

Full Year Financial Statement And Dividend Announcement for the Financial Ended 31 December 2016

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PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

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

	The Group		
	FY 2016 S\$'000	FY 2015 S\$'000	Change %
Revenue	46,363	84,539	(45)
Cost of sales	(27,554)	(60,628)	(55)
Gross Profit	18,809	23,911	(21)
Other income	2,509	3,219	(22)
Interest income	7	2	250
Marketing and distribution expenses	(384)	(731)	(47)
Administrative expenses	(14,632)	(18,615)	(21)
Other operating expenses	(19,539)	(14,163)	38
Finance costs	(3,857)	(3,525)	9
Share of results of associates - net of tax	(1)	-	NM
Loss before tax	(17,088)	(9,902)	73
Taxation	1,167	478	144
Loss for the year	(15,921)	(9,424)	69
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	76	620	(88)
Net fair value changes on available-for-sale financial assets reclassified to profit or loss	406	133	205
Net change in fair value reserve of available-for-sale financial assets	-	(569)	(100)
Other comprehensive income for the year, net of tax	482	184	162
Total comprehensive income for the year	(15,439)	(9,240)	67
Loss attributable to:			
Owners of the company			
- Loss after tax	(15,921)	(9,424)	NM
	(15,921)	(9,424)	NM
Total comprehensive income attributable to:			
Owners of the company			
- Loss after tax	(15,439)	(9,240)	NM
	(15,439)	(9,240)	NM

Note

Loss before tax is derived at after

Crediting/(charging) :

	The Group		
	FY 2016 S\$'000	FY 2015 S\$'000	Change %
Depreciation of property, plant and equipment	(2,288)	(1,640)	40
Amortisation of intangible assets	(696)	(731)	(5)
Impairment loss on customer relationships	(2,022)	-	NM
Gain on disposal of plant and equipment	53	75	(29)
Gain on foreign exchange	1,003	1,881	(47)
Fair value gain of derivative on redeemable exchangeable bonds	891	510	75
Trade receivables written off	-	(292)	(100)
Property, plant and equipment written off	-	(22)	(100)
Impairment loss on goodwill	(5,965)	(10,308)	(42)
Reversal of impairment loss on trade receivables	100	-	NM
Impairment loss on finance lease receivables	(4,472)	-	NM
Impairment loss on trade receivables	(249)	(151)	65
Impairment loss on other receivables	-	(70)	(100)
Inventories written down	(2,880)	(599)	381
Provision for foreseeable losses	-	(47)	(100)
Loss on derivative	(16)	(7)	136
Gain on conversion of redeemable exchangeable bonds	-	40	(100)
Impairment loss on quoted equity instruments	(940)	(316)	198

NM: 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.

	The Group		The Company	
	S\$'000		S\$'000	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Equity attributable to equity holders of the company				
Share capital	97,844	97,844	97,844	97,844
Treasury shares	(526)	(591)	(526)	(591)
Reserves	(22,432)	(6,888)	(40,762)	(24,032)
Total equity	74,886	90,365	56,556	73,221
Non-current assets				
Property, plant and equipment	25,487	27,487	22	46
Investment in subsidiaries	-	-	68,524	84,111
Investment in associates	15,404	15,405	-	-
Quoted equity investments	271	805	271	775
Intangible assets	13,552	22,240	-	-
Finance lease receivables	28,292	36,450	-	-
Deferred tax assets	13	42	-	-
	83,019	102,429	68,817	84,932
Current assets				
Inventories	10,744	13,605	-	-
Trade receivables	30,285	21,643	-	-
Due from customers for contracts work-in-progress	9,198	17,104	-	-
Prepayments	1,902	211	44	55
Other receivables and deposits	2,184	3,436	48	44
Finance lease receivables	4,464	5,409	-	-
Derivative asset	-	33	-	-
Cash and cash equivalents	4,694	7,510	193	286
	63,471	68,951	285	385
Total assets	146,490	171,380	69,102	85,317
Current liabilities				
Trade payables	4,222	10,555	-	-
Due to customers for contracts work-in-progress	2,311	2,889	-	-
Other payables and accruals	25,843	23,425	1,982	538
Tax payable	20	23	-	-
Finance lease obligations	32	31	-	-
Term loans	18,771	16,912	1,992	2,000
Derivative liability	174	1,089	174	1,065
Redeemable exchangeable bonds	2,465	9,897	-	-
Due to subsidiaries	-	-	7,594	8,493
	53,838	64,821	11,742	12,096
Non-current liabilities				
Term loans	13,151	13,410	804	-
Redeemable exchangeable bonds	3,042	-	-	-
Deferred tax liabilities	1,504	2,683	-	-
Finance lease obligations	69	101	-	-
	17,766	16,194	804	-
Total liabilities	71,604	81,015	12,546	12,096
Net assets	74,886	90,365	56,556	73,221

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

Amount repayable in one year or less, or on demand

As at 31 December 2016		As at 31 December 2015	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
21,268	-	26,840	-

Amount repayable after one year

As at 31 December 2016		As at 31 December 2015	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
16,262	-	13,511	-

Details of any collateral

The Group's borrowings are secured by the followings:

- a first legal mortgage on a subsidiary's leasehold property
- fixed and floating charge over the subsidiary's assets
- corporate guarantees

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

	The Group	
	FY 2016	FY 2015
	S\$'000	S\$'000
Cash flows from operating activities:		
Loss before tax	(17,088)	(9,902)
Adjustments for:		
Amortisation of intangible assets	696	731
Amortisation of deferred rental	-	-
Depreciation of property, plant and equipment	2,288	1,640
Property, plant and equipment written off	-	22
Inventories written down	2,880	599
Employee share-based expense	59	262
Fair value gains of derivative on redeemable exchangeable bonds	(891)	(510)
Trade receivables written off	-	292
Impairment loss on finance lease receivables	4,472	-
Impairment loss on trade receivables	249	151
Gain on disposal of plant and equipment	(53)	(75)
Impairment loss on customer relationships	2,022	-
Reversal of impairment loss on trade receivables	(100)	-
Impairment loss on goodwill	5,965	10,308
Impairment loss on other receivables	-	70
Impairment loss on quoted equity instruments	940	316
Interest expense	3,857	3,525
Interest income	(7)	(2)
Provision for foreseeable losses	-	47
Share of results of associates, net of tax	1	-
Unrealised gain/(loss) on derivative	9	(9)
Gain on conversion of redeemable exchangeable bonds	-	(40)
Unrealised gain	(541)	(1,737)
Operating profit before working capital changes	4,758	5,688
Changes in working capital:		
Inventories	(19)	547
Trade receivables	(8,760)	(3,807)
Due from customers for contracts work-in-progress	7,906	(2,854)
Other receivables, deposits and prepayments	(439)	1,669
Finance lease receivables	4,779	(19,880)
Trade payables	(6,092)	(572)
Due to customers for contracts work-in-progress	(578)	(1,133)
Other payables and accruals	1,064	14,403
Cash flows from/(used in) operations	2,619	(5,939)
Interest paid	(1,567)	(1,053)
Interest received	7	2
Income taxes paid	(15)	(757)
Net cash flows from/(used in) operating activities	1,044	(7,747)
Cash flows from investing activities		
Purchase of property, plant and equipment	(314)	(4,139)
Additions to intangible assets	-	(22)
Proceeds from disposal of plant and equipment	70	162
Investment in associated companies	-	(1,669)
Cash flows used in investing activities	(244)	(5,668)
Cash flows from financing activities		
Repayment of loans and borrowings	(5,557)	(7,135)
Proceeds from issuance of redeemable exchangeable bonds	3,000	-
Repayment of redeemable exchangeable bonds	(7,500)	-
Purchase of treasury shares	(99)	(339)
Proceeds from exercise of share options	-	-
Proceeds from loans and borrowings	6,535	20,548
Payment of dividends	-	(1,194)
Payment of finance lease obligations	(31)	(14)
Cash flows (used in)/ from financing activities	(3,652)	11,866
Net decrease in cash and cash equivalents	(2,852)	(1,549)
Effect of exchange rate changes on cash and cash equivalents	36	333
Cash and cash equivalents at beginning of financial year	7,510	8,726
Cash and cash equivalents at end of financial year	4,694	7,510

- 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 capitalisation issues and distributions to shareholders, together with a comparative statement for the immediately preceding year.

	The Group					
	Share capital	Treasury shares	Translation reserve	Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 December 2015						
Balance as at 1 January 2015	94,844	(543)	1,106	820	1,649	97,876
Profit for the year	-	-	-	-	(9,424)	(9,424)
<u>Other comprehensive income</u>						
Net fair value changes on available-for-sale financial assets reclassified to profit and loss	-	-	-	(436)	-	(436)
Foreign currency translation	-	-	620	-	-	620
Other comprehensive income for the year, net of tax	-	-	620	(436)	-	184
Total comprehensive income for the year	-	-	620	(436)	(9,424)	(9,240)
<u>Contributions by and distribution to owners</u>						
Purchase of treasury shares	-	(339)	-	-	-	(339)
Dividends on ordinary shares	-	-	-	-	(1,194)	(1,194)
Treasury shares reissued pursuant to equity compensation plans	-	291	-	(291)	-	-
Issuance of shares pursuant to the conversion of redeemable exchangeable bonds	3,000	-	-	-	-	3,000
Expiration of share options	-	-	-	(134)	134	-
Employee share-based expense	-	-	-	262	-	262
Total transactions with owners in their capacity as owners	3,000	(48)	-	(163)	(1,060)	1,729
Balance as at 31 December 2015	97,844	(591)	1,726	221	(8,835)	90,365

	The Group					
	Share capital	Treasury shares	Translation reserve	Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 December 2016						
Balance as at 1 January 2016	97,844	(591)	1,726	221	(8,835)	90,365
Loss for the year	-	-	-	-	(15,921)	(15,921)
<u>Other comprehensive income</u>						
Net fair value changes on available-for-sale financial assets reclassified to profit and loss	-	-	-	406	-	406
Foreign currency translation	-	-	76	-	-	76
Other comprehensive income for the year, net of tax	-	-	76	406	-	482
Total comprehensive income for the year	-	-	76	406	(15,921)	(15,439)
<u>Contributions by and distribution to owners</u>						
Purchase of treasury shares	-	(99)	-	-	-	(99)
Treasury shares reissued pursuant to equity compensation plans	-	164	-	(164)	-	-
Employee share-based expense	-	-	-	59	-	59
Total transactions with owners in their capacity as owners	-	65	-	(105)	-	(40)
Balance as at 31 December 2016	97,844	(526)	1,802	522	(24,756)	74,886

	The Company				
	Share capital	Treasury shares	Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 December 2015					
Balance as at 1 January 2015	94,844	(543)	860	(14,041)	81,120
Loss for the year	-	-	-	(9,166)	(9,166)
<u>Other comprehensive income</u>					
Net fair value changes on available-for-sale financial assets reclassified to profit and loss	-	-	(462)	-	(462)
Other comprehensive income for the year, net of tax	-	-	(462)	-	(462)
Total comprehensive income for the year	-	-	(462)	(9,166)	(9,628)
<u>Contributions by and distribution to owners</u>					
Purchase of treasury shares	-	(339)	-	-	(339)
Dividends on ordinary shares	-	-	-	(1,194)	(1,194)
Issuance of shares pursuant to the conversion of redeemable exchangeable bonds	3,000	-	-	-	3,000
Expiration of share options	-	-	(134)	134	-
Treasury shares reissued pursuant to equity compensation plans	-	291	(291)	-	-
Employee share-based expense	-	-	262	-	262
Total transactions with owners in their capacity as owners	3,000	(48)	(163)	(1,060)	1,729
Balance as at 31 December 2015	97,844	(591)	235	(24,267)	73,221

	The Company				
	Share capital	Treasury shares	Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 December 2016					
Balance as at 1 January 2016	97,844	(591)	235	(24,267)	73,221
Loss for the year	-	-	-	(17,018)	(17,018)
<u>Other comprehensive income</u>					
Net fair value changes on available-for-sale financial assets reclassified to profit and loss	-	-	393	-	393
Other comprehensive income for the year, net of tax	-	-	393	-	393
Total comprehensive income for the year	-	-	393	(17,018)	(16,625)
<u>Contributions by and distribution to owners</u>					
Purchase of treasury shares	-	(99)	-	-	(99)
Treasury shares reissued pursuant to equity compensation plans	-	164	(164)	-	-
Employee share-based expense	-	-	59	-	59
Total transactions with owners in their capacity as owners	-	65	(105)	-	(40)
Balance as at 31 December 2016	97,844	(526)	523	(41,285)	56,556

Save for the foregoing, there are no other (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, 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 year reported on and as at the end of the immediately preceding financial year

Changes in Company's share capital:

	Quantity	Share capital S\$'000
Balance as at 30 September 2016 and 31 December 2016	862,792,553	97,844

During the fourth quarter of 2016, no Warrants were converted into ordinary shares (October to December 2015: Nil). The Company has 119,113,066 outstanding Warrants as at 31 December 2016 (31 December 2015: 119,113,066). Each Warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.138 for each new ordinary share and is exercisable during a five year period from the date of issue.

The Company has 13,179,464 (31 December 2015: 13,179,464) outstanding employee share options as at 31 December 2016. Each share option can be used to subscribe for an ordinary shares at S\$0.1043 (31 December 2015: S\$0.1043 per share option).

The Company has Nil outstanding share awards as at 31 December 2016 under the Viking Long Term Incentive Plan (31 December 2015: 2,300,000).

As at 31 December 2016, the number of ordinary shares in issue was 862,792,553 of which 7,891,500 were held by the Company as treasury shares (31 December 2015: 862,792,553 ordinary shares and 7,489,800 treasury shares).

Save for the foregoing, there are no other 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 30 September 2016.

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

	As at 31 December 2016		As at 31 December 2015	
	No. of shares	S\$'000	No. of shares	S\$'000
Total number of issued shares at the end of the financial year	862,792,553	97,844	801,405,199	94,844
Issuance of shares pursuant to the exercise of redeemable exchangeable bond	-	-	61,387,354	3,000
Number of Treasury Shares at the end of the financial year	(7,891,500)	(526)	(7,489,800)	(591)
Net number of issued shares at the end of the financial year	854,901,053	97,318	855,302,753	97,253

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

	No. of share	S\$'000
Balance as at 1 October 2016	7,470,500	511
Purchase of treasury shares	421,000	15
Balance as at 31 December 2016	7,891,500	526

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 Group's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 year as compared with the audited financial statements for the year ended 31 December 2015, except for those disclosed under Paragraph 5.

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.

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2016. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in respective FRS and INT FRS. The adoption of new/revised FRS and INT FRS did not result in any substantial changes to the Group's accounting policies or any significant impact on the Group's financial statements.

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

	FY 2016 cents	FY 2015 cents
Earnings per ordinary share		
(i) Based on the weighted average number of ordinary share on issue	(1.86)	(1.17)
(ii) On a fully diluted basis (detailing any adjustments made to the earnings)	(1.86)	(1.17)
Earnings per ordinary share from continuing operations		
(i) Based on the weighted average number of ordinary share on issue	(1.86)	(1.17)
(ii) On a fully diluted basis (detailing any adjustments made to the earnings)	(1.86)	(1.17)
Computed based on the following weighted average number of shares		
Basic	855,171,615	806,588,051
Diluted	855,171,615	808,888,051

As at 31 December 2016, 13,179,464 (31 December 2015: 13,179,464) share options granted to employees under the existing employee share option plans and warrants of 119,113,066 (31 December 2015: 119,113,066), have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

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 financial year reported on; and
(b) immediately preceding financial year.

	Group S\$		Company S\$	
	31.12.16	31.12.15	31.12.16	31.12.15
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.09	0.11	0.07	0.09

Footnote:

Net asset value per ordinary share is based on 854,901,053 ordinary shares as at 31 December 2016 (31 December 2015: 855,302,753 shares).

- 8 **A review of the performance of the group to the extent necessary for a reasonable understanding of the 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.

Financial Performance

2016 was a challenging year for the oil and gas industry, and the downstream offshore and marine industry – a trend that started and continued since the end of 2014. With the depressed oil prices and the resulting low exploration and drilling activities, most companies have curtailed the related capital expenditure and delayed their business plans, a scenario that is pervasive across the industry. With a major part of our business portfolio aligned with these industry players, the Group was also not insulated from their business downturn. The Group's operating results were delivered under these difficult business conditions.

For the year 2016, the Group delivered Revenue of \$46.4 million. The year-on-year decline was due to lower order book carried forward, deferral of projects and lower new order intake for the year. Gross Profit also declined in tandem with the lower revenue. Gross Profit Margin, however, increased by 13% due to the resumption of recognition of finance lease income at gross value, whilst the corresponding charge against the income was recorded in other operating expenses. Please see point 3 below for further explanation.

Other Income declined as the gain from foreign exchange was lower due to the relative exchange rate movement between the US Dollars and Singapore Dollars in 2016 compared to 2015.

Lower Marketing and Distribution Expenses during the year were in line with the lower sales order intake during the period and the delay in existing projects. Administrative expenses decreased largely due to the rightsizing of manpower and curtailed spending in response to the business level of the Group amidst the challenging market condition.

The increase in Other Operating Expenses resulted from accounting adjustments on valuation of certain assets on the Balance Sheet. These items and their accounting effects are as follows:

1. The Group recorded impairments on Intangible Assets pertaining to Goodwill and Customer Relationships recorded in the Balance Sheet relating to the acquisition of the Heating, Ventilation, Air Conditioning and Refrigeration Systems business in year 2010. These impairments were non-cash items and did not impact the Net Tangible Assets of the Group.
2. The Group also impaired the slow moving inventories from the winch business including the fair value adjustment when the Group acquired the subsidiary's assets at lower than fair value in 2010.
3. In March 2016, the Group suspended the revenue recognition of a land drilling rig charter contract pending negotiation with the charterer. As of year-end, the Group continues to be in discussion and negotiation with the charterer resulting in the resumption of revenue recognition of the land drilling for the year. However, as the charter contract remains uncertain pending discussion, an impairment on the finance lease receivable was made during the year.

Finance Cost increased as a result of higher loans and borrowings to support the asset chartering business compared to the corresponding period last year.

Considering the above factors, the Group recorded a Net Loss After Tax of S\$15.9 million, of which S\$16.5 million related to impairment of assets.

Financial Position

The Net Assets for the Group stood at S\$74.9 million as at 31 December 2016. This is lower compared to that as at 31 December 2015 and attributed to the loss incurred for the year.

The decrease in inventories was a result of impairment of slow moving inventories from the winch business.

Trade Receivables increased due to the increase in Trade Receivables from the asset chartering business segment. While there were partial payments of receivables from the charterer in the asset chartering business during the year, the charterer continued to be behind in their scheduled payment. A negotiated and agreed repayment plan is in place to settle the remaining outstanding amounts. This increase in Trade Receivables was partially offset by the decrease in Trade Receivables from the offshore and marine business segment due to collection from customers and lesser new billings to the customers.

The Amount Due From Customers Contract decreased due to the eventual billing upon meeting the project milestones and lower level of project activities. Prepayments increased as the Group recognised an upfront payment for the chartering of a chemical tanker. Other Receivables and Deposits decreased as the Group managed to recover some of these receivables during the year. Finance Lease Receivables decreased due to an impairment taken as a result of uncertain charter contract pending discussion with the charterer.

Intangible Assets reduced due to the impairment recorded during the year for Goodwill and Customer Relationships recognised from the acquisition of the Heating, Ventilation, Air Conditioning and Refrigeration Systems business in year 2010.

The higher Term Loan balance as at 31 December 2016 compared to that as at 31 December 2015 was due to loan draw down to finance the operations of the Group. The Group also managed to secure further loans from non-banks for working capital purposes. The decrease in the Redeemable Exchangeable Bonds balance was due to the net partial repayment of \$4.5 million made during the year. The remaining principal balances were extended to be redeemed in 2017 and 2018, respectively. Correspondingly, the Derivative Liability related to the convertible feature of the Redeemable Exchangeable Bonds decreased as the principal decrease. There is potentially issuance of the Company's shares to repay the interest portion of the redeemed amount, resulting in the increase in Other Payables. Trade Payables decreased due to payment made to suppliers for goods received or service rendered, coupled with lesser purchases due to lower business volume.

Cashflow

The net cash flows generated from operating activities were mainly due to the billing of amount due from contract customers after meeting the project milestones and subsequent collection from receivables for the offshore and marine segment, and the reduction in finance lease assets as a result of billing of the land rig charter contracts. These were partially offset by the increase in trade receivables and payment of trade and other payables.

Less capital expenditures were made during the period as the construction of the new building was completed in the prior year, thereby resulting in lower cash flows used in investing activities.

Cash flows used in financing activities were largely due to the repayment of bank loans and partial redemption of redeemable exchangeable bonds during the year.

- 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 downturn in the offshore and marine industry, and oil and gas sector is taking its toll on businesses and companies within the industry. While there have been some signs of recovery, consensus is that the recovery will be gradual coupled with the long gestation period of multiplier effect on the industry. In the near term, the outlook of the industry is expected to stay challenging with the continued oil price volatility and uncertain climate. This prolonged industry downturn impacted the business activity of the Group with delays to existing projects, a trend which is expected to continue. Sales order intake during the period was also much weaker compared to the prior year due to limited new projects in the market.

Against this backdrop, the Group will continue to exercise prudence when evaluating potential project and will place greater emphasis on operational cost discipline in project execution. To sustain its business volumes during this downturn, the Group had and will continue to diversify its customer base towards non-oil and gas, and extend to onshore requirements. These initiatives will take time to develop and are not likely to fully cover shortfall in our traditional business segments.

The collection of charter income for the land rigs was affected during this downturn. A repayment schedule to pare down the outstanding receivables has been agreed with the charterer and being executed. The Group continues to be in negotiation with the charterer pertaining to the settlement of the second land rig.

The Group will continue to aggressively pursue cost management and resource optimisation to extract efficiency and savings. While cost saving measures are in place, further cost cutting actions have been formulated and will be initiated if the outlook continues to be challenging. The Group will rightsize its resources and operating infrastructure in order to cope with the lower business volumes and margin pressure from competitors vying for the limited opportunities.

In 2016, the Group was able to make partial redemption of the Redeemable Exchangeable Bond and successfully negotiated extension of redemption for the balance. The Group will continue to monitor and formulate plans to meet the redemption upon maturity of the next bond in June 2017.

During the current challenging times, it is imperative that the Group continues its cost management and concurrently seeks out additional cash resources to improve its liquidity position. We have had success in raising non-bank sources of cash resources and will continue to do so, in order to maintain liquidity to ride out these difficult times.

- 11 **Dividend**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period report on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared or recommended for FY2016.

- 13 **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14 Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Offshore and Marine S\$'000	Corporate S\$'000	Assets chartering S\$'000	Adjustment & Elimination S\$'000	Group S\$'000
2016					
Revenue					
External customers	32,277	1,067	13,019	-	46,363
Inter-segment	8,629	5,008	-	(13,637)	-
Total revenue	40,906	6,075	13,019	(13,637)	46,363
Results:					
Interest income	31	1	4	(29)	7
Dividend income	-	-	4,781	(4,781)	-
Depreciation and amortisation	(533)	(1,303)	-	(1,148)	(2,984)
Share of associates results	-	-	(1)	-	(1)
Other non-cash expenses	(1,025)	(18,072)	(4,472)	6,981	(16,588)
Segment (loss)/profit	(9,921)	(17,298)	9,713	418	(17,088)
Assets					
Additions to non-current assets	257	57	-	-	314
Segment assets	59,668	97,822	80,381	(91,381)	146,490
Segment liabilities	(20,203)	(33,829)	(60,949)	43,377	(71,604)

	Offshore and Marine S\$'000	Corporate S\$'000	Assets chartering S\$'000	Adjustment & Elimination S\$'000	Group S\$'000
2015					
Revenue					
External customers	75,939	151	8,448	1	84,539
Inter-segment	7,791	5,499	-	(13,290)	-
Total revenue	83,730	5,650	8,448	(13,289)	84,539
Results:					
Interest income	2	-	-	-	2
Dividend income	-	-	2,803	(2,803)	-
Depreciation and amortisation	(538)	(649)	-	(1,184)	(2,371)
Share of associates results	-	-	-	-	-
Other non-cash expenses	(697)	(10,201)	-	(1,193)	(12,091)
Segment profit/(loss)	(3,784)	(9,245)	8,901	(5,774)	(9,902)
Assets					
Additions to non-current assets	550	3,727	-	-	4,277
Segment assets	75,929	114,566	69,156	(88,270)	171,381
Segment liabilities	(26,182)	(33,626)	(56,668)	35,461	(81,015)

Geographical Segment

	Revenue		Non-current assets	
	FY 2016 S\$'000	FY 2015 S\$'000	FY 2016 S\$'000	FY 2015 S\$'000
Europe	6,954	3,628	-	-
Indonesia	803	1,902	9	9
Malaysia	643	1,575	12	12
Middle East	1,241	847	-	-
People's Republic of China	12,900	26,477	285	284
Singapore	21,781	44,080	38,733	49,421
Others	2,041	6,030	-	-
	46,363	84,539	39,039	49,726

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Performance by Business Segments

The result and performance of assets chartering segment was contributed by the full year recognition of charter income from the first and second land rig during the year.

The result and performance of the offshore and marine segment declined against that of the prior year due to lower order book carried forward, deferral of projects and lower new order intake for the year. Price pressure from the heightened competition vying for limited orders and cost overruns from the execution of some difficult projects further impacted the margins.

Performance by Geographical Segments

The Group's revenue declined for all geographical segments in FY2016 in the wake of the downturn in the oil and gas and offshore and marine industries with the exception of Europe and Middle East. The revenue increase in Europe was due to the recognition of charter income from the second land rig during the year. As for Middle East, the winches business managed to make some headways into the market during the year.

The volatility of revenue contribution from the other countries reflect the small and non-recurring business base, largely influenced by some major transactions.

During this downturn, the Group will continue to focus on growth in the emerging markets to diversify its customer base to sustain business volume.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive offices in the format set out in Appendix 7H under Rule 720(1) of the Listing Manual.

17 A breakdown of sales

	The Group		
	FY 2016 S\$'000	FY 2015 S\$'000	Change %
Sales reported for first half year	23,601	43,014	(45)
Operating (loss)/profit after tax from continuing operations before deducting non-controlling interests reported for first half year	(3,675)	1,092	(437)
Sales reported for second half year	22,762	41,525	(45)
Operating loss after tax from continuing operations before deducting non-controlling interests reported for second half year	(12,246)	(10,516)	16

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend

	FY 2016 S\$'000	FY 2015 S\$'000
Ordinary	-	1,194
Preference	-	-
Total	-	1,194

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lin Wei, Daniel	34	Son of Mr Andy Lim, Executive Director and Chairman, and substantial shareholder	Executive Director, Viking Offshore and Marine Limited, 2013 Director, Viking Asset Management Pte Ltd, 2013 Director, Promoter Hydraulics Pte. Ltd., 2013 Director, Viking Facilities Management & Operations Pte. Ltd., 2013 Director, Viking LR1 Pte. Ltd., 2014 Director, Viking LR2 Pte. Ltd., 2014	Not applicable

BY ORDER OF THE BOARD

MR ANDY LIM
CHAIRMAN AND EXECUTIVE DIRECTOR

MR LOW JOOI KOK
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

27 February 2017
Singapore