

Condensed Interim Consolidated Financial Statements And Dividend Announcement for the Three Months and Nine Months Ended 30 September 2021 (Unaudited)

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst ("Catalist Rules"), the Company is required by the SGX-ST to continue to announce its quarterly financial statements in view of the disclaimer of opinion issued by the Company's auditors in the latest audited financial statements for the financial year ended 31 December 2020.

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("Sponsor"), in accordance with Rule 226(2)(b) of the Catalyst Rules.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes 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.

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

1 (a) Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	The Group					
	3Q 2021 S\$'000 (Unaudited)	3Q 2020 S\$'000 (Unaudited)	Change %	9M 2021 S\$'000 (Unaudited)	9M 2020 S\$'000 (Unaudited)	Change %
Revenue	3,717	5,268	(29)	8,391	13,228	(37)
Cost of sales	(2,113)	(3,619)	(42)	(5,656)	(8,806)	(36)
Gross Profit	1,604	1,649	(3)	2,735	4,422	(38)
Other income	24,377	143	NM	25,121	1,891	1228
Interest income	1	1	0	4	4	0
Marketing and distribution expenses	(225)	(49)	359	(264)	(116)	128
Administrative expenses	(1,473)	(1,809)	(19)	(4,794)	(5,675)	(16)
Other operating expenses	(54)	(741)	(93)	(94)	(1,463)	(94)
Finance costs	-	(1,324)	(100)	(678)	(2,897)	(77)
Profit/(Loss) before tax	24,230	(2,130)	NM	22,030	(3,834)	NM
Income tax credit/(expenses)	-	54	(100)	(1)	44	NM
Profit/(Loss) for the period	24,230	(2,076)	NM	22,029	(3,790)	NM
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	(62)	411	NM	(895)	(243)	268
Other comprehensive income for the period, net of tax	(62)	411	NM	(895)	(243)	268
Total comprehensive income for the period	24,168	(1,665)	NM	21,134	(4,033)	NM
Profit/(Loss) attributable to:						
Owners of the Company	24,144	(2,028)	NM	21,957	(3,704)	NM
Non-controlling interests	86	(48)	NM	72	(86)	NM
	24,230	(2,076)	NM	22,029	(3,790)	NM
Total comprehensive income attributable to:						
Owners of the Company	24,082	(1,617)	NM	21,062	(3,947)	NM
Non-controlling interests	86	(48)	NM	72	(86)	NM
	24,168	(1,665)	NM	21,134	(4,033)	NM

Note

	The Group					
	3Q 2021 S\$'000 (Unaudited)	3Q 2020 S\$'000 (Unaudited)	Change %	9M 2021 S\$'000 (Unaudited)	9M 2020 S\$'000 (Unaudited)	Change %
Profit/(Loss) before tax is derived at after						
Crediting/(charging) :						
Depreciation of property, plant and equipment	(31)	(697)	(96)	(94)	(1,403)	(93)
Amortisation of intangible assets	-	(3)	(100)	-	(9)	(100)
Gain on disposal of plant and equipment	-	-	-	3	-	NM
Gain/(Loss) on foreign exchange	448	(167)	NM	946	837	13
Reversal of inventory write down	-	-	-	33	-	NM
Inventories written down	-	(3)	(100)	-	(10)	(100)
Gain from reversal of liabilities upon completion of the Scheme of Arrangement	23,334	-	NM	23,334	-	NM

NM: Not meaningful

1 (b)(i) Condensed Interim Statements of Financial Position As at 30 September 2021

	The Group S\$'000		The Company S\$'000	
	30-Sep-21 (Unaudited)	31-Dec-20 (Audited)	30-Sep-21 (Unaudited)	31-Dec-20 (Audited)
Equity attributable to owners of the Company				
Share capital	104,809	102,605	104,809	102,605
Treasury shares	(528)	(528)	(528)	(528)
Reserves	(101,647)	(122,710)	(118,265)	(118,256)
	2,634	(20,633)	(13,984)	(16,179)
Non-controlling interests	19	(53)	-	-
Total equity	2,653	(20,686)	(13,984)	(16,179)
Non-current assets				
Property, plant and equipment	91	141	5	7
Investment in subsidiaries	-	-	4,460	4,460
Intangible assets	818	832	-	-
	909	973	4,465	4,467
Current assets				
Inventories	2,438	2,233	-	-
Trade receivables	2,917	19,143	-	-
Contract assets	1,926	3,203	-	-
Prepayments	93	116	23	15
Other receivables and deposits	406	1,046	182	168
Cash and cash equivalents	1,245	2,559	45	18
	9,025	28,300	250	201
Total assets	9,934	29,273	4,715	4,668
Current liabilities				
Trade payables	2,728	2,563	-	-
Contract liabilities	706	938	-	-
Other payables and accruals	2,657	30,633	1,088	1,489
Tax payable	-	7	-	-
Term loans	-	8,661	-	-
Redeemable exchangeable bonds	-	7,156	-	-
Due to subsidiaries (non-trade)	-	-	16,421	19,358
	6,091	49,958	17,509	20,847
Non-current liabilities				
Deferred tax liabilities	-	1	-	-
	1,190	1	1,190	-
Total liabilities	7,281	49,959	18,699	20,847
Net assets/(liabilities)	2,653	(20,686)	(13,984)	(16,179)

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

	As at 30 September 2021		As at 31 December 2020	
	S\$'000 Secured	S\$'000 Unsecured	S\$'000 Secured	S\$'000 Unsecured
Amount repayable in one year or less, or on demand				
- Term loans	-	-	13,520	-
- Redeemable exchangeable bonds	-	-	11,742	-
- Interest-free loans	1,190	-	-	-

Details of any collateral

As at 31 December 2020, the Group's borrowings were secured by corporate guarantees.

1 (c) Condensed Interim Consolidated Statement of Cash Flows

	The Group		The Group	
	3Q 2021 S\$'000 (Unaudited)	3Q 2020 S\$'000 (Unaudited)	9M 2021 S\$'000 (Unaudited)	9M 2020 S\$'000 (Unaudited)
Cash flows from operating activities:				
Profit/(Loss) before tax	24,230	(2,130)	22,030	(3,834)
Adjustments for:				
Amortisation of intangible assets	-	3	-	9
Depreciation of property, plant and equipment	31	697	94	1,403
Inventories written down	-	3	-	10
Reversal of inventory write down	-	-	(33)	-
Gain on disposal of plant and equipment	-	-	(3)	-
Gain from reversal of liabilities upon completion of the Scheme of Arrangement	(23,334)	-	(23,334)	-
Interest expense	-	1,324	678	2,897
Interest income	(1)	(1)	(4)	(4)
Unrealised exchange gain	(302)	(724)	(788)	(852)
Operating profit/(loss) before working capital changes	624	(828)	(1,360)	(371)
Changes in working capital:				
Inventories	41	595	(171)	864
Trade receivables	(528)	1,201	16,235	4,281
Due from customers for contracts work-in-progress	405	(179)	1,277	1,497
Other receivables, deposits and prepayments	174	(800)	415	(950)
Trade payables	261	(481)	153	(3,031)
Due to customers for contracts work-in-progress	(188)	(235)	(231)	(612)
Other payables and accruals	(3,941)	1,338	(20,612)	1,099
Cash flows (used in)/from operations	(3,152)	611	(4,294)	2,777
Interest received	1	1	4	4
Income taxes paid	-	-	-	(11)
Net cash flows (used in)/from operating activities	(3,151)	612	(4,290)	2,770
Cash flows from investing activities				
Purchase of property, plant and equipment	(20)	(6)	(43)	(21)
Proceeds from disposal of plant and equipment	-	-	4	-
Proceeds from disposal of intangible assets	-	-	15	-
Cash flows used in investing activities	(20)	(6)	(24)	(21)
Cash flows from financing activities				
Interest paid	-	-	-	(262)
Repayment of loans and borrowings	(110)	(64)	(110)	(630)
Repayment of redeemable exchangeable bonds	(91)	-	(91)	-
Proceeds from loans and borrowings	265	-	1,190	-
Payment of principal portion of lease liabilities	-	(84)	-	(226)
Proceeds from issuance of shares pursuant to placement shares	150	-	2,000	-
Payment of finance lease obligations	-	(4)	-	(13)
Cash flows from/(used in) financing activities	214	(152)	2,989	(1,131)
Net (decrease)/increase in cash and cash equivalents	(3,008)	454	(1,326)	1,618
Effect of exchange rate changes on cash and cash equivalents	4	(3)	13	(24)
Cash and cash equivalents at beginning of period	4,249	3,508	2,558	2,365
Cash and cash equivalents at end of period	1,245	3,959	1,245	3,959

1 (d)(i) Condensed Interim Statements of Changes in Equity

	Share capital	Treasury shares	Translation reserve	The Group Other reserves	Accumulated profits	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9M ended 30 September 2020							
Balance as at 1 January 2020	102,605	(528)	(1,540)	114	(95,792)	(11)	4,848
Loss for the period	-	-	-	-	(3,704)	(86)	(3,790)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	(243)	-	-	-	(243)
Other comprehensive income for the period, net of tax	-	-	(243)	-	-	-	(243)
Total comprehensive income for the period	-	-	(243)	-	(3,704)	(86)	(4,033)
Balance as at 30 September 2020	102,605	(528)	(1,783)	114	(99,496)	(97)	815

	Share capital	Treasury shares	Translation reserve	The Group Other reserves	Accumulated profits	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9M ended 30 September 2021							
Balance as at 1 January 2021	102,605	(528)	(966)	114	(121,858)	(52)	(20,685)
Profit for the period	-	-	-	-	21,957	72	22,029
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	(895)	-	-	-	(895)
Other comprehensive income for the period, net of tax	-	-	(895)	-	-	-	(895)
Total comprehensive income for the period	-	-	(895)	-	21,957	72	21,134
<u>Contributions by and distribution to owners</u>							
Issuance of shares pursuant to the placement shares	2,205	-	-	-	-	-	2,205
Total transactions with owners in their capacity as owners	2,205	-	-	-	-	-	2,205
<u>Changes in ownership interests in subsidiary</u>							
Disposal of subsidiary	-	-	-	-	-	-	-
Balance as at 30 September 2021	104,809	(528)	(1,861)	114	(99,901)	20	2,653

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9M ended 30 September 2020					
Balance as at 1 January 2020	102,605	(528)	114	(100,832)	1,359
Loss for the period	-	-	-	(123)	(123)
Total comprehensive income for the period	-	-	-	(123)	(123)
Balance as at 30 September 2020	102,605	(528)	114	(100,955)	1,236

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9M ended 30 September 2021					
Balance as at 1 January 2021	102,605	(528)	114	(118,370)	(16,179)
Loss for the period	-	-	-	(10)	(10)
Total comprehensive income for the period	-	-	-	(10)	(10)
<u>Contributions by and distribution to owners</u>					
Issuance of shares pursuant to the placement shares	2,205	-	-	-	2,205
Total transactions with owners in their capacity as owners	2,205	-	-	-	2,205
Balance as at 30 September 2021	104,810	(528)	114	(118,380)	(13,984)

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.

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

Viking Offshore and Marine Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 21 Kian Teck Road, Singapore 628773.

The principal activities of the Company are the provision of management and other services to related companies and investment holding. The principal activities of the Company's subsidiaries are disclosed in Note 15 to the audited consolidated financial statements of the Group for the year ended 31 December 2020.

2. Basis of preparation

The condensed interim consolidated financial statements for the three months and nine months ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual audited consolidated financial statements for the year ended 31 December 2020. The condensed interim consolidated financial statements should be read in conjunction with the accompanying explanatory notes attached to the condensed interim consolidated financial statements and the audited consolidated financial statements of the Group for the year ended 31 December 2020.

The accounting policies and methods of computation adopted are consistent with those adopted by the Company in its most recently audited consolidated financial statements for the year ended 31 December 2020, which were prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") and Interpretations of SFRS(I) ("SFRS(I) INT"), except for the adoption of new and revised SFRS(I)s and SFRS(I) INTs which are relevant to the Group's operations and become effective for annual periods beginning on or after 1 January 2021. The adoption of these new and revised SFRS(I)s and SFRS(I) INT does not result in changes to the accounting policies of the Group and the Company and has no material effect on the amounts reported for the current or prior period.

The condensed interim consolidated financial statements have been prepared on a going concern basis in view that the Group and the Company have successfully completed the financial restructuring exercise in August 2021.

The condensed interim consolidated financial statements are presented in Singapore dollars ("S\$" or "SGD") which is the Company's functional currency.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period reported on.

4. Segment and revenue Information

4.1. Reportable segments

For management purposes, the Group is organised into business units based on their products and services, and mainly focused on an operating segment, namely, the Offshore and Marine segment which contributes significantly to the Group's performance.

Segment revenue

	3Q 2021 S\$'000 (Unaudited)	3Q 2020 S\$'000 (Unaudited)	9M 2021 S\$'000 (Unaudited)	9M 2020 S\$'000 (Unaudited)
Revenue	3,717	5,268	8,391	13,228
Results:				
Interest income	(1)	(1)	(4)	(4)
Depreciation and amortisation and Impairment of non-financial assets	31	697	94	1,403
Segment profit/(loss)	24,230	(2,130)	22,030	(3,834)

4.2. Disaggregation of revenue

Group	Offshore and marine		Offshore and marine	
	3Q 2021 S\$'000 (Unaudited)	3Q 2020 S\$'000 (Unaudited)	9M 2021 S\$'000 (Unaudited)	9M 2020 S\$'000 (Unaudited)
Primary geographical markets				
Australia	146	243	419	251
Europe	314	16	319	83
Indonesia	223	1,074	1,187	1,667
Malaysia	192	143	415	530
Middle East	49	122	263	802
People's Republic of China	780	199	1,156	888
Singapore	1,937	3,434	4,528	8,728
Vietnam	26	9	26	29
Others	49	28	77	250
	3,717	5,268	8,391	13,228
Major service lines				
Sale of goods	741	2,490	2,615	4,521
Project revenue	1,615	2,134	3,496	5,742
Rendering services	1,361	644	2,280	2,965
	3,717	5,268	8,391	13,228
Timing of transfer of goods or services				
At a point in time	741	2,489	2,615	4,521
Over time	2,976	2,779	5,775	8,707
	3,717	5,268	8,391	13,228

5. Financial instruments

The following table sets out the financial assets and liabilities as at the end of the reporting period:

	The Group S\$'000		The Company S\$'000	
	30-Sep-21 (Unaudited)	31-Dec-20 (Audited)	30-Sep-21 (Unaudited)	31-Dec-20 (Audited)
Financial assets:				
Amortised cost				
Trade receivables	2,917	19,143	-	-
Other receivables and deposits	411	849	182	168
Cash and cash equivalents	1,245	2,559	45	18
	<u>4,573</u>	<u>22,551</u>	<u>227</u>	<u>186</u>
Financial liabilities:				
Amortised cost				
Trade payables	2,728	2,563	-	-
Other payables and accruals	2,657	30,633	1,088	1,489
Loans and borrowings	-	8,661	-	-
Due to subsidiaries (non-trade)	-	-	16,421	19,358
Redeemable exchangeable bonds	-	7,156	-	-
	<u>5,385</u>	<u>49,013</u>	<u>17,509</u>	<u>20,847</u>

5.1. Fair value of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments or they bear interest at rates which approximate the current incremental borrowing rate for similar type of borrowing arrangement.

6. Related party transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these condensed interim consolidated financial statements.

	3Q 2021	3Q 2020	9M 2021	9M 2020
	S\$'000 (Unaudited)	S\$'000 (Unaudited)	S\$'000 (Unaudited)	S\$'000 (Unaudited)
Income/(Expenses)				
Finance cost from a related party	-	(315)	(319)	(914)

	The Group S\$'000	
	30-Sep-21 (Unaudited)	31-Dec-20 (Audited)
Loan from a related party	-	6,501

6. Taxation

	3Q 2021	3Q 2020	9M 2021	9M 2020
	S\$'000 (Unaudited)	S\$'000 (Unaudited)	S\$'000 (Unaudited)	S\$'000 (Unaudited)
Income tax expenses for the period	-	54	(1)	44

7. Net asset value

	Group cents		Company cents	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.48	(1.88)	(2.55)	(1.47)

Footnote:

Net asset value per ordinary share is based on 549,359,674 ordinary shares as at 30 September 2021 (31 December 2020: 1,098,719,574 shares), excluding treasury shares.

8. Profit/(Loss) per ordinary share

	3Q 2021	3Q 2020	9M 2021	9M 2020
	cents	cents	cents	cents
Profit/(Loss) per ordinary share				
(i) Based on the weighted average number of ordinary share in issue	4.39	(0.16)	4.00	(0.34)
(ii) On a fully diluted basis (detailing any adjustments made to the profit/(loss))	4.39	(0.16)	4.00	(0.34)
Profit/(Loss) per ordinary share from continuing operations				
(i) Based on the weighted average number of ordinary share in issue	4.39	(0.16)	4.00	(0.34)
(ii) On a fully diluted basis (detailing any adjustments made to the profit/(loss))	4.39	(0.16)	4.00	(0.34)
Computed based on the following weighted average number of shares				
Basic	549,359,674	1,098,719,574	549,359,674	1,098,719,574
Diluted	549,359,674	1,098,719,574	549,359,674	1,098,719,574

As at 30 September 2021, adjusted warrants of 1,949,801 (after completion of a consolidation of every 50 warrants into 1 adjusted warrant in August 2021) (30 September 2020: 97,491,109) have not been included in the calculation of diluted loss per share because they are anti-dilutive.

9. Property, plant and equipment

During the nine months ended 30 September 2021, the Group acquired assets amounting to S\$43,374 (nine months ended 30 September 2020: S\$21,425) (3Q2021: S\$20,641 (3Q2020: S\$6,327)). There was no disposal of assets during the nine months ended 30 September 2021 and 2020.

10. Share capital

	As at 30 September 2021		As at 31 December 2020	
	No. of shares	S\$'000	No. of shares	S\$'000
Total number of issued shares	549,518,904	104,809	1,106,681,074	102,605
Number of treasury shares	(159,230)	(528)	(7,961,500)	(528)
Net number of issued shares	<u>549,359,674</u>	<u>104,281</u>	<u>1,098,719,574</u>	<u>102,077</u>

On 12 August 2021, the Company completed the share consolidation of every 50 existing ordinary shares in the capital of the Company into 1 ordinary share in the capital of the Company ("Consolidated Share"), and the issued share capital of the Company comprised 21,974,286 Consolidated Shares (excluding 159,230 treasury shares). On 17 August 2021, the Company allotted and issued 477,943,013 Placement Shares and 49,442,375 Conversion Shares to Scheme Creditors, and the total number of issued Shares of the Company increased from 21,974,286 Consolidated Shares (excluding 159,230 treasury shares) to 549,359,674 Consolidated Shares (excluding 159,230 treasury shares).

As at 30 September 2021, the total number of ordinary shares in issue was 549,518,904 of which 159,230 (0.03% of total number of issued shares) were held by the Company as treasury shares (30 September 2020: 1,106,681,074 ordinary shares and 7,961,500 treasury shares (0.7% of total number of issued shares)).

	As at 30 September 2021	As at 30 September 2020
No. of shares that may be issued upon conversion of all outstanding convertibles	1,949,801	194,982,218

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

11. Treasury shares

	No. of shares	S\$'000
Number of treasury shares as at 30 June 2021	7,961,500	528
Number of treasury shares as at 30 September 2021	159,230	528

On 12 August 2021, the Company completed the share consolidation of every 50 existing ordinary shares in the capital of the Company into 1 Consolidated Share, and as such, the number of treasury shares reduced from 7,961,500 to 159,230.

12. Subsidiary holdings

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

13. Subsequent events

Subsequent to 30 September 2021, there have been no known events that may have an effect on the condensed interim consolidated financial statements of the Company.

Other information required by Appendix 7C of the Catalyst Rules

1 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.

2 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The latest audited financial statements of the Company and the Group for the financial year ended 31 December 2020 included a disclaimer of opinion on material uncertainty relating to going concern.

3 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 most recent audited financial statements for the financial year ended 31 December 2020, except for those disclosed under Paragraph 4.

4 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 has adopted all the new standards, amendments to standards and interpretations that are relevant to the Group and the Company, and which are effective from the annual periods beginning on 1 January 2021. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

5 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

Revenue in 3Q2021 was 29% lower as compared to 3Q2020 due to the lower revenue generated from the offshore and marine services, and systems engineering projects largely as a result of lower order book carried forward. The gross profit decreased slightly with the lower revenue recognised.

The increase in other income was mainly attributable to non-cash gain from reversal of liabilities after the conclusion of the Scheme of Arrangement on 17 August 2021.

Marketing and Distribution Expenses increased in line with the increase in travelling and shipping costs due to the effects of the Covid-19 pandemic.

Administrative expenses decreased due to the managed spending from the lower business activities and uncertain operating conditions and outlook.

Other Operating Expenses decreased with the reduction in depreciation expenses of property, plant and equipment and right of use assets as the Group no longer continues to incur depreciation costs after the disposal of the Group's properties at Kian Teck Road (by way of disposal of the entire share capital of the Company's wholly-owned subsidiary, Viking Facilities Management & Operations Pte. Ltd.) which was completed in October 2020. Finance cost decreased compared to the preceding period as accrued interests were calculated to the ascertainment date of the Scheme of Arrangement as at 22 February 2021.

Considering the above factors, the Group recorded a Net Profit After Tax of S\$24.2 million which comprised largely non-cash gains upon the conclusion of the Scheme of Arrangement.

Financial Position

The net assets for the Group stood at S\$2.6 million as at 30 September 2021. This was higher compared to that as at 31 December 2020 and was attributed to the profit incurred for the period after the Group's debt restructuring exercise.

The reduction in non-current assets was due to the depreciation of property, plant and equipment and amortisation of intangible assets.

Both trade receivables and other payables and accruals decreased mainly attributable to the set-off of amounts due to and due from from the charterer of the land rigs of approximately S\$16.5 million. The reduction of other payables and accruals, term loans and redeemable exchangeable bonds was attributable to the cash settlements and issuance of conversion shares to the Scheme Creditors. Other receivables and deposits decreased as the Group managed to recover the amounts due during the period.

The decrease in net amount contract assets and contract liabilities was a result of timing of project billing milestones.

Cashflow

The net cash flows used in operating activities were mainly due to the repayment of liabilities that were put on hold during the Group's debt restructuring exercise.

Net cash flows used in investing activities were due to purchase of property, plant and equipment in 3Q2021.

Net cash flows from financing activities were primarily due to the proceeds from issuance of shares pursuant to placement shares and loans and borrowings from Mr. Ng Yeau Chong.

6 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable

7 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 Group's operations in Singapore and its neighbouring countries within the region are still being affected by the COVID-19 pandemic situations and the lack of business travels undermines the sales order for the Group. Oil prices increased in recent months due to the lack of global supply has yet to translate into orders for the Group. The Group will continue to monitor the situation closely and adjust its operating capacity in accordance with the uncertain situation and when there is more clarity on the market development.

The Company has successfully restructured its debt on 17 August 2021. The lifting of trading suspension and resumption of trading of the Company's securities took place on 23 August 2021. The Group will continue to focus on conserving its cash and liquidity while looking into avenues to monetise its capital assets to strengthen its working capital.

8 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) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable

9 If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the financial period reported on due to the current financial position of the Company.

10 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.

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

The Board of Directors of the Company hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the condensed interim consolidated financial statements for the three months and nine months ended 30 September 2021 to be false or misleading in any material aspect.

12 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 officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

13 Disclosure of acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules

The Group does not have any acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period.

14 Use of proceeds from placement

Pursuant to the placement and loan agreement entered into by the Company, the Company raised gross proceeds of S\$3.0 million on 17 August 2021. 100% of these gross proceeds have been utilised by the Company for the repayment of debts owed to eligible creditors of the Company under the Scheme of Arrangement. The use of the proceeds is in accordance with the intended use as stated in the Company's circular to shareholders dated 15 June 2021.

BY ORDER OF THE BOARD

**MR ANDY LIM
CHAIRMAN AND EXECUTIVE DIRECTOR**

**MR NG YEAU CHONG
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR**

**12 November 2021
Singapore**