

## VIKING OFFSHORE AND MARINE LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199307300M)

---

### DIFFERENCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

---

The Board of Directors (the “**Board**”) of Viking Offshore and Marine Limited (the “**Company**”) refers to the announcement released by the Company on the SGXNet on 1 March 2019 on the unaudited financial statements for the financial year ended 31 December 2018.

Pursuant to Rule 704(5) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst, the Board wishes to announce that there are certain material differences between the audited financial results of the Group for the financial year ended 31 December 2018 (“**Audited Results**”) and the unaudited financial statements for the financial year ended 31 December 2018 (“**Unaudited Results**”).

A comparison of the Audited Results and the Unaudited Results is set out as follows:

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Note	<u>Audited Results</u> S\$'000	<u>Unaudited Results</u> S\$'000	<u>Difference</u> S\$'000
Other operating expenses	1	(8,862)	(10,778)	1,916
Impairment losses of financial assets	1	(2,487)	-	(2,487)

#### CONSOLIDATED BALANCE SHEET

For the year ended 31 December 2018

	Note	<u>Audited Results</u> S\$'000	<u>Unaudited Results</u> S\$'000	<u>Difference</u> S\$'000
<b>Current assets</b>				
Inventories	2	28,299	26,348	1,951
Trade receivables	2	27,272	30,123	(2,851)
Other receivables and deposits		1,063	1,457	(394)
Unchanged items		10,278	10,283	5
Total current assets		66,912	68,211	(1,299)

**CONSOLIDATED BALANCE SHEET**  
For the year ended 31 December 2018

	Note	<u>Audited Results</u> S\$'000	<u>Unaudited Results</u> S\$'000	<u>Difference</u> S\$'000
<b>Current liabilities</b>				
Trade payables		(3,118)	(3,331)	213
Contract liabilities	3	(2,844)	(2,374)	(470)
Other payables and accruals	3	(23,896)	(24,392)	496
Term loans	4	(17,884)	(16,718)	(1,166)
Unchanged items		(7,112)	(7,112)	-
Total current liabilities		<u>(54,854)</u>	<u>(53,927)</u>	<u>(927)</u>
<b>Non-current liabilities</b>				
Term loans	4	(8,882)	(10,798)	1,916
Deferred tax liabilities		(1,049)	(1,199)	150
Total non-current liabilities		<u>(9,946)</u>	<u>(12,012)</u>	<u>2,066</u>

**CONSOLIDATED CASH FLOWS STATEMENT**  
For the year ended 31 December 2018

	Note	<u>Audited Results</u> S\$'000	<u>Unaudited Results</u> S\$'000	<u>Difference</u> S\$'000
<b>Cash flows from operating activities</b>				
Loss before tax		(28,245)	(27,994)	(251)
<b>Adjustments for:</b>				
Reversal of impairment loss on trade receivables		(50)	-	(50)
Impairment loss on inventories		6,786	6,211	575
Impairment loss on quoted shares		-	10	10
Interest expense		3,508	3,675	(166)
Net fair value gain on quoted shares		(44)	(24)	(20)
Unchanged items		19,362	19,361	(1)
<b>Operating profit before working capital changes</b>		<u>1,317</u>	<u>1,239</u>	<u>78</u>
Changes in working capital:				
Inventories		4,911	4,711	201
Trade receivables		(6,830)	(7,005)	175
Other receivables, deposits and prepayments		917	519	398
Trade creditors		(456)	(243)	(213)
Other payables and accruals		2,606	2,661	(55)
Unchanged items		(455)	(455)	-
<b>Cash generated from operations</b>		<u>2,010</u>	<u>1,427</u>	<u>583</u>

**CONSOLIDATED CASH FLOWS STATEMENT**  
For the year ended 31 December 2018

	Note	Audited Results S\$'000	Unaudited Results S\$'000	Difference S\$'000
<b>Cash flows from financing activities</b>				
Interest paid		(2,088)	(2,255)	166
Repayment of loans and borrowings		(3,216)	(2,467)	(750)
Unchanged items		722	722	-
<b>Net cash generated from operations</b>		<u>(4,582)</u>	<u>(4,000)</u>	<u>582</u>

**BALANCE SHEET**  
For the year ended 31 December 2018

	Note	<u>Audited Results S\$'000</u>	<u>Unaudited Results S\$'000</u>	<u>Difference S\$'000</u>
<b>Non-current assets</b>				
Investments in subsidiaries	5	54,111	65,348	(11,237)
Quoted equity investments		50	20	30
Unchanged items		3	2	1
Total non-current assets		<u>54,164</u>	<u>65,370</u>	<u>11,206</u>
<b>Equity attributable to equity holders of the Company</b>				
Reserves	5	(58,990)	(47,770)	(11,220)
Unchanged items		102,077	102,077	-
Total current assets		<u>43,087</u>	<u>54,307</u>	<u>(11,220)</u>

**Note 1**

Subsequent to the announcement of unaudited results, the management reclassified impairment losses on financial assets relating to the trade receivables out of other operating expenses. The management also provided further impairment loss on inventories relating to the winches business after further assessment.

**Note 2**

Subsequent to the announcement of unaudited results, the management reclassified certain portion of the finance lease receivables to inventories due to the cessation of a lease agreement. The additional impairment loss of the inventories as mentioned in Note 1 also resulted in the decrease in inventories.

**Note 3**

As a result of the adoption of the Singapore Financial Reporting Standards (International), a reclassification of advances from customers was made from other payables and accruals to contract liabilities.

**Note 4**

Subsequent to the announcement of unaudited results, there was a reclassification of term loans from non-current liabilities to current liabilities as well as an audit adjustment for over accruals of interest on loans.

**Note 5**

Subsequent to the announcement of unaudited results, the management further assessed the carrying value of the investment in subsidiaries and decided to impair investment in subsidiaries.

**BY ORDER OF THE BOARD**

Viking Offshore & Marine Limited

Ng Yeau Chong  
Executive Director and Chief Executive Officer

13 June 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.*

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

*The contact person for the Sponsor is 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.*