

Second Quarter and Half Year Financial Statement And Dividend Announcement for the Financial Period Ended 30 June 2014

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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 corresponding period of the immediately preceding financial year.

|   | The Group          |                    |             |                    |                    |             |
|---|--------------------|--------------------|-------------|--------------------|--------------------|-------------|
|   | 2Q 2014<br>S\$'000 | 2Q 2013<br>S\$'000 | Change<br>% | 1H 2014<br>S\$'000 | 1H 2013<br>S\$'000 | Change<br>% |
| <b>Continuing operations</b>  |                    |                    |             |                    |                    |             |
| Revenue   | 16,297             | 16,741             | (3)         | 31,646             | 30,606             | 3           |
| Cost of sales   | (11,169)           | (12,003)           | (7)         | (21,308)           | (20,830)           | 2           |
| Gross Profit  | 5,128              | 4,738              | 8           | 10,338             | 9,776              | 6           |
| Other income  | 149                | 823                | (82)        | 700                | 1,521              | (54)        |
| Interest income   | -                  | 1                  | (100)       | 1                  | 1                  | 0           |
| Marketing and distribution expenses                                   | (255)              | (271)              | (6)         | (582)              | (508)              | 15          |
| Administrative expenses   | (4,222)            | (4,404)            | (4)         | (8,684)            | (8,583)            | 1           |
| Other operating expenses  | (697)              | (763)              | (9)         | (1,386)            | (1,708)            | (19)        |
| Finance costs   | (48)               | (73)               | (34)        | (107)              | (174)              | (39)        |
| Profit before tax from continuing operations                          | 55                 | 51                 | 8           | 280                | 325                | (14)        |
| Income tax credit   | 34                 | 175                | (81)        | 88                 | 138                | (36)        |
| Profit after tax from continuing operations                           | 89                 | 226                | (61)        | 368                | 463                | (21)        |
| <b>Discontinued operations</b>  |                    |                    |             |                    |                    |             |
| Profit after tax from discontinued operations                         | -                  | 29                 | (100)       | -                  | 60                 | (100)       |
| Profit for the period   | 89                 | 255                | (65)        | 368                | 523                | (30)        |
| <b>Other comprehensive income:</b>                                    |                    |                    |             |                    |                    |             |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |                    |                    |             |                    |                    |             |
| Foreign currency translation  | (67)               | (36)               | 86          | (212)              | 112                | (289)       |
| Net change in fair value reserve of available-for-sale                | (531)              | (171)              | 211         | 198                | 131                | 51          |
| Other comprehensive income for the period, net of tax                 | (598)              | (207)              | 189         | (14)               | 243                | (106)       |
| Total comprehensive (loss)/income for the period                      | (509)              | 48                 | (1160)      | 354                | 766                | (54)        |
| <b>Profit attributable to:</b>  |                    |                    |             |                    |                    |             |
| Non-controlling interests   |                    |                    |             |                    |                    |             |
| - Profit after tax from discontinued operations                       | -                  | 54                 | (100)       | -                  | 60                 | (100)       |
| Owners of the company   |                    |                    |             |                    |                    |             |
| - Profit after tax from continuing operations                         | 89                 | 226                | (61)        | 368                | 463                | (21)        |
| - Loss after tax from discontinued operations                         | -                  | (25)               | (100)       | -                  | -                  | NM          |
|   | 89                 | 255                | (65)        | 368                | 523                | (30)        |
| <b>Total comprehensive income attributable to:</b>                    |                    |                    |             |                    |                    |             |
| Non-controlling interests   |                    |                    |             |                    |                    |             |
| - Profit after tax from discontinued operations                       | -                  | 54                 | (100)       | -                  | 60                 | (100)       |
| Owners of the company   |                    |                    |             |                    |                    |             |
| - (Loss)/profit after tax from continuing operations                  | (509)              | 19                 | (2779)      | 354                | 706                | (50)        |
| - Loss after tax from discontinued operations                         | -                  | (25)               | (100)       | -                  | -                  | NM          |
|   | (509)              | 48                 | (1160)      | 354                | 766                | (54)        |

Note

|  | The Group          |                    |             |                    |                    |             |
|--|--------------------|--------------------|-------------|--------------------|--------------------|-------------|
|  | 2Q 2014<br>S\$'000 | 2Q 2013<br>S\$'000 | Change<br>% | 1H 2014<br>S\$'000 | 1H 2013<br>S\$'000 | Change<br>% |
| <b>Profit before tax from continuing operations is derived at after</b>  |                    |                    |             |                    |                    |             |
| <b>Crediting/(charging) :</b>  |                    |                    |             |                    |                    |             |
| Depreciation of property, plant and equipment                            | (353)              | (435)              | (19)        | (711)              | (804)              | (12)        |
| Amortisation of intangible assets  | (282)              | (322)              | (12)        | (564)              | (643)              | (12)        |
| (Loss)/gain on disposal of plant and equipment                           | (3)                | 35                 | (109)       | 10                 | 46                 | (78)        |
| (Loss)/gain on foreign exchange  | (22)               | 196                | (111)       | (34)               | 39                 | (187)       |
| Trade receivables written off  | (5)                | -                  | NM          | (5)                | (2)                | 150         |
| Property, plant and equipment written off                                | -                  | (18)               | (100)       | (2)                | (18)               | (89)        |
| Inventories written down   | (31)               | (148)              | (79)        | (62)               | (243)              | (74)        |
| Reversal of foreseeable losses   | -                  | 361                | (100)       | 24                 | 541                | (96)        |
| <b>Profit after tax from discontinued operations is derived at after</b> |                    |                    |             |                    |                    |             |
| <b>Crediting/(charging) :</b>  |                    |                    |             |                    |                    |             |
| Depreciation of property, plant and equipment                            | -                  | (31)               | (100)       | -                  | (73)               | (100)       |
| Loss on disposal of subsidiary company                                   | -                  | (240)              | (100)       | -                  | (240)              | (100)       |
| Gain on foreign exchange   | -                  | 5                  | (100)       | -                  | 5                  | (100)       |

NM: Not meaningful

|   | The Group<br>S\$'000 |                | The Company<br>S\$'000 |                |
|---|----------------------|----------------|------------------------|----------------|
|   | 30-Jun-14            | 31-Dec-13      | 30-Jun-14              | 31-Dec-13      |
| <b>Equity attributable to equity holders of the company</b> |                      |                |                        |                |
| Share capital   | 94,852               | 91,660         | 94,852                 | 91,660         |
| Treasury shares   | (383)                | (795)          | (383)                  | (795)          |
| Reserves  | 1,302                | 2,310          | (15,107)               | (13,639)       |
| <b>Total equity</b>   | <b>95,771</b>        | <b>93,175</b>  | <b>79,362</b>          | <b>77,226</b>  |
| <b>Non-current assets</b>                                   |                      |                |                        |                |
| Property, plant and equipment                               | 18,927               | 16,832         | 24                     | 38             |
| Investment in subsidiaries                                  | -                    | -              | 88,940                 | 88,940         |
| Investment in associated companies                          | 13,740               | -              | -                      | -              |
| Quoted equity investments                                   | 1,528                | 1,331          | 1,521                  | 1,321          |
| Intangible assets   | 33,816               | 34,383         | -                      | -              |
|   | 68,011               | 52,546         | 90,485                 | 90,299         |
| <b>Current assets</b>                                       |                      |                |                        |                |
| Inventories   | 15,882               | 13,577         | -                      | -              |
| Trade receivables   | 16,146               | 21,032         | -                      | -              |
| Due from customers for contracts work-in-progress           | 13,801               | 10,318         | -                      | -              |
| Prepayments   | 109                  | 103            | 60                     | 55             |
| Other receivables and deposits                              | 5,232                | 6,359          | 1,828                  | 3,525          |
| Cash and cash equivalents                                   | 4,886                | 19,039         | 74                     | 11,993         |
|   | 56,056               | 70,428         | 1,962                  | 15,573         |
| <b>Total assets</b>   | <b>124,067</b>       | <b>122,974</b> | <b>92,447</b>          | <b>105,872</b> |
| <b>Current liabilities</b>                                  |                      |                |                        |                |
| Trade payables  | 8,180                | 9,707          | -                      | -              |
| Due to customers for contracts work-in-progress             | 1,245                | 1,081          | -                      | -              |
| Other payables and accruals                                 | 7,140                | 6,338          | 1,282                  | 1,954          |
| Tax payable   | 475                  | 431            | -                      | -              |
| Deferred rental   | -                    | 33             | -                      | 33             |
| Finance lease obligations                                   | 11                   | 18             | -                      | -              |
| Term loans  | 1,810                | 3,641          | -                      | -              |
| Due to subsidiaries   | -                    | -              | 11,778                 | 26,634         |
|   | 18,861               | 21,249         | 13,060                 | 28,621         |
| <b>Non-current liabilities</b>                              |                      |                |                        |                |
| Term loans  | 6,207                | 5,150          | -                      | -              |
| Deferred tax liabilities                                    | 3,202                | 3,370          | 25                     | 25             |
| Finance lease obligations                                   | 26                   | 30             | -                      | -              |
|   | 9,435                | 8,550          | 25                     | 25             |
| <b>Total liabilities</b>                                    | <b>28,296</b>        | <b>29,799</b>  | <b>13,085</b>          | <b>28,646</b>  |
| <b>Net assets</b>   | <b>95,771</b>        | <b>93,175</b>  | <b>79,362</b>          | <b>77,226</b>  |

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

Amount repayable in one year or less, or on demand

| As at 30 June 2014 |           | As at 31 December 2013 |           |
|--------------------|-----------|------------------------|-----------|
| S\$'000            | S\$'000   | S\$'000                | S\$'000   |
| Secured            | Unsecured | Secured                | Unsecured |
| 1,821              | -         | 3,659                  | -         |

Amount repayable after one year

| As at 30 June 2014 |           | As at 31 December 2013 |           |
|--------------------|-----------|------------------------|-----------|
| S\$'000            | S\$'000   | S\$'000                | S\$'000   |
| Secured            | Unsecured | Secured                | Unsecured |
| 6,233              | -         | 5,180                  | -         |

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

|   | The Group          |                    | The Group          |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 2Q 2014<br>S\$'000 | 2Q 2013<br>S\$'000 | 1H 2014<br>S\$'000 | 1H 2013<br>S\$'000 |
| <b>Cash flows from operating activities:</b>                        |                    |                    |                    |                    |
| <b>Profit before tax from continuing operations</b>                 | 55                 | 51                 | 280                | 325                |
| <b>Profit before tax from discontinued operations</b>               | -                  | 66                 | -                  | 101                |
| <b>Adjustments for:</b>   |                    |                    |                    |                    |
| Amortisation of intangible assets                                   | 282                | 322                | 564                | 643                |
| Amortisation of deferred rental                                     | -                  | (50)               | (33)               | (100)              |
| Depreciation of property, plant and equipment                       | 353                | 466                | 711                | 877                |
| Property, plant and equipment written off                           | -                  | 18                 | 2                  | 18                 |
| Inventories written down  | 31                 | 148                | 62                 | 243                |
| Employee share-based expense  | 66                 | 108                | 160                | 199                |
| Trade receivables written off                                       | 5                  | -                  | 5                  | 2                  |
| Loss/(gain) on disposal of plant and equipment                      | 3                  | (35)               | (10)               | (46)               |
| Interest expense  | 48                 | 73                 | 107                | 174                |
| Interest income   | -                  | (1)                | (1)                | (1)                |
| Loss on disposal of subsidiary company                              | -                  | 240                | -                  | 240                |
| Reversal of foreseeable losses                                      | -                  | (361)              | (24)               | (541)              |
| <b>Operating profit before working capital changes</b>              | <b>843</b>         | <b>1,045</b>       | <b>1,823</b>       | <b>2,134</b>       |
| Changes in working capital:   |                    |                    |                    |                    |
| Inventories   | (2,937)            | 1,409              | (2,573)            | 1,851              |
| Trade receivables   | (1,594)            | (1,930)            | 4,882              | (696)              |
| Due from customers for contracts work-in-progress                   | (1,986)            | (1,495)            | (3,459)            | (299)              |
| Other receivables, deposits and prepayments                         | 547                | (232)              | 1,121              | (1,867)            |
| Trade payables  | 2,916              | 9                  | (1,526)            | (1,447)            |
| Due to customers for contracts work-in-progress                     | (683)              | 529                | 164                | 469                |
| Other payables and accruals   | 1,557              | 789                | 801                | 2,079              |
| <b>Cash flows (used in)/generated from operations</b>               | <b>(1,337)</b>     | <b>124</b>         | <b>1,233</b>       | <b>2,224</b>       |
| Interest paid   | (48)               | (73)               | (107)              | (174)              |
| Interest received   | -                  | 1                  | 1                  | 1                  |
| Income taxes paid   | (353)              | (416)              | (36)               | (607)              |
| <b>Net cash flows (used in)/generated from operating activities</b> | <b>(1,738)</b>     | <b>(364)</b>       | <b>1,091</b>       | <b>1,444</b>       |
| <b>Cash flows from investing activities</b>                         |                    |                    |                    |                    |
| Purchase of property, plant and equipment                           | (1,286)            | (221)              | (2,845)            | (273)              |
| Proceeds from disposal of plant and equipment                       | 3                  | 61                 | 43                 | 108                |
| Investment in associated companies                                  | -                  | -                  | (13,740)           | -                  |
| Net cash inflow from disposal of subsidiary companies               | -                  | 226                | -                  | 526                |
| <b>Cash (used in)/generated from investing activities</b>           | <b>(1,283)</b>     | <b>66</b>          | <b>(16,542)</b>    | <b>361</b>         |
| <b>Cash flows from financing activities</b>                         |                    |                    |                    |                    |
| Repayment of term loans   | (1,872)            | (863)              | (2,242)            | (2,559)            |
| Proceeds from issuance of ordinary shares under rights issue        | -                  | 9,529              | -                  | 9,529              |
| Proceeds from issuance of shares pursuant to private placement      | -                  | -                  | 3,200              | -                  |
| Share issuance expense  | -                  | (330)              | (8)                | (330)              |
| Proceeds from exercise of share options                             | -                  | -                  | 87                 | -                  |
| Bills payable   | -                  | (654)              | -                  | (127)              |
| Proceeds from term loans  | 1,469              | -                  | 1,469              | 2,000              |
| Payment of dividends  | (1,197)            | (715)              | (1,197)            | (715)              |
| Payment of finance lease obligations                                | (5)                | (4)                | (11)               | (39)               |
| <b>Cash (used in)/generated from financing activities</b>           | <b>(1,605)</b>     | <b>6,963</b>       | <b>1,298</b>       | <b>7,759</b>       |
| <b>Net (decrease)/increase in cash and cash equivalents</b>         | <b>(4,626)</b>     | <b>6,665</b>       | <b>(14,153)</b>    | <b>9,564</b>       |
| <b>Cash and cash equivalents at beginning of financial period</b>   | <b>9,512</b>       | <b>13,494</b>      | <b>19,039</b>      | <b>11,648</b>      |
| <b>Reclassified to assets held for sale</b>                         | <b>-</b>           | <b>1,053</b>       | <b>-</b>           | <b>-</b>           |
| <b>Cash and cash equivalents at end of financial period</b>         | <b>4,886</b>       | <b>21,212</b>      | <b>4,886</b>       | <b>21,212</b>      |

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 | Non-controlling interest | Total         |
|   | S\$'000       | S\$'000         | S\$'000             | S\$'000        | S\$'000             | S\$'000                  | S\$'000       |
| <b>1H ended 30 June 2013</b>  |               |                 |                     |                |                     |                          |               |
| Balance as at 1 January 2013  | 79,339        | (731)           | (109)               | 4              | 611                 | 854                      | 79,968        |
| Profit for the period   | -             | -               | -                   | -              | 463                 | 60                       | 523           |
| <u>Other comprehensive income</u>                                       |               |                 |                     |                |                     |                          |               |
| Net change in fair value reserve of available-for-sale financial assets | -             | -               | -                   | 131            | -                   | -                        | 131           |
| Foreign currency translation  | -             | -               | 112                 | -              | -                   | -                        | 112           |
| <b>Other comprehensive income for the period, net of tax</b>            | -             | -               | 112                 | 131            | -                   | -                        | 243           |
| <b>Total comprehensive income for the period</b>                        | -             | -               | 112                 | 131            | 463                 | 60                       | 766           |
| <u>Contributions by and distribution to owners</u>                      |               |                 |                     |                |                     |                          |               |
| Issuance of shares pursuant to right issue                              | 9,529         | -               | -                   | -              | -                   | -                        | 9,529         |
| Share issuance expense  | (330)         | -               | -                   | -              | -                   | -                        | (330)         |
| Dividends on ordinary shares  | -             | -               | -                   | -              | (715)               | -                        | (715)         |
| Employee share-based expense  | -             | -               | -                   | 199            | -                   | -                        | 199           |
| <b>Total transactions with owners in their capacity as owners</b>       | 9,199         | -               | -                   | 199            | (715)               | -                        | 8,683         |
| <u>Changes in ownership interests in subsidiary</u>                     |               |                 |                     |                |                     |                          |               |
| Disposal of subsidiary  | -             | -               | -                   | -              | -                   | (914)                    | (914)         |
| <b>Total change in ownership interests</b>                              | -             | -               | -                   | -              | -                   | (914)                    | (914)         |
| <b>Balance as at 30 June 2013</b>                                       | <b>88,538</b> | <b>(731)</b>    | <b>3</b>            | <b>334</b>     | <b>359</b>          | <b>-</b>                 | <b>88,503</b> |

|   | 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       |
| <b>1H ended 30 June 2014</b>  |               |                 |                     |                |                     |               |
| Balance as at 1 January 2014  | 91,660        | (795)           | 4                   | 483            | 1,823               | 93,175        |
| Profit for the period   | -             | -               | -                   | -              | 368                 | 368           |
| <u>Other comprehensive income</u>                                       |               |                 |                     |                |                     |               |
| Net change in fair value reserve of available-for-sale financial assets | -             | -               | -                   | 198            | -                   | 198           |
| Foreign currency translation  | -             | -               | (212)               | -              | -                   | (212)         |
| <b>Other comprehensive income for the period, net of tax</b>            | -             | -               | (212)               | 198            | -                   | (14)          |
| <b>Total comprehensive income for the period</b>                        | -             | -               | (212)               | 198            | 368                 | 354           |
| <u>Contributions by and distribution to owners</u>                      |               |                 |                     |                |                     |               |
| Issuance of shares pursuant to private placement                        | 3,200         | -               | -                   | -              | -                   | 3,200         |
| Share issuance expense  | (8)           | -               | -                   | -              | -                   | (8)           |
| Share options lapsed  | -             | -               | -                   | (19)           | 19                  | -             |
| Dividends on ordinary shares  | -             | -               | -                   | -              | (1,197)             | (1,197)       |
| Treasury shares reissued pursuant to share options plan                 | -             | 412             | -                   | (325)          | -                   | 87            |
| Employee share-based expense  | -             | -               | -                   | 160            | -                   | 160           |
| <b>Total transactions with owners in their capacity as owners</b>       | 3,192         | 412             | -                   | (184)          | (1,178)             | 2,242         |
| <b>Balance as at 30 June 2014</b>                                       | <b>94,852</b> | <b>(383)</b>    | <b>(208)</b>        | <b>497</b>     | <b>1,013</b>        | <b>95,771</b> |

|   | The Group     |                 |                     |                |                     |                          |               |
|---|---------------|-----------------|---------------------|----------------|---------------------|--------------------------|---------------|
|   | Share capital | Treasury shares | Translation reserve | Other reserves | Accumulated profits | Non-controlling interest | Total         |
|   | S\$'000       | S\$'000         | S\$'000             | S\$'000        | S\$'000             | S\$'000                  | S\$'000       |
| <b>2Q ended 30 June 2013</b>  |               |                 |                     |                |                     |                          |               |
| Balance as at 1 April 2013  | 79,339        | (731)           | 39                  | 397            | 873                 | 860                      | 80,777        |
| Profit for the period   | -             | -               | -                   | -              | 201                 | 54                       | 255           |
| <u>Other comprehensive income</u>                                       |               |                 |                     |                |                     |                          |               |
| Net change in fair value reserve of available-for-sale financial assets | -             | -               | -                   | (171)          | -                   | -                        | (171)         |
| Foreign currency translation  | -             | -               | (36)                | -              | -                   | -                        | (36)          |
| <b>Other comprehensive income for the period, net of tax</b>            | -             | -               | (36)                | (171)          | -                   | -                        | (207)         |
| <b>Total comprehensive income for the period</b>                        | -             | -               | (36)                | (171)          | 201                 | 54                       | 48            |
| <u>Contributions by and distribution to owners</u>                      |               |                 |                     |                |                     |                          |               |
| Issuance of shares pursuant to right issue                              | 9,529         | -               | -                   | -              | -                   | -                        | 9,529         |
| Share issuance expense  | (330)         | -               | -                   | -              | -                   | -                        | (330)         |
| Dividends on ordinary shares  | -             | -               | -                   | -              | (715)               | -                        | (715)         |
| Employee share-based expense  | -             | -               | -                   | 108            | -                   | -                        | 108           |
| <b>Total transactions with owners in their capacity as owners</b>       | 9,199         | -               | -                   | 108            | (715)               | -                        | 8,592         |
| <u>Changes in ownership interests in subsidiary</u>                     |               |                 |                     |                |                     |                          |               |
| Disposal of subsidiary  | -             | -               | -                   | -              | -                   | (914)                    | (914)         |
| <b>Total change in ownership interests</b>                              | -             | -               | -                   | -              | -                   | (914)                    | (914)         |
| <b>Balance as at 30 June 2013</b>                                       | <b>88,538</b> | <b>(731)</b>    | <b>3</b>            | <b>334</b>     | <b>359</b>          | <b>-</b>                 | <b>88,503</b> |

|   | 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       |
| <b>2Q ended 30 June 2014</b>  |               |                 |                     |                |                     |               |
| Balance as at 1 April 2014  | 94,852        | (711)           | (141)               | 1,301          | 2,110               | 97,411        |
| Profit for the period   | -             | -               | -                   | -              | 89                  | 89            |
| <u>Other comprehensive income</u>                                       |               |                 |                     |                |                     |               |
| Net change in fair value reserve of available-for-sale financial assets | -             | -               | -                   | (531)          | -                   | (531)         |
| Foreign currency translation  | -             | -               | (67)                | -              | -                   | (67)          |
| <b>Other comprehensive income for the period, net of tax</b>            | -             | -               | (67)                | (531)          | -                   | (598)         |
| <b>Total comprehensive loss for the period</b>                          | -             | -               | (67)                | (531)          | 89                  | (509)         |
| <u>Contributions by and distribution to owners</u>                      |               |                 |                     |                |                     |               |
| Share options lapsed  | -             | -               | -                   | (11)           | 11                  | -             |
| Dividends on ordinary shares  | -             | -               | -                   | -              | (1,197)             | (1,197)       |
| Treasury shares reissued pursuant to share options plan                 | -             | 328             | -                   | (328)          | -                   | -             |
| Employee share-based expense  | -             | -               | -                   | 66             | -                   | 66            |
| <b>Total transactions with owners in their capacity as owners</b>       | -             | 328             | -                   | (273)          | (1,186)             | (1,131)       |
| <b>Balance as at 30 June 2014</b>                                       | <b>94,852</b> | <b>(383)</b>    | <b>(208)</b>        | <b>497</b>     | <b>1,013</b>        | <b>95,771</b> |

|   | The Company   |                 |                |                     |               |
|---|---------------|-----------------|----------------|---------------------|---------------|
|   | Share capital | Treasury shares | Other reserves | Accumulated profits | Total         |
|   | S\$'000       | S\$'000         | S\$'000        | S\$'000             | S\$'000       |
| <b>1H ended 30 June 2013</b>  |               |                 |                |                     |               |
| Balance as at 1 January 2013  | 79,339        | (731)           | 39             | (14,535)            | 64,112        |
| Profit for the period   | -             | -               | -              | 713                 | 713           |
| <u>Other comprehensive income</u>                                       |               |                 |                |                     |               |
| Net change in fair value reserve of available-for-sale financial assets | -             | -               | 131            | -                   | 131           |
| <b>Other comprehensive income for the period, net of tax</b>            | -             | -               | 131            | -                   | 131           |
| <b>Total comprehensive income for the period</b>                        | -             | -               | 131            | 713                 | 844           |
| <u>Contributions by and distribution to owners</u>                      |               |                 |                |                     |               |
| Issuance of shares pursuant to right issue                              | 9,529         | -               | -              | -                   | 9,529         |
| Share issuance expense  | (330)         | -               | -              | -                   | (330)         |
| Dividends on ordinary shares  | -             | -               | -              | (715)               | (715)         |
| Employee share-based expense  | -             | -               | 199            | -                   | 199           |
| <b>Total transactions with owners in their capacity as owners</b>       | 9,199         | -               | 199            | (715)               | 8,683         |
| <b>Balance as at 30 June 2013</b>                                       | <b>88,538</b> | <b>(731)</b>    | <b>369</b>     | <b>(14,537)</b>     | <b>73,639</b> |

|   | The Company   |                 |                |                     |               |
|---|---------------|-----------------|----------------|---------------------|---------------|
|   | Share capital | Treasury shares | Other reserves | Accumulated profits | Total         |
|   | S\$'000       | S\$'000         | S\$'000        | S\$'000             | S\$'000       |
| <b>1H ended 30 June 2014</b>  |               |                 |                |                     |               |
| Balance as at 1 January 2014  | 91,660        | (795)           | 518            | (14,157)            | 77,226        |
| Loss for the period   | -             | -               | -              | (306)               | (306)         |
| <u>Other comprehensive income</u>                                       |               |                 |                |                     |               |
| Net change in fair value reserve of available-for-sale financial assets | -             | -               | 200            | -                   | 200           |
| <b>Other comprehensive income for the period, net of tax</b>            | -             | -               | 200            | -                   | 200           |
| <b>Total comprehensive loss for the period</b>                          | -             | -               | 200            | (306)               | (106)         |
| <u>Contributions by and distribution to owners</u>                      |               |                 |                |                     |               |
| Issuance of shares pursuant to private placement                        | 3,200         | -               | -              | -                   | 3,200         |
| Share issuance expense  | (8)           | -               | -              | -                   | (8)           |
| Share options lapsed  | -             | -               | (19)           | 19                  | -             |
| Dividends on ordinary shares  | -             | -               | -              | (1,197)             | (1,197)       |
| Treasury shares reissued pursuant to share options plan                 | -             | 412             | (325)          | -                   | 87            |
| Employee share-based expense  | -             | -               | 160            | -                   | 160           |
| <b>Total transactions with owners in their capacity as owners</b>       | 3,192         | 412             | (184)          | (1,178)             | 2,242         |
| <b>Balance as at 30 June 2014</b>                                       | <b>94,852</b> | <b>(383)</b>    | <b>534</b>     | <b>(15,641)</b>     | <b>79,362</b> |

|   | The Company   |                 |                |                     |               |
|---|---------------|-----------------|----------------|---------------------|---------------|
|   | Share capital | Treasury shares | Other reserves | Accumulated profits | Total         |
|   | S\$'000       | S\$'000         | S\$'000        | S\$'000             | S\$'000       |
| <b>2Q ended 30 June 2013</b>  |               |                 |                |                     |               |
| Balance as at 1 April 2013  | 79,339        | (731)           | 432            | (14,805)            | 64,235        |
| Profit for the period   | -             | -               | -              | 983                 | 983           |
| <u>Other comprehensive income</u>                                       |               |                 |                |                     |               |
| Net change in fair value reserve of available-for-sale financial assets | -             | -               | (171)          | -                   | (171)         |
| <b>Other comprehensive income for the period, net of tax</b>            | -             | -               | (171)          | -                   | (171)         |
| <b>Total comprehensive income for the period</b>                        | -             | -               | (171)          | 983                 | 812           |
| <u>Contributions by and distribution to owners</u>                      |               |                 |                |                     |               |
| Issuance of shares pursuant to right issue                              | 9,529         | -               | -              | -                   | 9,529         |
| Share issuance expense  | (330)         | -               | -              | -                   | (330)         |
| Dividends on ordinary shares  | -             | -               | -              | (715)               | (715)         |
| Employee share-based expense  | -             | -               | 108            | -                   | 108           |
| <b>Total transactions with owners in their capacity as owners</b>       | 9,199         | -               | 108            | (715)               | 8,592         |
| <b>Balance as at 30 June 2013</b>                                       | <b>88,538</b> | <b>(731)</b>    | <b>369</b>     | <b>(14,537)</b>     | <b>73,639</b> |

|   | The Company   |                 |                |                     |               |
|---|---------------|-----------------|----------------|---------------------|---------------|
|   | Share capital | Treasury shares | Other reserves | Accumulated profits | Total         |
|   | S\$'000       | S\$'000         | S\$'000        | S\$'000             | S\$'000       |
| <b>2Q ended 30 June 2014</b>  |               |                 |                |                     |               |
| Balance as at 1 April 2014  | 94,852        | (711)           | 1,339          | (13,714)            | 81,766        |
| Loss for the period   | -             | -               | -              | (741)               | (741)         |
| <u>Other comprehensive income</u>                                       |               |                 |                |                     |               |
| Net change in fair value reserve of available-for-sale financial assets | -             | -               | (532)          | -                   | (532)         |
| <b>Other comprehensive income for the period, net of tax</b>            | -             | -               | (532)          | -                   | (532)         |
| <b>Total comprehensive loss for the period</b>                          | -             | -               | (532)          | (741)               | (1,273)       |
| <u>Contributions by and distribution to owners</u>                      |               |                 |                |                     |               |
| Share options lapsed  | -             | -               | (11)           | 11                  | -             |
| Dividends on ordinary shares  | -             | -               | -              | (1,197)             | (1,197)       |
| Treasury shares reissued pursuant to share options plan                 | -             | 328             | (328)          | -                   | -             |
| Employee share-based expense  | -             | -               | 66             | -                   | 66            |
| <b>Total transactions with owners in their capacity as owners</b>       | -             | 328             | (273)          | (1,186)             | (1,131)       |
| <b>Balance as at 30 June 2014</b>                                       | <b>94,852</b> | <b>(383)</b>    | <b>534</b>     | <b>(15,641)</b>     | <b>79,362</b> |

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 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<br>S\$ '000 |
|---|--------------------|---------------------------|
| Balance as at 31 March 2014                       | 801,404,999        | 94,852                    |
| Issuance of shares pursuant to warrants exercised | 200                | -                         |
| Balance as at 30 June 2014                        | <u>801,405,199</u> | <u>94,852</u>             |

During the second quarter of 2014, 200 Warrants were converted into ordinary shares (April to June 2013: Nil). The Company has 119,113,066 outstanding Warrants as at 30 June 2014 (30 June 2013: 119,114,466). 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 Remuneration Committee approved the adjustments to the number and exercise price of the share options outstanding on 24 April 2014. Following the adjustments, the Company has 15,288,178 (30 June 2013: 15,600,000) outstanding employee share options as at 30 June 2014. Each share option can be used to subscribe for an ordinary shares ranging from S\$0.1043 to S\$0.1897. (30 June 2013: S\$0.11 to S\$0.20 per share option)

On 29 April 2014, the Company transferred 3,100,000 treasury shares to employee on vested of share awards (April to June 2013: Nil) and granted 3,300,000 share awards under Viking Long Term Incentive Plan (the "Plan"). The Company has 3,300,000 outstanding share awards as at 30 June 2014 under the Plan (30 June 2013: 3,300,000).

As at 30 June 2014, the number of ordinary shares in issue was 801,405,199 of which 3,628,000 were held by the Company as treasury shares. (30 June 2013: 721,403,799 ordinary shares and 6,717,000 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 31 March 2014.

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

|  | As at 30 June 2014 |               | As at 31 December 2013 |               |
|--|--------------------|---------------|------------------------|---------------|
|  | No. of shares      | S\$'000       | No. of shares          | S\$'000       |
| Total number of issued shares at the end of the financial period | 801,405,199        | 94,852        | 761,403,999            | 91,660        |
| Number of Treasury Shares at the end of the financial period     | (3,628,000)        | (383)         | (7,528,000)            | (795)         |
| Net number of issued shares at the end of the financial period   | <u>797,777,199</u> | <u>94,469</u> | <u>753,875,999</u>     | <u>90,865</u> |

- 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.

The Company transferred 3,100,000 treasury shares to employee on vested of share awards (April to June 2013: Nil). Treasury shares are presented as a component within equity attributable to owners of the parent.

|   | No. of shares    | S\$'000    |
|---|------------------|------------|
| Balance as at 31 March 2014                           | 6,728,000        | 711        |
| Treasury shares transferred on vested of share awards | (3,100,000)      | (328)      |
| Balance as at 30 June 2014                            | <u>3,628,000</u> | <u>383</u> |

- 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 period as compared with the audited financial statements for the year ended 31 December 2013, 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 2014. 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

|  | 2Q 2014<br>cents | 2Q 2013<br>cents | 1H 2014<br>cents | 1H 2013<br>cents |
|--|------------------|------------------|------------------|------------------|
| <b>Earnings per ordinary share</b>   |                  |                  |                  |                  |
| (i) Based on the weighted average number of ordinary share on issue            | 0.01             | 0.03             | 0.05             | 0.07             |
| (ii) On a fully diluted basis (detailing any adjustments made to the earnings) | 0.01             | 0.03             | 0.05             | 0.07             |
| <b>Earnings per ordinary share from continuing operations</b>                  |                  |                  |                  |                  |
| (i) Based on the weighted average number of ordinary share on issue            | 0.01             | 0.04             | 0.05             | 0.07             |
| (ii) On a fully diluted basis (detailing any adjustments made to the earnings) | 0.01             | 0.04             | 0.05             | 0.07             |
| Computed based on the following weighted average number of shares              |                  |                  |                  |                  |
| Basic  | 796,823,166      | 642,752,895      | 780,449,592      | 642,752,895      |
| Diluted  | 803,542,369      | 642,752,895      | 794,990,723      | 642,752,895      |

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

|   | Group    |          | Company  |          |
|---|----------|----------|----------|----------|
|   | S\$      | S\$      | S\$      | S\$      |
|   | 30.06.14 | 31.12.13 | 30.06.14 | 31.12.13 |
| Net asset value per ordinary share based on the total number of issued shares excluding treasury shares | 0.12     | 0.12     | 0.10     | 0.10     |

**Footnote:**

Net asset value per ordinary share is based on 797,777,199 ordinary shares as at 30 June 2014 (31 December 2013: 753,875,999 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**

The Group's revenue for the first-half of the financial period ended 30 June 2014 ("1H-2014") increased to S\$31.6 million from S\$30.6 million in 1H-2013. The fire and gas detection systems, marine telecommunication, and controls and instrumentation business grew revenues and orders. However, some customer delays on projects and delivery deferrals were experienced by the heating, ventilation, air-conditioning and refrigeration systems, and winches and deck machinery segments.

Gross Profit increased in tandem with higher revenue, while Gross Profit Margin improved marginally year-on-year.

Other Income for 1H-2014 is lower compared to 1H-2013, reflecting the absence of rental income after the end of a long-term sub-letting lease for a building.

Total Expenses for 1H-2014 decreased due to lower Other Operating Expenses from reductions in inventory impairment and amortisation of intangible assets compared to 1H-2013. Marketing and Distribution Expenses and Administrative Expenses rose due to increased activities and additional staffing to accelerate business growth. Finance Costs decreased due to continued efforts to reduce outstanding loans.

As a result of the above factors, the Group reported a Net Profit After Tax of S\$0.4 million for the 1H-2014 which compared to S\$0.5 million in 1H-2013.

**Financial Position**

Net Assets for the Group of S\$95.8 million as at 30 June 2014 was higher compared to that as at 31 December 2013, largely due to a private share placement.

The increase in Non-Current Assets is mainly due to the capital expenditure incurred to construct a building property, as well as investments in two jack-up rigs. The capitalized expenditure amounts reflect the construction-in-progress of the assets and are recorded under Property, Plant and Equipment, and Investment in Associated Companies, respectively.

The combined balances of Trade Receivables and Due From Customer Contracts are consistent for both comparative periods, and the compensating effect reflects timing in customer billings. This, coupled with the capital expenditures, largely accounted for the lower cash balances at the end of 1H-2014.

**Cashflow**

The net cash outflow for 1H-2014 is largely attributed to the funding of investment in building property, and the investment in the joint venture to acquire the two rigs, partly offset by proceeds from a private placement. These investments were reflected in the use of cash for investing activities.

Cash inflow from financing activities was lower in 1H-2014 compared to 1H-2013, when proceeds from the rights issue were received.

Net cash inflow from operating activities remained positive in 1H-2014, albeit lower compared to 1H-2013 due to some customer delays on projects and delivery deferrals.

- 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 offshore and marine ("O&M") industry remains challenging amidst a backdrop of increasing margin pressures and intense competition. As such, while building up its core O&M services, the Group continues to develop a portfolio of O&M and related assets with pre-existing charters which can offer an additional stream of recurring revenue.

As announced in July 2014, the Group entered into an agreement with a Chinese land rig manufacturer to acquire and leaseback a newbuild land rig and related drilling equipment over a 50-month period. When concluded, contribution from this transaction is expected starting fourth-quarter of 2014.

The Group had commenced its asset ownership strategy in FY2013 with the acquisition of 30%-stakes in two jack-up rig assets which are expected to be completed – and ready for charter – in the fourth quarter of 2015.

The Group continues to be on the lookout for similar opportunities to acquire earnings-accretive O&M and related assets which can offer recurring revenue, as part of efforts to enhance shareholder value.

- 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 **Confirmation By Directors Pursuant to Rule 705(5) of the Listing Manual of SGX-ST**

The Board of Directors of the Company hereby confirms to the best of its knowledge nothing has come to its attention which may render the unaudited interim financial results for the 6 months ended 30 June 2014 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

**MR ANDY LIM  
CHAIRMAN AND EXECUTIVE DIRECTOR**

**MR ONG CHOO GUAN  
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR**

**7 August 2014  
Singapore**