

VIKING OFFSHORE AND MARINE LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199307300M)

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The board of directors (the “**Board**”) of Viking Offshore and Marine Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company on the SGXNet on 1 March 2021 on the unaudited financial statements of the Group for the financial year ended 31 December 2020 (“**FY2020**”) (“**Unaudited Results**”).

Pursuant to Rule 704(5) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist, the Board wishes to announce that there are certain material variances between the audited financial statements of the Group for FY2020 (“**Audited Results**”) and the Unaudited Results.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	<u>Audited</u> <u>Results</u> S\$'000	<u>Unaudited</u> <u>Results</u> S\$'000	<u>Difference</u> S\$'000
Continuing operations			
Revenue	17,187	17,416	(229)
Cost of sales	(12,206)	(12,181)	25
Gross profit	4,981	5,235	(254)
Other items of income			
Other income	1,391	1,368	23
Finance income	7	7	-
Other items of expenses			
Marketing and distribution expenses	(127)	(127)	-
Administrative expenses	(7,845)	(7,474)	371
Other operating expenses	(16,827)	(17,142)	(315)
Finance costs	1 (6,956)	(2,536)	4,420
Loss before tax from continuing operations	(25,376)	(20,669)	4,707
Income tax (expense)/credit	(85)	(85)	-
Loss for the year from continuing operations	(25,461)	(20,754)	4,707
Loss after tax for the year from discontinued operations	(627)	(627)	-
Loss for the year	(26,088)	(21,381)	4,707

Other comprehensive income:*Items that may be reclassified**subsequently to profit or loss:*Foreign currency translation 554 581 (27)**Other comprehensive income for the****year, net of tax**554 581 (27)**Total comprehensive income for the****year**(25,534) (20,800) 4,734**Loss attributable to:**

Owners of the Company, net of tax

(26,046) (21,423) 4,623

Non-controlling interest

(42) 42 (84)(26,088) (21,381) 4,707**Total comprehensive income****attributable to:**

Owners of the Company, net of tax

(25,492) (20,842) 4,650

Non-controlling interest

(42) 42 (84)(25,534) (20,800) 4,734

CONSOLIDATED BALANCE SHEET
For the year ended 31 December 2020

	<u>Audited</u> <u>Results</u> <u>S\$'000</u>	<u>Unaudited</u> <u>Results</u> <u>S\$'000</u>	<u>Difference</u> <u>S\$'000</u>	
Non-current assets				
Intangible assets	2	832	877	(45)
Property, plant and equipment		141	141	-
Total non-current assets		<u>973</u>	<u>1,018</u>	<u>(45)</u>
Current assets				
Trade receivables	3,4	19,143	19,378	(235)
Contract assets		3,203	3,248	(45)
Other receivables and deposits	3	1,162	2,380	(1,218)
Unchanged items		4,792	4,792	-
Total current assets		<u>28,300</u>	<u>29,798</u>	<u>(1,498)</u>
Current liabilities				
Trade payables	3	(2,563)	(4,027)	(1,464)
Contract liabilities	4	(938)	(1,052)	(114)
Other payables and accruals	1	(30,633)	(25,864)	4,769
Unchanged items		(15,824)	(15,824)	-
Total current liabilities		<u>(49,958)</u>	<u>(46,767)</u>	<u>3,191</u>
Non-current liabilities				
Deferred tax liabilities		(1)	(1)	-
Total non-current liabilities		<u>(1)</u>	<u>(1)</u>	<u>-</u>
Equity attributable to equity holders of the Company				
Unchanged items		102,077	102,077	-
Reserves		(122,710)	(118,060)	4,650
		(20,633)	(15,983)	4,650
Non-controlling interests		(53)	31	(84)
Total equity		<u>(20,686)</u>	<u>(15,952)</u>	<u>4,734</u>

CONSOLIDATED CASH FLOWS STATEMENT
For the year ended 31 December 2020

	Note	Audited Results S\$'000	Unaudited Results S\$'000	Difference S\$'000
Cash flows from operating activities				
Loss before tax from continuing operations		(25,376)	(20,669)	4,707
Loss before tax from discontinued operation		(708)	(708)	-
Adjustments for:				
Impairment loss on trade receivables		96	158	(62)
Impairment loss on goodwill	2	6,345	6,300	45
Intangible assets written down		20	-	20
Interest expense	1	8,065	3,645	4,420
Unchanged items		11,219	11,219	-
Operating profit before working capital changes		(339)	(55)	284
Changes in working capital:				
Inventories		1,034	1,034	-
Trade receivables	3,4	4,809	4,512	297
Other receivables, deposits and prepayments	3	(140)	(1,357)	(1,217)
Trade creditors	3	(3,107)	(1,643)	1,464
Other payables and accruals		(915)	(1,226)	(311)
Contract assets		1,633	1,588	45
Contract liabilities	4	(1,794)	(1,680)	114
Cash generated from operations		1,181	1,173	8
Interest received		7	7	-
Income taxes paid		-	(11)	(11)
Net cash flows generated from operating activities		1,188	1,169	19

Note 1

The Company had, on 13 April 2021, concluded the voting on the scheme of arrangement proposed to its creditors pursuant to Section 71 of the Insolvency, Restructuring and Dissolution Act 2018 (the “**Scheme**”) to restructure its debt and the Scheme was approved by the requisite majorities of creditors. The High Court of Singapore had, on 28 May 2021, sanctioned and approved the Scheme. In view of the above material events that occurred after the financial year end, the Company had subsequently adjusted the accrued interest to match the approved claims of the scheme creditors for FY2020. These non-cash adjustments are expected to be written back upon the conclusion of the Scheme.

Note 2

The Group had further assessed the recoverable amounts of its Cash Generating Units (“**CGU**”) cash flow projections from financial budgets covering a 5-year period. Based on the latest results of the CGUs post FY2020, the impairment loss on goodwill was adjusted. This adjustment does not affect the cash flows of the Group.

Note 3

Due to reclassification of advances from suppliers made from other receivables and deposits to trade payables.

Note 4

Due to reversal of advances bill to customers made from trade receivables to contract liabilities.

Shareholders of the Company are advised to read the Audited Results included in the Company’s annual report for FY2020, which will be issued and released on the SGXNet in due course.

BY ORDER OF THE BOARD

Viking Offshore and Marine Limited

Ng Yeau Chong
Executive Director and Chief Executive Officer

11 June 2021

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

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.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.