-	(6,078)
Depreciation of right-of-use assets	(38)	-	-	(38)

	6 months ended 30 June 2023			
	MLS	SRM	Elimination	Consolidated
	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	42,350	2,629	(1,410)	43,569
Segment results	15,400	1,154	-	16,554
Marketing and distribution expenses	(60)	-	-	(60)
Administrative expenses	(2,627)	(579)	-	(3,206)
Finance expense	(2,412)	-	-	(2,412)
Withholding tax	(165)	-	-	(165)
Segment profit	10,136	575	-	10,711
Unallocated expenses:				
Administrative expenses				(252)
Profit before tax				10,459
Income tax expense				-
Profit for the period				10,459
<u>Material non-cash items:</u>				
Depreciation of property, vessels and equipment	(4,943)	(15)	-	(4,958)
Depreciation of right-of-use assets	(38)	-	-	(38)

4.2. Disaggregation of revenue

	The Group		
	6 months ended 30 June 2024		
	MLS	SRM	Total
	US\$'000	US\$'000	US\$'000
Types of services:			
Time charter - lease revenue	32,872	-	32,872
Ancillary time charter revenue	19,805	-	19,805
Ship repair, fabrication and other related marine services	-	547	547
Total revenue	52,677	547	53,224
Geographical information:			
Qatar	27,064	-	27,064
Saudi Arabia	18,623	-	18,623
Oman	5,969	-	5,969
Others	1,021	547	1,568
Total revenue	52,677	547	53,224
	The Group		
	6 months ended 30 June 2023		
	MLS	SRM	Total
	US\$'000	US\$'000	US\$'000
Types of services:			
Time charter - lease revenue	22,950	-	22,950
Ancillary time charter revenue	15,435	-	15,435
Other marine offshore revenue	3,965	-	3,965
Ship repair, fabrication and other related marine services	-	1,219	1,219
Total revenue	42,350	1,219	43,569
Geographical information:			
Qatar	18,904	-	18,904
Saudi Arabia	13,185	-	13,185
Oman	8,587	-	8,587
Others	1,674	1,219	2,893
Total revenue	42,350	1,219	43,569

The Group's non-current assets are mainly located in Saudi Arabia, Qatar, and Oman.

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

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Financial Assets				
Trade receivables	20,487	16,900	1,044	1,022
Advances, deposits and other receivables	843	1,292	12,243	12,172
Cash and bank balances	4,527	3,906	475	197
Restricted cash	2,967	3,917	-	-
Derivatives	97	135	-	-
	<u>28,921</u>	<u>26,150</u>	<u>13,762</u>	<u>13,391</u>
Financial Liabilities				
Trade payables	11,162	10,219	-	-
Accruals and other payables	4,180	4,794	222	257
Amount due to shareholders	12,542	12,079	12,542	12,079
Lease liabilities	233	270	-	-
Loans and borrowings	45,761	41,324	-	-
	<u>73,878</u>	<u>68,686</u>	<u>12,764</u>	<u>12,336</u>

6. Profit before tax

6.1. Significant items

The Group	
6 months ended 30 June 2024	6 months ended 30 June 2023
US\$'000	US\$'000

Income

Reversal of impairment on property, vessels and equipment 6,826 -

Gain on liquidation of a joint operation 880 -

Expenses

Depreciation of property, vessels and equipment (included in cost of services) (6,018) (4,906)

Depreciation of property, vessels and equipment (included in administrative expenses) (60) (52)

Depreciation of right-of-use assets (included in administrative expenses) (38) (38)

6.2. Related party transactions

(a) Sale and purchase of goods and services

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

	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	US\$'000	US\$'000
Income		
Ship management services rendered to ultimate holding company	-	251
Expenses		
Employment visa agency and administrative services rendered by a director-related company	33	33
Interest expense on shareholder's loans and advances	156	156

6.2. Related party transactions (continued)

(b) Compensation of key management personnel

	Group	
	6 months ended 30 June 2024	6 months ended 30 June 2023
	US\$'000	US\$'000
Short-term employee benefits	658	622
Others	512	294
	1,170	916
Comprises amounts paid to:		
Directors of the Company	453	302
Other key management personnel	717	614
	1,170	916

7. Net asset value

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	US\$ cent	US\$ cent	US\$ cent	US\$ cent
Net asset value per ordinary share	23.17	19.06	13.13	13.13

The net asset value per ordinary share of the Company and the Group were calculated based on 523,512,144 shares (excluding treasury shares) as at 30 June 2024 and 31 December 2023.

8. Property, vessels and equipment

During 1H2024, the Group acquired vessels with aggregate consideration of US\$21,758,000 (1H2023: US\$16,184,000), capitalised drydocking expense on certain vessels amounting to US\$1,466,000 (1H2023: US\$1,927,000) and recorded reversal of impairment on property, vessels and equipment aggregating to US\$6,826,000 (1H2023: US\$ Nil).

9. Trade receivables

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables				
Trade receivables	18,419	14,972	1,044	1,022
Retention receivables	1,095	1,169	-	-
Unbilled receivables	973	759	-	-
Total trade receivables	20,487	16,900	1,044	1,022

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Retention receivables

Retention receivables represent the retention of 10% of the invoice amounts from a debtor. The amount is repayable in cash to the Group upon tax clearance of the debtor from the Saudi Arabian tax authorities generally within 12 months from the close of the financial year end.

Unbilled receivables

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

10. Borrowings

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable within one year or on demand				
Secured	18,230	13,386	-	-
Amount repayable after one year				
Secured	27,531	27,938	-	-
Total borrowings and securities	45,761	41,324	-	-

As of 30 June 2024, the above credit facilities including overdraft, if any, are secured by one or several of the following:

- (i) Mortgage over certain vessels, as well as corporate guarantees and pledges over the shares of the respective companies owning the vessels mortgaged;
- (ii) Assignment of earnings/charter proceeds, insurances and requisition compensation of mortgaged vessels;
- (iii) Assignment of all rights, titles and interests of mortgaged vessels' charters;
- (iv) Bank deposits pledged in a retention account;
- (v) Financial covenant which requires the Group to maintain Adjusted Tangible Net Worth of at least US\$80 million (which includes loans and advances from shareholders in its determination);
- (vi) Adjusted leverage ratio as updated to be maintained at 1.75:1 or below. The ratio will be calculated as total liabilities (excluding cash margin and fixed deposits under lien i.e. cash encumbered for liabilities included in total liabilities) to Tangible Net Worth; and
- (vii) The Loan to Value ("LTV") to be 70% and 65% or below at all times on respective loan facilities amounts. Aggregate LTV should not be more than 55%.

The amounts reflected in the table above do not include the loans and advances from shareholders of US\$12,542,000 as at 30 June 2024 (31 December 2023: US\$12,079,000) which are unsecured as disclosed in Note 11.

11. Amount due to shareholders

	Group		Company	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Current:				
Loans due to a shareholder	7,390	2,835	7,390	2,835
Accrued interest on loans due to a shareholder	1,649	627	1,649	627
Advances from a shareholder	3,024	2,935	3,024	2,935
Accrued interest on advances from a shareholder	479	434	479	434
	12,542	6,831	12,542	6,831
Non-current:				
Loans due to a shareholder	-	4,337	-	4,337
Accrued interest on loans due to a shareholder	-	911	-	911
	-	5,248	-	5,248

Loans due to a shareholder and advances from a shareholder are unsecured and to be settled in cash.

During the financial year ended 31 December 2023, the principal amounts of US\$1,613,000 and US\$4,337,000 due to a shareholder was further extended with interest rate unchanged at 3.0% per annum, from 30 September 2024 to 31 December 2024 and 31 March 2025 respectively.

12. Derivatives

	Group			
	30 June 2024	30 June 2024	31 December 2023	31 December 2023
	Contract/ Notional Amount	Fair Value - Assets	Contract/ Notional Amount	Fair Value - Assets
	US\$'000	US\$'000	US\$'000	US\$'000
Interest rate swap	5,986	97	7,981	135

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

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

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

Under the terms of the interest rate swaps, the Group pays a fixed rate interest of 3.50% (1H2023: 3.50%) per annum and receives floating interest at daily compounded SOFR plus margin. The interest rate swaps mature on 3 October 2025. The Group uses the interest rate swaps to hedge against the exposure to variability in cash flows from related borrowings which are pegged to US daily non-cumulative compounded SOFR.

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

13. Share capital

	Group		Company	
	Number of shares	Amount	Number of shares	Amount
	'000	US\$'000	'000	US\$'000
As at 1 January 2024 and 30 June 2024	523,512	38,307	523,512	111,471

During 1H2024, there were no changes in the issued and paid-up share capital of the Company.

There were no outstanding convertibles, treasury shares and subsidiary holdings as at 30 June 2024, 31 December 2023 and 30 June 2023.

There were no sales, transfers, cancellation and/or use of treasury shares or subsidiary holdings during 1H2024.

14. Subsequent Events

With reference to the announcement made by the Company dated 16 January 2024, the Group had acquired a marine offshore vessel, *Berkat Teguh*, now known as *Atlantic Capella*, with the loan of US\$12.0 million fully drawn in early February 2024, with the vessel on contract since early June 2024. With reference to the announcement made by the Company dated 31 May 2023, the Group had taken delivery of the new-built vessel now known as AOS Glory with the vessel on contract since mid-July 2024. The addition of these vessels to the fleet is expected to contribute positively to the earnings of the Group from 3Q2024.

F. Other Information required by Catalyst Rule Appendix 7C

1. Review

The condensed interim statements of financial position of Atlantic Navigation Holdings (Singapore) Limited and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed consolidated statement of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

(a) Review of results of operations

(i) Revenue by business segments

	6 months ended		
	30 June 2024	30 June 2023	Increase/ (Decrease)
	US\$'000	US\$'000	%
MLS	52,677	42,350	24.4
SRM	3,314	2,629	26.1
Inter-segment revenue	(2,767)	(1,410)	96.2
Group revenue	53,224	43,569	22.2

The Group's revenue for the MLS segment for 1H2024 increased by US\$10.3 million or 24.4% compared to 1H2023 mainly due to increase in revenue from its own vessels including new vessels added to the fleet, general increase in daily charter rates, and increase in cross charter revenue in 1H2024 as compared to 1H2023.

The Group's revenue for the SRM segment for 1H2024 increased by US\$0.7 million or 26.1% as compared to 1H2023 mainly due to the higher level of repair works undertaken in 1H2024 on the Group's vessels.

(ii) Gross profit and gross profit margin

	6 months ended		
	30 June 2024	30 June 2023	Increase/ (Decrease)
	US\$'000	US\$'000	%
MLS	20,061	15,320	30.9
SRM	1,366	1,154	18.4
Gross profit	21,427	16,474	30.1

	6 months ended	
	30 June 2024	30 June 2023
	MLS	38.1%
SRM	41.2%	43.9%
Gross profit margin	40.3%	37.8%

The Group reported gross profit of US\$20.1 million for the MLS segment during 1H2024, compared to a gross profit of US\$15.3 million in 1H2023. The MLS segment recorded a gross profit margin of 38.1% in 1H2024 as compared to a gross profit margin of 36.2% in 1H2023. The increase in gross profit and gross profit margin for the MLS segment was mainly due to overall higher contribution from its owned vessels including new vessels added to the fleet and higher contribution from cross charters.

The Group's gross profit of SRM segment for 1H2024 increased by US\$0.2 million while the gross profit margin decreased by 2.7 percentage points as compared to 1H2023 mainly due to the higher level of repair jobs undertaken with higher sub-contracting cost.

(iii) Gain on liquidation of a joint operation

Gain on liquidation of a joint operation of US\$0.9 million was recognised in 1H2024 from the dissolution of Atlantic Venture Inc. ("AVI") which was concluded on 27 June 2024.

(iv) Reversal of impairment property, vessels and equipment

Reversal of impairment on certain vessels of US\$6.8 million recognised in 1H2024 with valuation reports being obtained from the independent professional valuers.

(iv) Administrative expenses

Administrative expenses for 1H2024 increased by US\$1.2 million or 33.7% as compared to 1H2023 mainly due to increases in staff compensation and bonus provision.

(v) Finance costs

The increase in finance costs of US\$0.3 million in 1H2024 was mainly due to higher loan reference interest rates as compared to 1H2023.

(vi) Withholding tax expense

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

(vii) Profit before tax

As a result of above, the Group recorded a higher profit before tax of US\$21.6 million in 1H2024 compared to profit before tax of US\$10.5 million in 1H2023.

(viii) Income tax expense

With the introduction of UAE Corporate Income Tax being substantively enacted with effect from 1 July 2023, the corporate tax of the Group in the UAE will be payable, if any, for financial years beginning from 1 January 2024 taxable at the nominal rate of 9.0%, subject to relevant provisions including entities being incorporated or operating in free trade zone, or activities related to those of a ship manager, for assessment being tax-exempted.

Income tax expense for 1H2024 was assessed to be minimal as majority of the Group's operations are either considered exempted from tax or tax at 0%.

(b) Review of financial position

(i) Non-current assets

Non-current assets increased by US\$23.9 million from US\$142.0 million as at 31 December 2023 to US\$165.9 million as at 30 June 2024. This was mainly due to the addition of two vessels aggregating to US\$21.7 million, capitalisation of drydocking expenses of US\$1.5 million and reversal of impairment of property, vessels and equipment of US\$6.8 million, partially offset by depreciation charges of US\$6.1 million.

(ii) Current assets

Current assets increased by US\$2.7 million from US\$27.9 million as at 31 December 2023 to US\$30.6 million as at 30 June 2024. This was mainly due to increase in trade receivables of US\$3.6 million, increase in prepayment of US\$0.5 million and increase in cash and bank balances of US\$0.6 million, partially offset by decrease in advances, deposits and other receivables of US\$1.0 million and decrease in restricted cash of US\$1.0 million.

(iii) Non-current liabilities

Non-current liabilities decreased by US\$5.6 million from US\$34.4 million as at 31 December 2023 to US\$28.8 million as at 30 June 2024. The decrease was mainly due to a reclassification of amount due to shareholders from non-current to current of US\$5.2 million and decrease in loans and borrowings of US\$0.4 million.

(iv) Current liabilities

Current liabilities increased by US\$10.7 million from US\$35.7 million as at 31 December 2023 to US\$46.4 million as at 30 June 2024, mainly due to increase in trade payables of US\$0.9 million, increase in amount due to shareholders of US\$5.7 million after the reclassification from non-current to current and increase in loan and borrowing of US\$4.8 million, partially offset by decrease in accruals and other payables of US\$0.6 million and decrease in other non-financial liabilities of US\$0.2 million.

(v) Net current liabilities

Net current liabilities increased by US\$8.0 million from US\$7.8 million as at 31 December 2023 to US\$15.8 million as at 30 June 2024, mainly due to increase in current liabilities of US\$10.7 million, offset by increase in current assets of US\$2.7 million.

As at 30 June 2024, the Group has reported a net current liabilities position of US\$15,782,000 (31 December 2023: US\$7,807,000) and net assets of US\$121,312,000 (31 December 2023: US\$99,804,000). Barring unforeseen circumstances, the Group is expected to be able to operate as a going concern in view of the expected cash flows from operations in the current offshore market in the Middle East.

(vi) Other disclosures

As disclosed previously, AVI was placed under a winding up order, with liquidators appointed on 11 November 2022. The liquidation process is completed on 27 June 2024 with a resultant gain of US\$0.9 million recognised in 1H2024.

(c) Liquidity and capital resources

(i) Net cash flows generated from operating activities

Net cash flows generated from operating activities amounted to US\$16.7 million in 1H2024. This was mainly due to operating cash inflows before changes in working capital of US\$22.8 million, partially offset by negative changes in working capital of US\$3.9 million and interest paid of US\$2.2 million.

(ii) Net cash flows used in investing activities

Net cash flows used in investing activities of US\$21.4 million in 1H2024 was mainly due to additions to property, vessels and equipment consisting of the purchase of vessels aggregating to US\$21.7 million and drydocking expenses capitalised of US\$1.5 million, offset by proceeds from liquidation of a joint operation of US\$1.8 million.

(iii) Net cash flows generated from financing activities

Net cash flows generated from financing activities of US\$5.4 million in 1H2024 was mainly due to proceeds from loan and borrowing of US\$12.0 million and decrease in bank deposits pledged and restricted cash of US\$1.0 million, partially offset by principal repayment of loan and borrowings of US\$7.6 million.

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

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

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

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

Not applicable.

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

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

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating year and the next 6 months

The Group achieved vessel utilisation rate in 1H2024 of 95.0% as compared to 89.4% in 1H2023.

The offshore industry in the Arabian Gulf currently continues to remain active in terms of industry utilisation being supported by the offshore activities of the Middle East National Oil Companies with international crude Brent at about US\$80 per barrel. However, the market environment is 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.

6. Dividend information

No dividend recommended or declared for 1H2024 (1H2023: Nil) in view of the operational and financial requirements of the Group.

7. Interested person transactions

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

Name of Interested Person	Aggregate value of all interested person transactions entered into during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
Amount due from the Group		
Wong Siew Cheong, as loan interest due from the Group ⁽¹⁾	US\$111,198 (Approximately S\$151,063)	-
Saeed Investment Pte. Ltd., as interest on Advance due from the Group ⁽²⁾	US\$45,250 (Approximately S\$61,472)	-

Notes:

(1) As at 30 June 2024, Mr. Wong Siew Cheong, the Executive Director and CEO, had provided an aggregate of US\$7.3 million loan to the Group (the "Loan") where the Loan is unsecured, interest-bearing at an interest rate of 3.0% per annum which is to be settled in cash.

7. Interested person transactions (continued)

- (2) As at 30 June 2024, Saeed Investment Pte. Ltd. (“Saeed”), the ultimate holding company controlled by Mr. Kum Soh Har, the Non-Executive Non-Independent Chairman, had provided an aggregate of US\$3.0 million shareholder advance (the “Advance”) to the Group where the Advance is unsecured, interest-bearing at an interest rate of 3.0% per annum which is to be settled in cash.

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

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

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

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

The Board of Directors of the Company hereby confirms to the best of its knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed interim consolidated financial statements for 1H2024 to be false or misleading in any material aspect.

10. Disclosures on acquisitions and sale of shares pursuant to Rule 706A of the Catalist Rules

There were no acquisition or sale of shares in any of the Group’s subsidiary or associated company nor incorporation. Apart from the 51% investment in joint operation, i.e. AVI, which was dissolved on 27 June 2024, there was no winding up or striking off of any subsidiary or associated company by the Company or any of the Group’s entities during 1H2024.

BY ORDER OF THE BOARD

Wong Siew Cheong
Executive Director and Chief Executive Officer

12 August 2024