

Full Year Financial Statement And Dividend Announcement for the Financial Ended 31 December 2017

This document has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (“Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), this being the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this document.

The document has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this document including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr Ken Lee, Associate Director, Investment Banking. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.

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 corresponding period of the immediately preceding financial year.

	The Group		
	FY 2017 S\$'000	FY 2016 S\$'000	Change %
Revenue	38,662	46,363	(17)
Cost of sales	(23,245)	(27,554)	(16)
Gross Profit	15,417	18,809	(18)
Other income	594	2,509	(76)
Interest income	9	7	29
Marketing and distribution expenses	(387)	(384)	1
Administrative expenses	(12,208)	(14,631)	(17)
Other operating expenses	(14,070)	(19,538)	(28)
Finance costs	(2,837)	(3,857)	(26)
Share of results of associates - net of tax	(1)	(1)	0
Loss before tax	(13,483)	(17,086)	(21)
Income tax credit	234	1,167	(80)
Loss for the period	(13,249)	(15,919)	(17)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(1,502)	76	NM
Net change in fair value reserve of available-for-sale financial assets	-	406	(100)
Other comprehensive income for the period, net of tax	(1,502)	482	NM
Total comprehensive income for the period	(14,751)	(15,437)	(4)
Loss attributable to:			
Owners of the company			
- Loss after tax	(13,249)	(15,921)	NM
Total comprehensive income attributable to:			
Owners of the company			
- Loss after tax	(14,751)	(15,439)	NM

Note

Loss before tax is derived at after

Crediting/(charging) :

Depreciation of property, plant and equipment	(2,229)	(2,288)	(3)
Amortisation of intangible assets	(22)	(696)	(97)
Impairment loss on customer relationships	-	(2,022)	(100)
Gain on disposal of plant and equipment	8	53	(85)
(Loss)/Gain on foreign exchange	(1,825)	1,003	NM
Fair value gain of derivative on redeemable exchangeable bonds	174	891	(80)
Impairment loss on goodwill	-	(5,965)	(100)
Reversal of impairment loss on trade receivables	-	100	(100)
Impairment loss on finance lease receivables	(688)	(333)	107
Impairment loss on trade receivables	(6,911)	(4,389)	57
Impairment loss on other receivables	(1,476)	-	NM
Inventories written down	(805)	(2,880)	(72)
Loss on derivative	-	(16)	(100)
Net fair value gains on quoted equity investments	27	-	NM
Gain on disposal of quoted equity investments	5	-	NM
Impairment loss on quoted equity investments	-	(940)	NM

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 S\$'000		The Company S\$'000	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Equity attributable to equity holders of the company				
Share capital	102,605	97,844	102,605	97,844
Treasury shares	(528)	(526)	(528)	(526)
Reserves	(37,183)	(22,429)	(46,338)	(40,762)
Total equity	64,894	74,889	55,739	56,556
Non-current assets				
Property, plant and equipment	23,316	25,487	5	22
Investment in subsidiaries	-	-	65,348	68,546
Investment in associates	15,403	15,404	-	-
Quoted equity investments	166	271	166	271
Intangible assets	13,529	13,552	-	-
Finance lease receivables	-	32,459	-	-
Deferred tax assets	20	13	-	-
	52,434	87,186	65,519	68,839
Current assets				
Inventories	24,943	10,744	-	-
Trade receivables	25,452	26,118	-	-
Due from customers for contracts work-in-progress	6,867	9,198	-	-
Prepayments	113	1,902	43	44
Other receivables and deposits	1,943	2,184	58	48
Finance lease receivables	12,385	4,464	-	-
Cash and cash equivalents	6,051	4,694	341	193
	77,754	59,304	442	285
Total assets	130,188	146,490	65,961	69,124
Current liabilities				
Trade payables	3,432	4,222	-	-
Due to customers for contracts work-in-progress	3,254	2,311	-	-
Other payables and accruals	21,763	25,840	498	2,004
Tax payable	25	20	-	-
Finance lease obligations	28	32	-	-
Term loans	17,548	18,771	1,333	1,992
Derivative liability	-	174	-	174
Redeemable exchangeable bonds	6,303	2,465	-	-
Due to subsidiaries	-	-	8,274	7,594
	52,353	53,835	10,105	11,764
Non-current liabilities				
Term loans	11,634	13,151	117	804
Redeemable exchangeable bonds	-	3,042	-	-
Deferred tax liabilities	1,266	1,504	-	-
Finance lease obligations	41	69	-	-
	12,941	17,766	117	804
Total liabilities	65,294	71,601	10,222	12,568
Net assets	64,894	74,889	55,739	56,556

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 2017		As at 31 December 2016	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
23,879	-	21,268	-

Amount repayable after one year

As at 31 December 2017		As at 31 December 2016	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
11,675	-	16,262	-

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 corresponding period of the immediately preceding financial year.

	The Group	
	FY 2017 S\$'000	FY 2016 S\$'000
Cash flows from operating activities:		
Loss before tax	(13,483)	(17,086)
Adjustments for:		
Amortisation of intangible assets	22	696
Net fair value gains on quoted equity investments	(27)	-
Depreciation of property, plant and equipment	2,229	2,288
Inventories written down	805	2,880
Employee share-based expense	-	59
Fair value gains of derivative on redeemable exchangeable bonds	(174)	(891)
Impairment loss on finance lease receivables	688	333
Impairment loss on trade receivables	6,911	4,389
Gain on disposal of plant and equipment	(8)	(53)
Impairment loss on customer relationships	-	2,022
Reversal of impairment loss on trade receivables	-	(100)
Impairment loss on goodwill	-	5,965
Impairment loss on other receivables	1,476	-
Impairment loss on quoted equity investments	111	940
Impairment loss on associates	-	-
Interest expense	2,837	3,857
Interest income	(9)	(7)
Share of results of associates, net of tax	1	-
Gain on disposal of quoted equity investments	(5)	-
Unrealised loss on derivatives	-	9
Unrealised exchange loss/(gain)	1,405	(541)
Operating profit before working capital changes	2,778	4,760
Changes in working capital:		
Inventories	(15,003)	(19)
Trade receivables	(6,118)	(8,731)
Due from customers for contracts work-in-progress	2,331	7,906
Other receivables, deposits and prepayments	554	(439)
Finance lease receivables	23,201	4,751
Trade payables	(901)	(6,092)
Due to customers for contracts work-in-progress	942	(578)
Other payables and accruals	(4,574)	1,065
Cash flows from operations	3,210	2,623
Interest received	9	7
Income taxes received/(paid)	15	(15)
Net cash flows from operating activities	3,234	2,615
Cash flows from investing activities		
Purchase of property, plant and equipment	(65)	(314)
Proceeds from disposal of plant and equipment	12	70
Net proceeds on disposal of quoted equities	27	-
Cash flows used in investing activities	(26)	(244)
Cash flows from financing activities		
Interest paid	(1,471)	(1,567)
Repayment of loans and borrowings	(6,960)	(5,557)
Proceeds from issuance of shares pursuant to rights issue	3,510	-
Proceeds from issuance of redeemable exchangeable bonds	-	3,000
Share issuance expense	(300)	-
Repayment of redeemable exchangeable bonds	-	(7,500)
Purchase of treasury shares	(2)	(99)
Proceeds from loans and borrowings	3,450	6,535
Payment of finance lease obligations	(32)	(31)
Cash flows used in financing activities	(1,805)	(5,219)
Net increase/(decrease) in cash and cash equivalents	1,403	(2,848)
Effect of exchange rate changes on cash and cash equivalents	(46)	32
Cash and cash equivalents at beginning of financial year	4,694	7,510
Cash and cash equivalents at end of financial year	6,051	4,694

- 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 corresponding period of 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 2016						
Balance as at 1 January 2016	97,844	(592)	1,727	220	(8,834)	90,366
Loss for the period	-	-	-	-	(15,921)	(15,921)
<u>Other comprehensive income</u>						
Net change in fair value reserve of available-for-sale financial assets	-	-	-	406	-	406
Foreign currency translation	-	-	78	-	-	78
Other comprehensive income for the period, net of tax	-	-	78	406	-	484
Total comprehensive income for the period	-	-	78	406	(15,921)	(15,437)
<u>Contributions by and distribution to owners</u>						
Purchase of treasury shares	-	(99)	-	-	-	(99)
Treasury shares reissued pursuant to equity compensation plans	-	165	-	(165)	-	-
Employee share-based expense	-	-	-	59	-	59
Total transactions with owners in their capacity as owners	-	66	-	(106)	-	(40)
Balance as at 31 December 2016	97,844	(526)	1,805	520	(24,755)	74,889

	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 2017						
Balance as at 1 January 2017	97,844	(526)	1,805	522	(24,753)	74,892
Loss for the period	-	-	-	-	(13,249)	(13,249)
<u>Other comprehensive income</u>						
Net change in fair value reserve of available-for-sale financial assets	-	-	-	(3)	-	(3)
Foreign currency translation	-	-	(1,505)	-	-	(1,505)
Other comprehensive income for the period, net of tax	-	-	(1,505)	(3)	-	(1,508)
Total comprehensive income for the period	-	-	(1,505)	(3)	(13,249)	(14,757)
<u>Contributions by and distribution to owners</u>						
Issuance of shares pursuant to the exercise of redeemable exchangeable bond	1,552	-	-	-	-	1,552
Share issuance expense	(300)	-	-	-	-	(300)
Purchase of treasury shares	-	(2)	-	-	-	(2)
Issuance of shares	3,510	-	-	-	-	3,510
Share options expired	-	-	-	(408)	408	-
Total transactions with owners in their capacity as owners	4,761	(2)	-	(408)	408	4,759
Balance as at 31 December 2017	102,605	(528)	300	111	(37,594)	64,894

	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)	234	(24,266)	73,221
Loss for the period	-	-	-	(17,018)	(17,018)
<u>Other comprehensive income</u>					
Net change in fair value reserve of available-for-sale financial assets	-	-	393	-	393
Other comprehensive income for the period, net of tax	-	-	393	-	393
Total comprehensive income for the period	-	-	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	-	165	(165)	-	-
Employee share-based expense	-	-	59	-	59
Total transactions with owners in their capacity as owners	-	66	(106)	-	(40)
Balance as at 31 December 2016	97,844	(525)	521	(41,284)	56,556

	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 2017					
Balance as at 1 January 2017	97,844	(526)	523	(41,285)	56,556
Loss for the period	-	-	-	(5,576)	(5,576)
<u>Other comprehensive income</u>					
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(5,576)	(5,576)
<u>Contributions by and distribution to owners</u>					
Purchase of treasury shares	-	(2)	-	-	(2)
Issuance of shares pursuant to the conversion of redeemable exchangeable bonds	1,552	-	-	-	1,552
Share issuance expense	(300)	-	-	-	(300)
Issuance of shares	3,510	-	-	-	3,510
Share options expired	-	-	(408)	408	-
Total transactions with owners in their capacity as owners	4,761	(2)	(408)	408	4,759
Balance as at 31 December 2017	102,605	(528)	115	(46,453)	55,739

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Changes in Company's share capital:

	Quantity	Share capital S\$'000
Balance as at 1 October 2017	1,106,681,074	102,782
Reversal of share issuance expenses	-	(177)
Balance as at 31 December 2017	1,106,681,074	102,605

On 3 July 2017, the Company allotted and issued 194,982,219 new ordinary shares ("Rights Shares") at an issue price of S\$0.018 for each Rights Share and 97,491,109 free detachable warrants ("2017 Warrants") pursuant to a renounceable and non-underwritten rights cum warrants issue. Each 2017 Warrant carries the right to subscribe for two new ordinary share in the capital of the Company at an exercise price of S\$0.025 for each new ordinary share and is exercisable during a five year period from the date of issue.

The Company has 132,840,897 outstanding warrants as at 31 December 2017 ("2013 Warrants"). Each 2013 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 Nil (31 December 2016: 13,179,464) outstanding employee share options as at 31 December 2017. Each share option can be used to subscribe for an ordinary shares at Nil (31 December 2016: S\$0.1043 per share option).

48,906,302 ordinary shares at an issue price of S\$0.03173 per share were issued and allotted to Luminor Pacific Fund 1 Ltd. in the capital of the Company after the shareholders' approval had been obtained at the annual general meeting of the Company for the Supplemental Agreement and the issuance of the Settlement Shares to Luminor Pacific Fund 1 Ltd..

As at 31 December 2017, the total number of ordinary shares in issue was 1,106,681,074 of which 7,961,500 were held by the Company as treasury shares (31 December 2016: 862,792,553 ordinary shares and 7,489,800 treasury shares).

	As at 31 December 2017	As at 31 December 2016
No of Shares that may be issued upon conversion of all outstanding convertibles	327,823,115	132,292,530
There were no subsidiary holdings as at the end of the current financial year reported on.		
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 2017.		

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 2017		As at 31 December 2016	
	No. of shares	S\$'000	No. of shares	S\$'000
Total number of issued shares at the end of the financial period	862,792,553	97,844	862,792,553	97,844
Issuance of shares pursuant to the exercise of redeemable exchangeable bond	48,906,302	1,552	-	-
Issuance of shares	194,982,219	3,510	-	-
Share issuance expenses	-	(300)	-	-
Number of Treasury Shares at the end of the financial period	(7,961,500)	(528)	(7,891,500)	(526)
Net number of issued shares at the end of the financial period	1,098,719,574	102,077	854,901,053	97,318

1(d) (iv) A statement showing all sales, transfers, 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 30 September 2017 and 31 December 2017	7,961,500	528

1(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no subsidiary holdings as at the end of the current financial period reported on.

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 2016, 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 2017. 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 2017 cents	FY 2016 cents
Earnings per ordinary share		
(i) Based on the weighted average number of ordinary share on issue	(1.21)	(1.86)
(ii) On a fully diluted basis (detailing any adjustments made to the earnings)	(1.21)	(1.86)
Earnings per ordinary share from continuing operations		
(i) Based on the weighted average number of ordinary share on issue	(1.21)	(1.86)
(ii) On a fully diluted basis (detailing any adjustments made to the earnings)	(1.21)	(1.86)
Computed based on the following weighted average number of shares		
Basic	1,098,721,875	855,171,615
Diluted	1,098,721,875	855,171,615

As at 31 December 2017, Nil (31 December 2016: 13,179,464) share options granted to employees under the existing employee share option plans and warrants of 230,332,006 (31 December 2016: 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		Company	
	S\$		S\$	
	31.12.17	31.12.16	31.12.17	31.12.16
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.06	0.09	0.05	0.07

Footnote:

Net asset value per ordinary share is based on 1,098,719,574 ordinary shares as at 31 December 2017 (31 December 2016: 854,901,053 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

For the year 2017, the Group delivered Revenue of \$38.6 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 and proportionally with the lower Revenue.

Other Income declined as the Group posted unrealised foreign exchange loss for the year compared to a gain in 2016 due to the weakening of the US Dollars against Singapore Dollars in 2017. In addition, there was a smaller derivative gain in 2017 compared to 2016 resulting from the repayment and conversion of the Redeemable Exchangeable Bonds.

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.

Other Operating Expenses consisted of mainly accounting adjustments on valuation of certain assets on the Balance Sheet. These material items and their accounting effects are as follows:

1. No impairment in Goodwill for FY2017 compared to S\$6.7 million in FY2016.
2. Impairment of slow moving Inventories from the winch business of S\$0.8 million in FY2017 compared to S\$2.9 million in FY2016.
3. Impairment of Trade Receivables from the land rig charter contracts of S\$6.0 million in FY2017 compared to S\$4.5 million in FY2016. The Company's subsidiaries are involved in an arbitration with the charterer whereby the subsidiaries are the plaintiff claiming unpaid charter hires for 2 land rigs. The arbitration proceedings are completed and the parties are now awaiting on the decision from the arbitrator.
4. Impairment of deposits within Other Receivables and Trade Receivables of the chartering of a chemical tanker amounting to S\$3.1 million in 2017 due to uncertainty of recoverability at this juncture while a subsidiary of the Company is involved in two separate but related arbitrations involving back-to-back chartering and sub-chartering of a chemical tanker. Both arbitrations are still in-progress.
5. As mentioned above, the Group recorded unrealised foreign exchange loss during the year as a result of the weakening US Dollars and this was reflected within Other Operating Expenses.

Finance Cost decreased as the Group continues to pare down its loans and borrowings

Considering the above factors, the Group recorded a Net Loss After Tax of S\$13.2 million.

Financial Position

The Net Assets for the Group stood at S\$65.8 million as at 31 December 2017. This is lower compared to that as at 31 December 2016 and attributed to the loss incurred for the year.

The reclassification of land rig from finance lease receivables to inventories due to the termination of a land rig charter contract led to the increase in Inventories and decrease in Finance Lease Receivables.

The Amount Due From Customers Contract decreased due to the eventual billing upon meeting the project milestones and lower level of project activities. Prepayments decreased as the Group derecognised an upfront payment for the chartering of a chemical tanker during the year. Other Receivables and Deposits decreased as the Group managed to recover some of these receivables during the year. Quoted Equity Investment decreased due to the decrease in share price of these investments during the year.

The reduction of Term Loan balance as at 31 December 2017 compared to that as at 31 December 2016 was due to the repayments made during the year. The increase in the Redeemable Exchangeable Bonds balance was due to the accrual of interest during the year. The reversal of Other Payables after the Company issued shares to repay the interest portion of the Redeemable Exchangeable Bonds during the year resulted in the decrease 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.

Lesser capital expenditures were made during the year resulting in lower cash flows used in investing activities.

Cash flows used in financing activities were due to the repayment of loans during the year, partially offset by the proceeds from rights cum warrant issue during the year and also drawdown of term loans and the non-recurrence of the repayment of redeemable exchangeable bonds in 2016.

- 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 industry is showing some signs of gradual recovery and increasing inquiries as the oil prices stabilises above US\$60 per barrel of late. As effect of oil prices stabilisation will take time to translate into new orders in the downstream activities, the Group continues to operate in a challenging business condition where cash and liquidity remains the priority focus for the Group. It is imperative for the Group to continue exercising spending discipline, aggressive receivables collection and cash conservation to navigate this difficult period.

Specifically, the business outlook and sustainability for the Group hinges on our ability to successfully execute on the following major items.

1. To restructure and extend the maturity of the bonds for Tembusu Growth Fund 2 and Luminor Growth Funds 1 & 2, which will mature in 2018. The Group is in negotiation with the respective bondholders on a restructuring proposal which have been tabled to them. Additionally, the Group will also be approaching the lenders of the private loans to review the maturity of the loans in the later part of 2018.
2. The continued support from the Group's principal bankers to support working capital requirements of its operating subsidiaries. In view of the absence of additional banking facilities, the Group will have to seek new alternative source of working capital.
3. The outcome of the two legal and arbitration cases against the charterer of the land rigs and sub-charterer of the chemical tanker, and the defence against the owner of the chemical tanker. The arbitration against the charterer of the land rigs are completed and now awaiting the decisions of the arbitrator. The Group plans on enforcing any arbitration award against the assets of the defendant and thereafter realising the assets for cash to repay outstanding sums. The arbitrations against the sub-charterer and the defence against the owners of the chemical tanker are still in-progress.

Additionally, the Group is actively looking for opportunities to monetise its capital assets and additional sources of funds to improve its liquidity position and strengthening its working capital and balance sheet.

- 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.**

Not applicable

- 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.

- 14 **Use of proceeds from rights cum warrants issue**

The rights cum warrants issue of 194,982,219 new shares with 97,491,109 free detachable warrants was completed by the Company on 3 July 2017, and the net proceeds raised was approximately S\$3.4 million.

As at year end, The Company had utilised S\$2.0 million for the repayment of the loan granted by Tembusu to Viking LR2 and approximately S\$1.2 million for working capital purposes. The balance of the net proceeds raised from the rights cum warrants issue is approximately S\$0.2 million. These utilisations are in accordance with the Company's intended use. The Company shall continue to make periodic announcements on the use of such proceeds as and when they are materially disbursed, and will provide a status report on the use of proceeds raised from the rights cum warrants issue in its annual report(s), until such time the proceeds have been fully utilised.

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

15 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
2017					
Revenue					
External customers	30,888	1,122	6,652	-	38,662
Inter-segment	5,425	2,149	-	(7,574)	-
Total revenue	36,313	3,271	6,652	(7,574)	38,662
Results:					
Interest income	80	1	11	(84)	8
Dividend income	-	-	-	-	-
Depreciation and amortisation	(484)	(1,290)	-	(476)	(2,250)
Share of associates results	-	-	(1)	-	(1)
Other non-cash expenses	(98)	(6,409)	(688)	2,492	(4,703)
Segment (loss)/profit	(2,606)	(5,134)	(8,403)	2,657	(13,486)
Assets					
Additions to non-current assets	48	18	-	-	66
Segment assets	55,726	94,198	74,143	(93,879)	130,188
Segment liabilities	(18,970)	(30,580)	(63,804)	48,059	(65,295)

	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 profit/(loss)	(9,919)	(17,298)	9,713	418	(17,086)
Assets					
Additions to non-current assets	257	57	-	-	314
Segment assets	59,665	97,822	80,381	(91,378)	146,490
Segment liabilities	(20,199)	(33,829)	(60,949)	43,376	(71,601)

Geographical Segment

	Revenue		Non-current assets	
	FY 2017 S\$'000	FY 2016 S\$'000	FY 2017 S\$'000	FY 2016 S\$'000
Europe	1,433	6,954	-	-
Indonesia	1,564	714	9	8
Malaysia	830	638	12	9
Middle East	254	1,358	-	-
People's Republic of China	10,038	14,318	285	179
Singapore	22,901	20,350	36,540	38,843
Others	1,642	2,031	-	-
	38,662	46,363	36,846	39,039

16 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

Despite the reduction in revenue for the offshore and marine segment for the year, the net loss narrowed by 70% due to better project execution and cost rationalisation.

The asset chartering segment posted a net loss for the year due to impairment of trade receivables, finance lease receivables and other receivables due to the uncertainty of charterhire collection.

Performance by Geographical Segments

The Group's revenue declined for all geographical segments in FY2017 in the wake of the downturn in the oil and gas and offshore and marine industries with the exception of Singapore, Indonesia and Malaysia. The revenue increased in Singapore due to the delivery of a few larger carried forward projects from prior year. The Group continued to grow in emerging markets as evidence in the increase in revenue posted from Indonesia and Malaysia. The reduction in revenue in Europe was due to the termination a land rig charter hire in the first quarter of FY2017 compared to a full year's recognition in FY2016.

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

17 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.

18 A breakdown of sales

	FY 2017 S\$'000	The Group FY 2016 S\$'000	Change %
Sales reported for first half year	18,526	23,601	(22)
Operating (loss)/profit after tax from continuing operations before deducting non-controlling interests reported for first half year	(4,986)	(3,675)	36
Sales reported for second half year	20,136	22,762	(12)
Operating loss after tax from continuing operations before deducting non-controlling interests reported for second half year	(8,263)	(12,244)	(33)

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

Not applicable

20 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	35	Son of Mr Andy Lim, Executive Director and Chairman, and substantial shareholder	Executive Director, Viking Offshore and Marine Limited, 2013	Ceased w.e.f. 22 February 2018
			Director, Viking Asset Management Pte Ltd, 2013	Not applicable
			Director, Promoter Hydraulics Pte. Ltd., 2013	Not applicable
			Director, Viking Facilities Management & Operations Pte. Ltd., 2013	Ceased w.e.f. 23 February 2018
			Director, Viking LR1 Pte. Ltd., 2014	Not applicable
			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

28 February 2018
Singapore