

Condensed Interim Consolidated Financial Statements And Dividend Announcement for the Six Months Ended 30 June 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, UOB Kay Hian Private Limited ("Sponsor") for the compliance with the relevant rules of the SGX-ST Listing manual Section B: Rules of Catalyst.

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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Lance Tan, Senior Vice President, UOB Kay Hian Private Limited at 8 Anthony Road #01-01, Singapore 229957, telephone (65) 6590 6881.

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					
	2Q 2022 S\$'000 (Unaudited)	2Q 2021 S\$'000 (Unaudited)	Change %	1H 2022 S\$'000 (Unaudited)	1H 2021 S\$'000 (Unaudited)	Change %
Revenue	1,232	2,043	(40)	2,444	4,674	(48)
Cost of sales	(814)	(1,754)	(54)	(1,544)	(3,543)	(56)
Gross Profit	418	289	45	900	1,131	(20)
Other income	29	(48)	NM	48	744	(94)
Interest income	-	2	NM	-	3	NM
Marketing and distribution expenses	243	(17)	NM	(15)	(39)	(62)
Administrative expenses	(903)	(1,556)	(42)	(1,967)	(3,271)	(40)
Other operating expenses	(51)	(50)	2	(91)	(90)	1
Finance costs	-	-	-	(2)	(678)	NM
Loss before tax	(264)	(1,380)	(81)	(1,127)	(2,200)	(49)
Income tax expenses	(9)	(1)	NM	(9)	(1)	NM
Loss after tax from continuing operations	(273)	(1,381)	(80)	(1,136)	(2,201)	(48)
<u>Discontinued operations</u>						
Profit after tax from discontinued operations	812	-	NM	812	-	NM
Profit/(Loss) for the period	539	(1,381)	NM	(324)	(2,201)	(85)
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation	(42)	(175)	NM	(627)	(833)	(25)
Other comprehensive income for the period, net of tax	(42)	(175)	NM	(627)	(833)	(25)
Total comprehensive income for the period	497	(1,556)	NM	(951)	(3,034)	(69)
Profit/(Loss) attributable to:						
Owners of the Company	506	(1,381)	NM	(324)	(2,187)	(85)
Non-controlling interests	33	-	NM	-	(14)	NM
	539	(1,381)	NM	(324)	(2,201)	(85)
Total comprehensive income attributable to:						
Owners of the Company	464	(1,556)	NM	(951)	(3,020)	(69)
Non-controlling interests	33	-	NM	-	(14)	NM
	497	(1,556)	NM	(951)	(3,034)	(69)
Earnings Per Share (cents)						
(a) Basic	0.10	(0.13)		(0.06)	(0.20)	
(b) Diluted	0.10	(0.13)		(0.06)	(0.20)	

Note

Loss before tax is derived at after

Crediting/(Charging) :

	2Q 2022 S\$'000 (Unaudited)	2Q 2021 S\$'000 (Unaudited)	1H 2022 S\$'000 (Unaudited)	1H 2021 S\$'000 (Unaudited)
Depreciation of property, plant and equipment	(1)	(30)	(10)	(63)
Gain on disposal of plant and equipment	-	-	-	3
(Loss)/Gain on foreign exchange	-	(136)	(10)	498
Impairment loss on trade receivables	-	(50)	-	(50)
Reversal of inventory written down	3	33	3	33
Gain on disposal of subsidiary	812	-	812	-
Impairment of financial assets	(70)	-	(70)	-

NM: Not meaningful

1 (b)(i) Condensed Interim Statements of Financial Position As at 30 June 2022

	The Group S\$'000		The Company S\$'000	
	30-Jun-22 (Unaudited)	31-Dec-21 (Audited)	30-Jun-22 (Unaudited)	31-Dec-21 (Audited)
Equity attributable to owners of the Company				
Share capital	109,194	104,811	109,194	104,811
Treasury shares	(528)	(528)	(528)	(528)
Reserves	(107,622)	(106,571)	(107,204)	(106,363)
	1,044	(2,288)	1,462	(2,080)
Non-controlling interests	-	(100)	-	-
Total equity	1,044	(2,388)	1,462	(2,080)
Non-current assets				
Property, plant and equipment	25	70	-	4
Investment in subsidiaries	-	-	324	-
Right-of-use assets	55	-	-	-
	80	70	324	4
Current assets				
Inventories	479	554	-	-
Trade receivables	1,358	1,255	-	-
Contract assets	255	1,476	-	-
Prepayments	59	83	36	21
Other receivables and deposits	3,026	526	2,453	135
Finance lease receivables	349	-	-	-
Due from subsidiaries (non-trade)	-	-	650	-
Cash and cash equivalents	818	1,371	322	94
	6,344	5,265	3,461	250
Total assets	6,424	5,335	3,785	254
Current liabilities				
Trade payables	502	1,684	6	-
Contract liabilities	916	1,358	-	-
Other payables and accruals	2,066	3,191	485	844
Tax payable	8	-	-	-
Finance lease obligations	24	-	-	-
Term loans	1,660	1,490	1,660	1,490
	5,176	7,723	2,151	2,334
Non-current liabilities				
Finance lease obligations	32	-	-	-
Term loans	172	-	172	-
	204	-	172	-
Total liabilities	5,380	7,723	2,323	2,334
Net assets / (liabilities)	1,044	(2,388)	1,462	(2,080)

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

	As at 30 June 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	-	1,660	-	1,490
Amount repayable in more than one year				
- Term loans	-	172	-	-

Details of any collateral

i) As at 30 June 2022 and 31 December 2021, the Group's borrowings were unsecured.

ii) Related party loans from Blue Ocean Capital Partners Pte. Ltd. and Mr. Ng Yeau Chong amounting to S\$1,585,000 and S\$75,000 respectively are interest-free loans. The Company had on 30 March 2022 entered into an agreement to extend the repayment date from 12 months to a further 24 months. With the extension, the loans are due and payable in December 2022. The Company had paid off both loans on 12 July 2022 from the Proceed from Rights Issue.

iii) Related party loans from the shareholders, Synergy Supply Chain Management Sdn. Bhd. and Mr. Toh Kok Soon amounting to S\$43,880 and S\$128,542 respectively are interest-free loans made under two separate loan agreements dated 12 July 2022. The repayment term for both of the aforementioned interest-free loans is 24 months from the date the loan is disbursed to the Company.

1 (c) Condensed Interim Consolidated Statement of Cash Flows

	The Group		The Group	
	2Q 2022 S\$'000 (Unaudited)	2Q 2021 S\$'000 (Unaudited)	1H 2022 S\$'000 (Unaudited)	1H 2021 S\$'000 (Unaudited)
Cash flows from operating activities				
Loss before tax from continuing operations	(264)	(1,380)	(1,127)	(2,200)
Profit before tax from discontinued operations	812	-	812	-
Adjustments for:				
Depreciation of property, plant and equipment	1	30	10	63
Depreciation of right-of-use assets	8	-	8	-
Property, plant and equipment written off	-	-	2	-
Reversal of inventory written down	(3)	(33)	(3)	(33)
Impairment loss on trade receivables	-	50	-	50
Gain on disposal of plant and equipment	-	-	-	(3)
Impairment of financial assets	(70)	-	(70)	-
Interest expense	-	-	2	678
Interest income	-	(2)	-	(3)
Gain on disposal of subsidiary	(812)	-	(812)	-
Unrealised exchange loss/(gain)	-	103	10	(486)
Operating loss before working capital changes	(328)	(1,232)	(1,168)	(1,934)
Changes in working capital:				
Inventories	481	(100)	148	(212)
Trade receivables	11	16,415	(40)	16,763
Due from customers for contracts work-in-progress	1,159	(73)	1,220	872
Other receivables, deposits and prepayments	(3,240)	(79)	(3,647)	241
Finance lease receivables	(349)	-	(349)	-
Trade payables	(1,344)	170	(1,202)	(108)
Due to customers for contracts work-in-progress	(595)	124	(504)	(43)
Other payables and accruals	(1,631)	(16,534)	(1,673)	(16,671)
Cash flows used in operations	(5,836)	(1,309)	(7,215)	(1,092)
Interest received	-	2	-	3
Net cash flows used in operating activities	(5,836)	(1,307)	(7,215)	(1,089)
Cash flows from investing activities				
Purchase of property, plant and equipment	(3)	(10)	(3)	(23)
Proceeds from disposal of plant and equipment	13	-	13	4
Proceeds from disposal of intangible assets	-	-	-	15
Net cash inflow from disposal of subsidiary companies	753	-	753	-
Cash flows from/(used in) investing activities	763	(10)	763	(4)
Cash flows from financing activities				
Interest paid	(2)	-	(2)	-
Proceeds from issuance of shares	3,503	-	4,383	-
Proceeds from loans and borrowings	-	-	1,532	-
Receipt of advance proceeds from potential investor	-	2,775	-	2,775
Payment of finance lease obligations	(26)	-	(26)	-
Cash flows from financing activities	3,475	2,775	5,887	2,775
Net (decrease)/increase in cash and cash equivalents	(1,598)	1,458	(565)	1,682
Effect of exchange rate changes on cash and cash equivalents	(1)	(3)	12	9
Cash and cash equivalents at beginning of period	2,417	2,794	1,371	2,558
Cash and cash equivalents at end of period	818	4,249	818	4,249

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

	The Group						
	Share capital	Treasury shares	Translation reserve	Other reserves	Accumulated losses	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1H ended 30 June 2021							
Balance as at 1 January 2021	102,605	(528)	(966)	114	(121,858)	(52)	(20,685)
Loss for the period	-	-	-	-	(2,187)	(14)	(2,201)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	(833)	-	-	-	(833)
Other comprehensive income for the period, net of tax	-	-	(833)	-	-	-	(833)
Total comprehensive income for the period	-	-	(833)	-	(2,187)	(14)	(3,034)
Balance as at 30 June 2021	102,605	(528)	(1,799)	114	(124,045)	(66)	(23,719)

	The Group						
	Share capital	Treasury shares	Translation reserve	Other reserves	Accumulated losses	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1H ended 30 June 2022							
Balance as at 1 January 2022	104,811	(528)	(321)	114	(106,364)	(100)	(2,388)
Loss for the period	-	-	-	-	(324)	-	(324)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	(627)	-	-	-	(627)
Other comprehensive income for the period, net of tax	-	-	(627)	-	-	-	(627)
Total comprehensive income for the period, net of tax	-	-	(627)	-	(324)	-	(951)
<u>Contributions by and distribution to owners</u>							
Issuance of shares	4,383	-	-	-	-	-	4,383
Total transactions with owners in their capacity as owners	4,383	-	-	-	-	-	4,383
<u>Changes in ownership interests in subsidiary</u>							
Disposal of subsidiary	-	-	-	-	(100)	100	-
Balance as at 30 June 2022	109,194	(528)	(948)	114	(106,788)	-	1,044

	The Company				
	Share capital	Treasury shares	Other reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1H ended 30 June 2021					
Balance as at 1 January 2021	102,605	(528)	114	(118,370)	(16,179)
Loss for the period, representing total comprehensive income for the period.	-	-	-	(200)	(200)
Total comprehensive income for the period	-	-	-	(200)	(200)
Balance as at 30 June 2021	102,605	(528)	114	(118,570)	(16,379)

	The Company				
	Share capital	Treasury shares	Other reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1H ended 30 June 2022					
Balance as at 1 January 2022	104,811	(528)	19,549	(125,912)	(2,080)
Loss for the period, representing total comprehensive income	-	-	-	(812)	(812)
Issuance of shares	4,383	-	-	-	4,383
Write-back of amounts due to related companies	-	-	-	(29)	(29)
Balance as at 30 June 2022	109,194	(528)	19,549	(126,753)	1,462

Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate information

9R Limited (formerly known as 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 of the Company is located at 105 Cecil Street, #12-02 The Octagon, Singapore 069534.

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 six months ended 30 June 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 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

The Group has 4 reportable Segments:

- (i) Corporate - the Investment Holding company
- (ii) Assets Chartering - ownership and charter of assets
- (iii) Offshore and marine - provider of offshore and marine systems solution to yards, vessels owners and oil majors around the world.
- (iv) Supply chain management - offering robot products integrated with artificial intelligence technology and health and wellness products to the relevant markets.

These operating segments are reported in a manner consistent with internal reporting provided to management who is responsible for allocating resources and assessing performance of the operating segments.

The following is an analysis of the Group's financial results by reportable segment:

	Corporate	Assets Chartering	Offshore and marine	Supply chain management	Eliminations	Consolidation Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group						
1 January 2022 to 30 June 2022						
Segment revenue						
Sales to external customers	-	-	1,600	844	-	2,444
Inter-segment customers	-	-	-	-	-	-
Total revenue	-	-	1,600	844	-	2,444
Segment profit/(loss)	(819)	(5)	(296)	32	(48)	(1,136)
Profit from discontinued operations						812
Loss for the period						(324)
Segment assets	3,785	4	2,099	1,510	(974)	6,424
Segment liabilities	2,567	284	2,016	1,163	(650)	5,380
1 January 2021 to 30 June 2021						
Segment revenue						
Sales to external customers	462	-	5,044	-	(832)	4,674
Inter-segment customers	-	-	-	-	-	-
Total revenue	462	-	5,044	-	(832)	4,674
Segment profit/(loss)	(347)	(287)	(1,679)	-	112	(2,201)
Segment assets	7,443	47,526	12,485	-	(62,119)	5,335
Segment liabilities	23,834	104,008	10,679	-	(130,798)	7,723

9. Earnings per share ("EPS")

	2Q 2022 Cents	2Q 2021 Cents	1H 2022 Cents	1H 2021 Cents
Earnings/(Loss) per ordinary share				
(i) Based on the weighted average number of ordinary share in issue	0.10	(0.13)	(0.06)	(0.20)
(ii) On a fully diluted basis (detailing any adjustments made to the loss)	0.10	(0.13)	(0.06)	(0.20)
Loss per ordinary share from continuing operations				
(i) Based on the weighted average number of ordinary share in issue	(0.05)	(0.13)	(0.20)	(0.20)
(ii) On a fully diluted basis (detailing any adjustments made to the loss)	(0.05)	(0.13)	(0.20)	(0.20)
Computed based on the following weighted average number of shares				
Basic	560,415,000	1,098,719,574	560,415,000	1,098,719,574
Diluted	560,415,000	1,098,719,574	560,415,000	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. As at 30 June 2022, warrants of 282,461,536 (30 June 2021: 97,491,109) inclusive of 280,173,408 allotted and issued pursuant to the Rights cum Warrants Issue have not been included in the calculation of diluted loss per share because they are anti-dilutive.

10. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired assets amounting to S\$3,318 (six months ended 30 June 2021: S\$22,733). There was disposal of assets during the six months ended 30 June 2022 for S\$12,837 (six months ended 30 June 2021: S\$4,039).

11. Share capital

Movements in Share Capital

Group and Company	1H 2022		FY2021	
	No. of shares	S\$'000	No. of shares	S\$'000
<i>Issued and paid up:</i>				
At 1 January	549,518,904	104,811	1,106,681,074	102,605
Share consolidation ^(a)	-	-	(1,084,547,558)	-
Issuance of new shares ^{(b) (c) (d)}	151,073,847	4,383	527,385,388	2,206
As at end of the period/year	700,592,751	109,194	549,518,904	104,811

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).

(d) On 29 June 2022, the Company allotted and issued 140,086,704 Rights Shares and 280,173,408 Warrants pursuant to the Rights cum Warrants issue and the total number of issued and paid-up Shares (excluding treasury shares and subsidiary holdings) of the Company increased from 560,346,817 Shares (excluding 159,230 treasury shares) to 700,433,521 Shares (excluding 159,230 treasury shares).

(e) The company will engage a valuer at the end of the financial period to measure the fair value of the Warrants.

	As at 30 June 2022		As at 31 December 2021	
	No. of shares	S\$'000	No. of shares	S\$'000
Total number of issued shares	700,592,751	109,194	549,518,904	104,811
Number of treasury shares	(159,230)	(528)	(159,230)	(528)
Net number of issued shares	700,433,521	108,666	549,359,674	104,283

As at 30 June 2022, the total number of ordinary shares in issue was 700,592,751 of which 159,230 (0.02% of total number of issued shares) were held by the Company as treasury shares (30 June 2021: 1,106,681,074 ordinary shares and 7,961,500 treasury shares (0.7% of total number of issued shares)).

	As at 30 June 2022	As at 30 June 2021
No. of shares that may be issued upon conversion of all outstanding convertibles in relation to the warrants of the Company	282,461,536	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 30 June 2022 and 31 December 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.

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 30 June 2022, the Company had disposed its entire shareholding interests in its wholly-owned subsidiaries, namely Promoter Hydraulics Pte. Ltd. ("**Promoter**") and Marshal Systems Private Limited ("**Marshal**"), to Transvictory Holdings Pte. Ltd. ("**Purchaser**") (the "**Disposal**"), pursuant to a sale and purchase agreement dated 29 July 2022 entered into by the Company and the Purchaser. The Disposal was completed on 29 July 2022 and Promoter and Marshal, as well as the entity held by Marshal, are no longer subsidiaries of the Company. The details of the Disposal are disclosed in the Company's announcement dated 30 July 2022.

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 2Q 2022 was 40% lower as compared to 2Q 2021 due to discontinue of operations from the Viking Airtech Pte. Ltd. and Viking HVAC Pte. Ltd. which was disposed in May 2022 and lower revenue generated from remaining offshore and marine services and systems units despite the increase in revenue from Supply Chain Management segment. The disposed companies contributed around 62% of total revenue in 2Q 2021. The gross profit increased by 45% for 2Q 2022 as compared with 2Q 2021 mainly due to higher margins for 2Q 2022 from Marshall Group which achieved a gross profit margin of 49.6%.

The increase in other income was mainly due to recovery of slow moving stock during the period which resulted in the reversal of inventory write down to other income and foreign exchange gain recognised during the period.

Marketing and distribution expenses decreased mainly due to the transfer of Viking Airtech Pte. Ltd.'s marketing and distribution expenses in the amount of S\$324,727 to discontinued operations.

Administrative expenses decreased mainly due to the transfer of Viking Airtech Pte. Ltd.'s administrative expenses in the amount of S\$255,892 to discontinued operations.

Other operating expenses in 2Q 2022 increased as compared to 2Q 2021 due to impairment of financial assets.

Profit from the discontinued operations are from the disposal of Viking Airtech Pte. Ltd. and Viking HVAC Pte. Ltd. which result in the gain from disposal with the amount of S\$812,000 in 2Q 2022.

Considering the above factors, the Group recorded a Net Profits After Tax of S\$0.54 million. This is the result from the net loss of S\$0.27 million from the continuing operations and net profit of S\$0.81 million from the discontinued operation.

Financial Position

The addition in non-current assets was due to the right-of-use assets for the lease for office premise by the Malaysian subsidiary, Diverse Supply Chain Sdn. Bhd. The tenancy for the premise is for the period for 24 months commenced from April 2022.

The reduction of inventories during the financial period was contributed by two main subsidiaries which carrying the inventories of S\$0.2 million was disposed off in March 2022. The trade receivables increased due to the increase sale activity from the Supply Chain Management segment. The trade payables, contract liabilities and other payables and accruals decreased with the disposal of the Viking Airtech Pte. Ltd. and Viking HVAC Pte. Ltd. in May 2022.

The increase in other receivables and deposits was mainly contributed by the Company's newly incorporated subsidiary due to advances made to a supplier in China for securing the order for certain Robotic products for the Supply Chain Management business and receivable for the Rights issue after offsetting the shareholder loan. The proceed for the Right issue is only received in the Company bank accounts in July 2022.

The decrease in the contract assets was mainly due to the disposal of Viking Airtech Pte. Ltd. The finance lease receivables relates to the lease arrangement with the Supply Chain Management customers who financed their purchase of robotics products with monthly lease payments to the Company.

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 29 June 2022, the Company allotted and issued 140,086,704 Rights Shares and 280,173,408 Warrants. The total number of issued and paid-up Shares (excluding treasury shares and subsidiary holdings) of the Company increased from 560,346,817 Shares (excluding 159,230 treasury shares) to 700,433,521 Shares (excluding 159,230 treasury shares).

Cashflow

The Company had operating cash outflow of approximately S\$5.8 million taking into account the loss before tax from continuing operations, adjusted for non-cash items and net working capital outflows.

The Group announced on 18 May 2022 that it had completed the disposal of the entire issued and paid-up capital of Viking Airtech Pte. Ltd. and Viking HVAC Pte. Ltd. The disposal of these 2 business units had resulted in the net cash inflow from investing activities of S\$753,000.

There is a cash inflow from the financing activities due to the proceeds from issuance of new shares pursuant to the Rights cum Warrants issue completed in June 2022 and cash outflow from payment of finance lease and interest payment with the result in the net cash inflow from the financing activities.

As a result of the above, there was a net decrease of S\$0.57 million in cash and cash equivalents from a net cash balance of S\$1.3 million to S\$0.8 million as at 30 June 2022.

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

No specific forecast or a prospect statement has been disclosed previously to shareholders.

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 apprised, 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 loss-making financial position of the Company as at 30 June 2022.

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 Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained any general mandate for IPTs for the financial period reported on. There is no discloseable IPT for the financial period.

11 Confirmation By Directors Pursuant to Rule 705(5) of the Catalist 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 second quarter ended 30 June 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 30 June 2022, the use of net proceeds from the 2022 Placement had been fully utilised 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 30 June 2022	Balance
	%	S\$	S\$	S\$
General working capital for the Group's corporate expenses	100%	S\$845,000 (a)	S\$845,000 (b)	-

(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 (S\$)
Payment of professional fees	514,105
Payment of salary	212,797
Payment of administrative expenses	118,098
Total	845,000

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.

13 Use of proceeds from Rights cum Warrants Issue

On 29 June 2022, the Company completed the Rights cum Warrants Issue of which 140,086,704 Rights Shares and 280,173,408 Warrants were allotted and issued for net proceeds of approximately S\$3.3 million.

As disclosed in the Offer Information Statement dated 3 June 2022 and the announcement dated 27 June 2022, the subscription monies of Mr. Ng Boon Chee, Synergy Supply Chain Management Sdn. Bhd., Subtleway Management Sdn. Bhd., Ireliia Management Sdn. Bhd. and Mr. Toh Kok Soon for their Rights Shares have been set off against their respective loan amounts to the Company which were outstanding, leaving a Balance Net Proceeds of approximately S\$2.0 million.

As at 12 August 2022, the use of the net proceeds from the Rights cum Warrants Issue is as follows:

Use of Net Proceeds	Amount allocated	Amount utilised as at the date of this announcement	Balance
	S\$	S\$	S\$
Repayment of existing loans	1,660,000	1,660,000	-
General working capital requirements	310,000	-	310,000
Total	1,970,000	1,660,000	310,000

As at 12 August 2022, 4,277,380 warrants have been exercised by the warrantsholders raising net proceeds of S\$171,095 which will be utilised by the Company as follows:

Use of Net Proceeds	Amount allocated	Amount utilised as at the date of this announcement	Balance
	S\$	S\$	S\$
General corporate and working capital requirements	171,095	-	171,095
Total	171,095	-	171,095

The use of the net proceeds from Rights cum Warrants Issue is in accordance with the intended use as disclosed in the Offer Information Statement dated 3 June 2022.

14 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 Catalist 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 Catalist Rules.

15 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

On 13 May 2022, the Company incorporated a wholly-owned subsidiary, 9R Leisure Sdn Bhd ("**9R Leisure**") with a share capital of RM10,000. The incorporation of 9R Leisure is funded by the Group's internal resources. The principal activities of 9R Leisure include investment holding, general merchant and trading, management services. 9R Leisure will be involved in the lifestyle retail business as part of the Company's business diversification plan. The Company will make requisite announcements in compliance with the Catalist Rules and will continue to keep shareholders apprised, as and when there are material developments.

On 18 May 2022, the Company announced the completion of the disposal of Viking Airtech Pte. Ltd. ("**Airtech**") and Viking HVAC Pte. Ltd. ("**Viking HVAC**") and Airtech and Viking HVAC, as well as entities held by Airtech, are no longer subsidiaries of the Company. Please refer to the announcements dated 28 March 2022, 18 May 2022 and Circular dated 14 April 2022 for further details.

On 30 July 2022, the Company announced the proposed disposal of the entire shareholding interest of the Company in its wholly-owned subsidiaries of the Company, namely Promoter Hydraulics Pte. Ltd. and Marshal System Pte. Ltd for a cash consideration of S\$505,000. Please refer to the announcement dated 30 July 2022 for further details.

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 30 June 2022.

BY ORDER OF THE BOARD

MR ONG SWEE SIN
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

12 August 2022
Singapore