

Condensed Interim Consolidated Financial Statements And Dividend Announcement for the Three Months Ended 31 March 2022 (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 announce its quarterly financial statements in view of the emphasis of matter with respect to material uncertainty related to going concern issued by the Company's auditors in the audited financial statements of the Group for the financial year ended 31 December 2021.

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 Catalist 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.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, telephone (65) 6636 4201.

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		
	1Q 2022 S\$'000 (Unaudited)	1Q 2021 S\$'000 (Unaudited)	Change %
Revenue	1,212	2,631	(54)
Cost of sales	(730)	(1,789)	(59)
Gross Profit	<u>482</u>	<u>842</u>	(43)
Other income	98	792	(88)
Interest income	-	1	(100)
Marketing and distribution expenses	(337)	(22)	1432
Administrative expenses	(1,064)	(1,715)	(38)
Other operating expenses	(40)	(40)	-
Finance costs	(2)	(678)	(100)
Loss before tax	<u>(863)</u>	<u>(820)</u>	5
Income tax expenses	-	-	-
Loss after tax from continuing operations	<u>(863)</u>	<u>(820)</u>	5
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation	(585)	(658)	(11)
Other comprehensive income for the period, net of tax	<u>(585)</u>	<u>(658)</u>	(11)
Total comprehensive income for the period	<u><u>(1,448)</u></u>	<u><u>(1,478)</u></u>	(2)
Loss attributable to:			
Owners of the Company	(830)	(806)	3
Non-controlling interests	<u>(33)</u>	<u>(14)</u>	136
	<u>(863)</u>	<u>(820)</u>	5
Total comprehensive income attributable to:			
Owners of the Company	(1,415)	(1,464)	(3)
Non-controlling interests	<u>(33)</u>	<u>(14)</u>	136
	<u><u>(1,448)</u></u>	<u><u>(1,478)</u></u>	(2)

Note

Loss before tax is derived at after

Crediting/(charging) :

	The Group		
	1Q 2022 S\$'000 (Unaudited)	1Q 2021 S\$'000 (Unaudited)	Change %
Depreciation of property, plant and equipment	(9)	(33)	(73)
Gain on disposal of plant and equipment	-	3	(100)
(Loss)/Gain on foreign exchange	(10)	634	NM

NM: Not meaningful

1 (b)(i) Condensed Interim Statements of Financial Position As at 31 March 2022

	The Group S\$'000		The Company S\$'000	
	31-Mar-22 (Unaudited)	31-Dec-21 (Audited)	31-Mar-22 (Unaudited)	31-Dec-21 (Audited)
Equity attributable to owners of the Company				
Share capital	105,691	104,811	105,691	104,811
Treasury shares	(528)	(528)	(528)	(528)
Reserves	(107,986)	(106,571)	(106,605)	(106,363)
	(2,823)	(2,288)	(1,442)	(2,080)
Non-controlling interests	(133)	(100)	-	-
Total equity	(2,956)	(2,388)	(1,442)	(2,080)
Non-current assets				
Property, plant and equipment	59	70	-	4
Investment in subsidiaries	-	-	324	-
	59	70	324	4
Current assets				
Inventories	887	554	-	-
Trade receivables	1,369	1,255	-	-
Contract assets	1,414	1,476	-	-
Prepayments	38	83	23	21
Other receivables and deposits	914	526	123	135
Due from subsidiaries (non-trade)	-	-	446	-
Cash and cash equivalents	2,417	1,371	1,232	95
	7,039	5,265	1,824	251
Total assets	7,098	5,335	2,148	255
Current liabilities				
Trade payables	1,847	1,684	-	-
Contract liabilities	1,449	1,358	-	-
Other payables and accruals	3,736	3,191	568	845
Term loans	3,022	1,490	3,022	1,490
	10,054	7,723	3,590	2,335
Total liabilities	10,054	7,723	3,590	2,335
Net liabilities	(2,956)	(2,388)	(1,442)	(2,080)

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

	As at 31 March 2022		As at 31 December 2021	
	S\$'000 Secured	S\$'000 Unsecured	S\$'000 Secured	S\$'000 Unsecured
Amount repayable in one year or less, or on demand				
- Term loans	1,000	2,022	1,000	490
Amount repayable in more than one year	-	-	-	-

Details of any collateral

As at 31 March 2022 and 31 December 2021, the Group's secured borrowings were secured by a fixed and floating charge over all assets of the Company.

1 (c) Condensed Interim Consolidated Statement of Cash Flows

	The Group	
	1Q 2022 S\$'000 (Unaudited)	1Q 2021 S\$'000 (Unaudited)
Cash flows from operating activities:		
Loss before tax from continuing operations	(863)	(820)
Depreciation of property, plant and equipment	9	33
Property, plant and equipment written off	2	-
Gain on disposal of plant and equipment	-	(3)
Interest expense	2	678
Interest income	-	(1)
Unrealised exchange loss/(gain)	10	(589)
Operating loss before working capital changes	(840)	(702)
Changes in working capital:		
Inventories	(333)	(112)
Trade receivables	(51)	348
Due from customers for contracts work-in-progress	61	945
Other receivables, deposits and prepayments	(407)	320
Trade payables	142	(278)
Due to customers for contracts work-in-progress	91	(167)
Other payables and accruals	(42)	(137)
Cash flows (used in)/from operations	(1,379)	217
Interest received	-	1
Net cash flows (used in)/from operating activities	(1,379)	218
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(13)
Proceeds from disposal of plant and equipment	-	4
Proceeds from disposal of intangible assets	-	15
Cash flows from investing activities	-	6

	The Group	
	1Q 2022 S\$'000 (Unaudited)	1Q 2021 S\$'000 (Unaudited)
Cash flows from financing activities		
Proceeds from issuance of shares	880	-
Proceeds from loans and borrowings	1,532	-
Cash flows from financing activities	2,412	-
Net increase in cash and cash equivalents	1,033	224
Effect of exchange rate changes on cash and cash equivalents	13	12
Cash and cash equivalents at beginning of period	1,371	2,558
Cash and cash equivalents at end of period	2,417	2,794

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

	Share capital	Treasury shares	Translation reserve	The Group Other reserves	Accumulated losses	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1Q ended 31 March 2021							
Balance as at 1 January 2021	102,605	(528)	(967)	114	(121,744)	(52)	(20,572)
Loss for the period	-	-	-	-	(806)	(14)	(820)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	(658)	-	-	-	(658)
Other comprehensive income for the period, net of tax	-	-	(658)	-	-	-	(658)
Total comprehensive income for the period	-	-	(658)	-	(806)	(14)	(1,478)
Balance as at 31 March 2021	102,605	(528)	(1,625)	114	(122,550)	(66)	(22,050)

	Share capital	Treasury shares	Translation reserve	The Group Other reserves	Accumulated losses	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1Q ended 31 March 2022							
Balance as at 1 January 2022	104,811	(528)	(321)	114	(106,364)	(100)	(2,388)
Loss for the period	-	-	-	-	(830)	(33)	(863)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	(585)	-	-	-	(585)
Other comprehensive income for the period, net of tax	-	-	(585)	-	-	-	(585)
Total comprehensive income for the period, net of tax	-	-	(585)	-	(830)	(33)	(1,448)
Issuance of shares	880	-	-	-	-	-	880
Total transactions with owners in their capacity as owners	880	-	-	-	-	-	880
Balance as at 31 March 2022	105,691	(528)	(906)	114	(107,194)	(133)	(2,956)

The Company					
	Share capital	Treasury shares	Other reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1Q ended 31 March 2021					
Balance as at 1 January 2021	102,605	(528)	114	(118,355)	(16,164)
Loss for the period	-	-	-	(123)	(123)
Total comprehensive income for the period	-	-	-	(123)	(123)
Balance as at 31 March 2021	102,605	(528)	114	(118,478)	(16,287)

The Company					
	Share capital	Treasury shares	Other reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1Q ended 31 March 2022					
Balance as at 1 January 2022	104,811	(528)	19,549	(125,912)	(2,080)
Loss for the period	-	-	-	(242)	(242)
Total comprehensive income for the period	-	-	-	(242)	(242)
<u>Contributions by and distribution to owners</u>					
Issuance of shares	880	-	-	-	880
Total transactions with owners in their capacity as owners	880	-	-	-	880
Balance as at 31 March 2022	105,691	(528)	19,549	(126,154)	(1,442)

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 2021 included in the Company's annual report for FY2021.

2. Basis of preparation

The condensed interim consolidated financial statements for the three months ended 31 March 2022 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 2021. 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 2021.

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 2021, 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 2022. 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 the opinion of the directors of the Company, the Group is able to continue as a going concern as the directors of the Company are of the reasonable view that the Group has raised sufficient cash and cash equivalents to date to sustain the working capital needs of the Group for a period of 12 months from the approved date of these financial statements taking into consideration the various factors disclosed in Note 2.1 to the audited consolidated financial statements of the Group for the year ended 31 December 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. Revenue Information

Disaggregation of revenue

Segments	Offshore and marine		Supply chain management		Total	
	1Q 2022 S\$'000 (Unaudited)	1Q 2021 S\$'000 (Unaudited)	1Q 2022 S\$'000 (Unaudited)	1Q 2021 S\$'000 (Unaudited)	1Q 2022 S\$'000 (Unaudited)	1Q 2021 S\$'000 (Unaudited)
Group						
Primary geographical markets						
Europe	4	3	-	-	4	3
Indonesia	98	742	-	-	98	742
Malaysia	59	174	74	-	133	174
Middle East	42	122	-	-	42	122
People's Republic of China	90	171	-	-	90	171
Singapore	764	1,414	-	-	764	1,414
Vietnam	7	-	-	-	7	-
Others	74	5	-	-	74	5
	<u>1,138</u>	<u>2,631</u>	<u>74</u>	<u>-</u>	<u>1,212</u>	<u>2,631</u>
Major service lines						
Sale of goods	299	926	74	-	373	926
Project revenue	824	1,373	-	-	824	1,373
Rendering services	15	332	-	-	15	332
	<u>1,138</u>	<u>2,631</u>	<u>74</u>	<u>-</u>	<u>1,212</u>	<u>2,631</u>
Timing of transfer of goods or services						
At a point in time	299	926	74	-	373	926
Over time	839	1,705	-	-	839	1,705
	<u>1,138</u>	<u>2,631</u>	<u>74</u>	<u>-</u>	<u>1,212</u>	<u>2,631</u>

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	
	31-Mar-22 (Unaudited)	31-Dec-21 (Audited)	31-Mar-22 (Unaudited)	31-Dec-21 (Audited)
Financial assets:				
Amortised cost				
Trade receivables	1,369	1,255	-	-
Other receivables and deposits	914	526	123	135
Cash and cash equivalents	<u>2,417</u>	<u>1,371</u>	<u>1,232</u>	<u>95</u>
	<u>4,700</u>	<u>3,152</u>	<u>1,355</u>	<u>230</u>
Financial liabilities:				
Amortised cost				
Trade payables	1,847	1,684	-	-
Other payables and accruals	3,736	3,191	568	845
Loans and borrowings	<u>3,022</u>	<u>1,490</u>	<u>3,022</u>	<u>1,490</u>
	<u>8,605</u>	<u>6,365</u>	<u>3,590</u>	<u>2,335</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

Apart from the interest free loans extended to the Company by certain substantial shareholders of the Company during the three months ended 31 March 2022, the Group has no transactions and arrangements with related parties (31 March 2021: Nil).

	The Group	
	S\$'000	
	31-Mar-22	31-Dec-21
	(Unaudited)	(Audited)
Interest free loans from substantial shareholders	3,022	1,490

7. Taxation

	1Q 2022		1Q 2021	
	S\$'000		S\$'000	
	(Unaudited)		(Unaudited)	
Income tax expenses	-	-	-	-

8. Net asset value

	Group		Company	
	cents		cents	
	31-Mar-22	31-Dec-21	31-Mar-22	31-Dec-21
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	(0.53)	(0.43)	(0.26)	(0.38)

Footnote:

Net asset value per ordinary share is calculated based on 560,346,817 ordinary shares as at 31 March 2022 (31 December 2021: 549,359,674 shares), excluding treasury shares.

9. Loss per ordinary share

	1Q 2022	1Q 2021
	cents	cents
Loss per ordinary share		
(i) Based on the weighted average number of ordinary share in issue	(0.21)	(0.07)
(ii) On a fully diluted basis (detailing any adjustments made to the loss)	(0.21)	(0.07)
Loss per ordinary share from continuing operations		
(i) Based on the weighted average number of ordinary share in issue	(0.21)	(0.07)
(ii) On a fully diluted basis (detailing any adjustments made to the loss)	(0.21)	(0.07)
Computed based on the following weighted average number of shares		
Basic	392,242,772	1,098,719,574
Diluted	392,242,772	1,098,719,574

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, resulting in an adjustment of Warrants to 1,949,798 outstanding warrants, after disregarding any fractions of adjusted Warrants arising from the adjustment of Warrants. As at 31 March 2022, warrants of 1,949,798 (31 March 2021: 97,491,109) have not been included in the calculation of diluted loss per share because they are anti-dilutive.

10. Property, plant and equipment

During the three months ended 31 March 2022, the Group acquired assets amounting to S\$Nil (three months ended 31 March 2021: S\$13,450). There was no disposal of assets during the three months ended 31 March 2022 (three months ended 31 March 2021: S\$4,203).

11. Share capital

Movements in Share Capital

	1Q 2022		FY2021	
	No. of shares	S\$'000	No. of shares	S\$'000
Group and Company				
<i>Issued and paid up:</i>				
At 1 January	549,518,904	104,811	1,106,681,074	102,608
Share consolidation ^(a)	-	-	(1,084,547,558)	-
Issuance of new shares ^{(b) (c)}	10,987,143	880	527,385,388	2,203
As at end of the period/year	<u>560,506,047</u>	<u>105,691</u>	<u>549,518,904</u>	<u>104,811</u>

Notes:

(a) 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).

(b) On 17 August 2021, the Company allotted and issued 477,943,013 Placement Shares to the placees, 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).

(c) On 27 January 2022, the Company allotted and issued 10,987,143 Placement Shares to the placee and the total number of issued and paid-up Shares (excluding treasury shares and subsidiary holdings) of the Company increased from 549,359,674 Shares (excluding 159,230 treasury shares) to 560,346,817 Shares (excluding 159,230 treasury shares).

	As at 31 March 2022		As at 31 March 2021	
	No. of shares	S\$'000	No. of shares	S\$'000
Total number of issued shares	549,518,904	104,811	1,106,681,074	102,605
Issuance of shares	10,987,143	880	-	-
Number of treasury shares	(159,230)	(528)	(7,961,500)	(528)
Net number of issued shares	560,346,817	105,163	1,098,719,574	102,077

As at 31 March 2022, the total number of ordinary shares in issue was 560,506,047 of which 159,230 (0.03% of total number of issued shares) were held by the Company as treasury shares (31 March 2021: 1,106,681,074 ordinary shares and 7,961,500 treasury shares (0.7% of total number of issued shares)).

	As at 31 March 2022	As at 31 March 2021
No. of shares that may be issued upon conversion of all outstanding convertibles in relation to the warrants of the Company	1,949,798	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.

12. Treasury shares

	No. of shares	S\$'000
Number of treasury shares as at 31 December 2021 and 31 March 2022	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.

	As at 31 March 2022		As at 31 December 2021	
	No. of shares	S\$'000	No. of shares	S\$'000
Total number of issued shares	549,518,904	104,811	549,518,904	104,811
Issuance of shares	10,987,143	880	-	-
Number of treasury shares	(159,230)	(528)	(159,230)	(528)
Net number of issued shares	560,346,817	105,163	549,359,674	104,283

13. Subsidiary holdings

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

14. Subsequent events

Subsequent to 31 March 2022, there have been no known events that may have an effect on the condensed interim consolidated financial statements of the Group and the Company.

Other information required by Appendix 7C of the Catalist 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.

Not applicable. The latest audited financial statements of the Company and the Group for the financial year ended 31 December 2021 is an emphasis of matter with respect to 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 period as compared with the most recent audited financial statements for the financial year ended 31 December 2021, except for those disclosed under Paragraph 4 below.

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 2022. 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 and the Company.

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 1Q 2022 was 54% lower as compared to 1Q 2021 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 at a lower rate of 43% due to better margins for 1Q 2022 as a result of better revenue mix.

The decrease in other income was mainly due to a reduction in foreign exchange gain of S\$0.6 million recorded during the period as a result of the translation differences in US Dollar denominated current assets.

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 remains the same as compared to prior period.

Finance costs in 1Q 2022 was lower as compared to 1Q 2021 as loans in 1Q 2022 were interest free loans as compared to loans in 1Q 2021 which carried an interest rate ranging 8%-20%.

Considering the above factors, the Group recorded a Net Loss After Tax of S\$0.86 million.

Financial Position

The Net Liabilities for the Group stood at S\$2.9 million as at 31 March 2022. This was higher compared to that as at 31 December 2021 and was attributed to the loss incurred for the period.

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

The increase of inventories during the financial period was contributed by two main subsidiaries during the financial period in meeting demands to complete certain projects in. Both trade receivables and other payables and accruals increased slightly in tandem to the increase in inventories.

The increase in other receivables and deposits was mainly contributed by the Group's newly incorporated subsidiary due to advances made to a supplier.

Term loans increased during the financial period as the Group and Company had entered into an interest-free loan agreement, repayable in 24 months from the loan drawdown date for working capital purposes with substantial shareholders of the Company.

On 27 January 2022 issued and allotted 10,897,143 new ordinary shares in the capital of the Company to a placee at an issued price of S\$0.0801 for each share, raising gross proceeds of approximately S\$880,000 which contributed to the increase in share capital.

Cashflow

The net cash flows used in operating activities were mainly due to the additional purchases of inventories and increase in trade and non trade debtors.

Net cash flows from financing activities were due to the proceeds from issuance of new shares pursuant to the placement exercise completed in January 2022 and loans and borrowings from Irelia Management Sdn. Bhd., Subtleway Management Sdn. Bhd and Mr. Toh Kok Soon, who are substantial shareholders of the Company.

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.

On 6 May 2022, the Company sought and obtained shareholders' approval at the extraordinary general meeting of the Company for, *inter alia*, (i) a proposed rights cum warrants issue, and a proposed placement; and (ii) the diversification of the Group's business to include Supply Chain Management Business and Lifestyle Retail Business. Please refer to the Company's circular dated 14 April 2022 for further details.

On 19 January 2022, the Company incorporated a wholly-owned subsidiary, Diverse Supply Chain Sdn Bhd ("DSC"), in Malaysia to engage in the Supply Chain Management Business. Since its incorporation, DSC has been in discussions with (a) manufacturers of service robots for grants of exclusive distribution of service robots to DSC for the Malaysia territory; and (b) suppliers of various health and wellness products, for both local and overseas, with a view for potential business collaboration or grant of distribution right to DSC. On 22 March 2022, DSC entered into an exclusive distributorship cooperation agreement with a robot supplier based in the People's Republic of China, and will continue to source for other robot suppliers for various applications and industries.

To engage in the Lifestyle Retail Business, the Group is currently looking for potential targets to acquire with a view for such acquisition to provide a steady stream of income and profitability to the Group.

The Group will make requisite announcements in compliance with the Catalist Rules and will continue to keep shareholders appraised, as and when there are material developments.

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) of the Catalyst Rules. 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 Catalyst Rules

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 unaudited interim financial results for the first quarter ended 31 March 2022 to be false or misleading in any material aspect.

12 Use of proceeds from placements

On 27 January 2022, the Company completed the placement of an aggregate of 10,987,143 new ordinary shares, which were listed on the Catalist of the SGX-ST on 31 January 2022, at an issue price of S\$0.0801 for each new ordinary share, for a total cash consideration of approximately S\$880,000 to Xiang Xiping (the "2022 Placement").

As at 31 March 2022, the use of net proceeds from the 2022 Placement are as follows:

Use of net proceeds from the 2022 Placement	Percentage allocation as disclosed in the Company's announcement dated 18 January 2022	Allocation of net proceeds raised	Amount utilised as at 31 March 2022	Balance
	%	(S\$)	(S\$)	(S\$)
General working capital for the Group's corporate expenses	100%	S\$845,000 (a)	S\$225,190 (b)	S\$619,810

(a) The allocation of net proceeds raised was net of placement expenses and the related professional fees amounted to approximately S\$35,000.

(b) A breakdown of the net proceeds from the 2022 Placement that were utilised for working capital are:

Summary of expenses	Working capital (S\$)
Payment of professional fees	42,260
Payment of salary	125,290
Payment of administrative expenses	57,640
Total	225,190

The use of the net proceeds from the 2022 Placement is in accordance with the intended use as disclosed in the Company's announcement dated 18 January 2022. The Company will make periodic announcements as and when the balance of the net proceeds from the 2022 Placement is materially utilised.

13 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) of the Catalyst Rules

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 Catalyst Rules.

14 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 Catalyst Rules

The Company has incorporated a wholly-owned subsidiary, Diverse Supply Chain Sdn Bhd ("DSC") in Malaysia on 19 January 2022 with a share capital of RM1,000,000. The principal activities of DSC include wholesale, trading, sale, supply and distribution of industrial apparels, sophisticated hardware, robotics, pharmaceutical products, cosmetics, health supplements and related products.

Save as disclosed above, 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 up to 31 March 2022.

BY ORDER OF THE BOARD

MR NG YEAP CHONG
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

MR ONG SWEE SIN
EXECUTIVE DIRECTOR

12 May 2022
Singapore