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Issuer: Atlantic Navigation Holdings (Singapore) Limited

Stock code: 5UL

Meeting details:

Date: 29 Apr 2024

Time: 10.00 a.m.

Venue: Jasmine Room, Ibis Singapore on Bencoolen, 170 Bencoolen Street, Singapore 189657

Q1. As highlighted in the message to shareholders, the chairman reported that the group achieved record revenue of US\$91.0 million in FY2023, compared to US\$64.9 million in FY2022. The increase has been attributed to improvements in daily charter rates and fleet expansion.

In FY2023, the fleet utilisation rate was 88.5%, down from 91.4% in FY2022 as six vessels undergone special survey.

The CEO also noted that current market sentiment is positive, although the group remains cautious due to macroeconomic conditions and geopolitical factors. The group aims to enhance its fleet capabilities through fleet renewal and opportunistic acquisitions. A new-built multi-purpose PSV will be added to the fleet by the end of the second quarter of 2024.

The average age of owned vessel fleet is 8.7 years. More details on the group's fleet of vessels can be found on page 10 of the annual report.

- (i) **Has the group secured charter for the new-built PSV?**
- (ii) **What was the fleet utilisation rate in 2023 if management factors in the drydocking/special survey?**
- (iii) **Can management provide further details on the strategy to optimise charters and maximize revenue/earnings?**
- (iv) Despite the increase in revenue, the group has shown efficiency at collecting trade receivables. Trade receivables were lower at US\$16.9 million as at 31 December 2023, compared to US\$18.0 million a year ago. **Can management shed light on the strategies employed to achieve this efficiency?**
- (v) **Separately, on the operational front, how does the board/management oversee and ensure key operational aspects such as vessel and equipment maintenance, crew proficiency, safety training, risk assessment, and hazard awareness?**
- (vi) **Given that vessels under Marine Logistics Services (MLS) mainly operate in the Arabian Gulf, what precautions has the group taken, despite not being significantly impacted by the current Middle East conflict?**

Q2. The group reduced its gearing from 45.2% in FY2022 to 38.0% in FY2023, even as it expanded its fleet and drydocked six vessels. Total loans and borrowings amounted to US\$41.3 million, with US\$13.4 million due in 2024.

- (i) **Can the board/management share their views on the oil price trends and interest rates?**
- (ii) The group's borrowings are all on floating rates (Note 34(c) Interest rate risk). **Can the board help shareholders better understand the group's approach to managing its interest rate risks? Was it an informed decision not to hedge its interest rate exposure?**
- (iii) As at 31 December 2023, the group has commitments of US\$7.97 million relating to the construction of a vessel (presumably the new-built). **Has the board set a limit on the maximum gearing? How much more headroom is available to expand its fleet?**
- (iv) The group has incorporated a new Qatari entity as it looks to capitalise on growing demand. **With nearly half of the group's revenue already coming from Qatar, how does the board assess the potential concentration risk posed by the group's significant exposure to the Qatari market?**

Q3. On 24 May 2023, in the company's response to SGX's query regarding trading activity, it stated that it had been notified that afternoon that the two significant shareholders, namely Saeed Investment Pte. Ltd and Mr Wong Siew Cheong, are exploring strategic options in relation to their respective interests in the company.

Based on the statistics of shareholdings shown in the annual report, the two shareholders hold 262.9 million (50.22%) and 166.6 million (31.82%) shares respectively. Mr Wong Siew Cheong is also deemed to be interested in 33.4 million shares (6.38%) which are held by his spouse.

Mr Wong Siew Cheong is also the executive director and chief executive officer while Saeed Investment is controlled Mr Kum Soh Har, Michael, the non-executive non-independent chairman.

- (i) **Has the board reached out to Saeed and Mr Wong Siew Cheong to discuss their strategic intentions?**
- (ii) **Has there been any shift in focus or change in the group's strategic direction since the shareholders made their intentions known?**
- (iii) **Can the independent directors work with the controlling shareholders to establish a preliminary timeline on the matter to ensure transparency and alignment with shareholder interests?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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