

**First Quarter Financial Statements And Dividend Announcement for the Financial Period Ended 31 March 2021**

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 2019.

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.

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.

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

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		Change %
	1Q 2021 S\$'000 (Unaudited)	1Q 2020 S\$'000 (Unaudited)	
Revenue	2,631	4,036	(35)
Cost of sales	(1,789)	(2,453)	(27)
Gross Profit	842	1,583	(47)
Other income	792	1,644	(52)
Interest income	1	1	0
Marketing and distribution expenses	(22)	(38)	(42)
Administrative expenses	(1,715)	(1,959)	(12)
Other operating expenses	(40)	(362)	(89)
Finance costs	(678)	(776)	(13)
(Loss)/Profit before tax	(820)	93	NM
(Loss)/Profit for the period	(820)	93	NM
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(658)	(1,447)	(55)
Other comprehensive income for the period, net of tax	(658)	(1,447)	(55)
Total comprehensive income for the period	(1,478)	(1,354)	9
(Loss)/Profit attributable to:			
Owners of the Company	(806)	71	NM
Non-controlling interests	(14)	22	NM
	(820)	93	NM
Total comprehensive income attributable to:			
Owners of the Company	(1,464)	(1,376)	6
Non-controlling interests	(14)	22	NM
	(1,478)	(1,354)	9

**Note**

**Loss before tax is derived at after**

**Crediting/(charging) :**

	The Group		Change %
	1Q 2021 S\$'000 (Unaudited)	1Q 2020 S\$'000 (Unaudited)	
Depreciation of property, plant and equipment	(33)	(357)	(91)
Amortisation of intangible assets	-	(3)	(100)
Gain on disposal of plant and equipment	3	-	NM
Gain on foreign exchange	634	1,564	(59)

NM: Not meaningful

1 (b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	S\$'000		S\$'000	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
	(Unaudited)	(Restated)* (Unaudited)	(Unaudited)	(Restated)* (Unaudited)
<b>Equity attributable to owners of the Company</b>				
Share capital	102,605	102,605	102,605	102,605
Treasury shares	(528)	(528)	(528)	(528)
Reserves	(124,061)	(122,596)	(118,364)	(118,241)
	(21,984)	(20,519)	(16,287)	(16,164)
Non-controlling interests	(66)	(53)	-	-
<b>Total equity</b>	<b>(22,050)</b>	<b>(20,572)</b>	<b>(16,287)</b>	<b>(16,164)</b>
<b>Non-current assets</b>				
Property, plant and equipment	121	141	6	7
Investment in subsidiaries	-	-	4,460	4,460
Intangible assets	818	832	-	-
	939	973	4,466	4,467
<b>Current assets</b>				
Inventories	2,345	2,233	-	-
Trade receivables	18,798	19,143	-	-
Contract assets	2,258	3,203	-	-
Prepayments	35	116	16	15
Other receivables and deposits	735	1,046	171	168
Cash and cash equivalents	2,794	2,559	143	18
	26,965	28,300	330	201
<b>Total assets</b>	<b>27,904</b>	<b>29,273</b>	<b>4,796</b>	<b>4,668</b>
<b>Current liabilities</b>				
Trade payables	2,299	2,563	-	-
Contract liabilities	770	938	-	-
Other payables and accruals	31,067	30,519	1,471	1,474
Tax payable	-	7	-	-
Term loans	8,662	8,661	-	-
Redeemable exchangeable bonds	7,156	7,156	-	-
Due to subsidiaries (non-trade)	-	-	19,612	19,358
	49,954	49,844	21,083	20,832
<b>Non-current liabilities</b>				
Deferred tax liabilities	-	1	-	-
	-	1	-	-
<b>Total liabilities</b>	<b>49,954</b>	<b>49,845</b>	<b>21,083</b>	<b>20,832</b>
<b>Net liabilities</b>	<b>(22,050)</b>	<b>(20,572)</b>	<b>(16,287)</b>	<b>(16,164)</b>

\* The unaudited statements of financial position of the Group and the Company as at 31 December 2020 had been restated since the Company's announcement on 1 March 2021 ("Announcement Date"), to reflect events that unfolded subsequent to the Announcement Date. These restatements do not affect the cash and cash equivalents position of the Group and Company as at 31 December 2020.

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

	As at 31 March 2021		As at 31 December 2020	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand				
- Term loans	13,839	-	13,520	-
- Redeemable exchangeable bonds	12,033	-	11,742	-

Details of any collateral

The Group's borrowings are secured by corporate guarantees.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group	
	1Q 2021 S\$'000 (Unaudited)	1Q 2020 S\$'000 (Unaudited)
<b>Cash flows from operating activities:</b>		
<b>(Loss)/Profit before tax</b>	(820)	93
<b>Adjustments for:</b>		
Amortisation of intangible assets	-	3
Depreciation of property, plant and equipment	33	357
Gain on disposal of plant and equipment	(3)	-
Interest expense	678	776
Interest income	(1)	(1)
Unrealised exchange gain	(589)	(326)
<b>Operating (loss)/profit before working capital changes</b>	<u>(702)</u>	<u>902</u>
<b>Changes in working capital:</b>		
Inventories	(112)	(447)
Trade receivables	348	646
Due from customers for contracts work-in-progress	945	850
Other receivables, deposits and prepayments	320	(102)
Trade payables	(278)	(900)
Due to customers for contracts work-in-progress	(167)	82
Other payables and accruals	(137)	464
<b>Cash flows from operations</b>	<u>217</u>	<u>1,495</u>
Interest received	1	1
Income taxes paid	-	(11)
<b>Net cash flows from operating activities</b>	<u>218</u>	<u>1,485</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(13)	-
Proceeds from disposal of plant and equipment	4	-
Proceeds from disposal of intangible assets	15	-
<b>Cash flows from investing activities</b>	<u>6</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Interest paid	-	(262)
Repayment of loans and borrowings	-	(429)
Payment of principal portion of lease liabilities	-	(118)
Payment of finance lease obligations	-	(6)
<b>Cash flows used in financing activities</b>	<u>-</u>	<u>(815)</u>
<b>Net increase in cash and cash equivalents</b>	224	670
Effect of exchange rate changes on cash and cash equivalents	12	(18)
<b>Cash and cash equivalents at beginning of period</b>	<u>2,558</u>	<u>2,365</u>
<b>Cash and cash equivalents at end of period</b>	<u>2,794</u>	<u>3,017</u>

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding year.

	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
<b>1Q ended 31 March 2020</b>							
Balance as at 1 January 2020	102,605	(528)	(1,520)	114	(95,812)	(11)	4,848
Profit for the period	-	-	-	-	71	22	93
Other comprehensive income							
Foreign currency translation	-	-	(1,447)	-	-	-	(1,447)
<b>Other comprehensive income for the period, net of tax</b>	-	-	(1,447)	-	-	-	(1,447)
<b>Total comprehensive income for the period</b>	-	-	(1,447)	-	71	22	(1,354)
<b>Balance as at 31 March 2020</b>	<b>102,605</b>	<b>(528)</b>	<b>(2,967)</b>	<b>114</b>	<b>(95,741)</b>	<b>11</b>	<b>3,494</b>

	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
<b>1Q ended 31 March 2021</b>							
Balance as at 1 January 2021	102,605	(528)	(967)	114	(121,744)	(52)	(20,572)
Loss for the period	-	-	-	-	(806)	(14)	(820)
Other comprehensive income							
Foreign currency translation	-	-	(658)	-	-	-	(658)
<b>Other comprehensive income for the period, net of tax</b>	-	-	(658)	-	-	-	(658)
<b>Total comprehensive income for the period</b>	-	-	(658)	-	(806)	(14)	(1,478)
<b>Balance as at 31 March 2021</b>	<b>102,605</b>	<b>(528)</b>	<b>(1,625)</b>	<b>114</b>	<b>(122,550)</b>	<b>(66)</b>	<b>(22,050)</b>

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>1Q ended 31 March 2020</b>					
Balance as at 1 January 2020	102,605	(528)	114	(100,832)	1,359
Loss for the period	-	-	-	(10)	(10)
<b>Total comprehensive income for the period</b>	-	-	-	(10)	(10)
<b>Balance as at 31 March 2020</b>	<b>102,605</b>	<b>(528)</b>	<b>114</b>	<b>(100,842)</b>	<b>1,349</b>

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

Save for the foregoing, there are no other (i) changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders.

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

**Changes in Company's share capital:**

	No. of shares	Share capital S\$'000
Balance as at 31 December 2020 and 31 March 2021	1,106,681,074	102,605

On 3 July 2017, the Company allotted and issued 194,982,219 new ordinary shares ("Rights Shares") at an issue price of S\$0.018 for each Rights Share and 97,491,109 free detachable warrants ("Warrants") pursuant to a renounceable and non-underwritten rights cum warrants issue. Each Warrant carries the right to subscribe for a new ordinary share in the capital of the Company at an exercise price of S\$0.025 for each new ordinary share and is exercisable during a five year period from the date of issue.

As at 31 March 2021, the total number of ordinary shares in issue was 1,106,681,074 of which 7,961,500 (0.7% of total number of issued shares) were held by the Company as treasury shares (31 March 2020: 1,106,681,074 ordinary shares and 7,961,500 treasury shares (0.7% of total number of issued shares)).

	As at 31 March 2021	As at 31 March 2020
No. of shares that may be issued upon conversion of all outstanding convertibles	194,982,218	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.

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

	As at 31 March 2021		As at 31 December 2020	
	No. of shares	S\$'000	No. of shares	S\$'000
Total number of issued shares	1,106,681,074	102,605	1,106,681,074	102,605
Number of treasury shares	(7,961,500)	(528)	(7,961,500)	(528)
Net number of issued shares	1,098,719,574	102,077	1,098,719,574	102,077

- 1(d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

	No. of shares	S\$'000
Number of treasury shares as at 31 December 2020 and 31 March 2021	7,961,500	528

- 1(d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

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

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Group's auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

- 3A 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 2019 included a disclaimer of opinion on material uncertainty relating to going concern.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared with the most recent audited financial statements for the financial year ended 31 December 2019, except for those disclosed under Paragraph 5.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group 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.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	1Q 2021 cents	1Q 2020 cents
<b>(Loss)/Earnings per ordinary share</b>		
(i) Based on the weighted average number of ordinary share in issue	(0.07)	0.01
(ii) On a fully diluted basis (detailing any adjustments made to the (loss)/profit)	(0.07)	0.01
<b>(Loss)/Earnings per ordinary share from continuing operations</b>		
(i) Based on the weighted average number of ordinary share in issue	(0.07)	0.01
(ii) On a fully diluted basis (detailing any adjustments made to the (loss)/profit)	(0.07)	0.01
Computed based on the following weighted average number of shares		
Basic	1,098,719,574	1,098,719,574
Diluted	1,098,719,574	1,098,719,574

As at 31 March 2021, warrants of 97,491,109 (31 March 2020: 97,491,109) have not been included in the calculation of diluted loss per share because they are anti-dilutive.

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

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

	Group cents		Company cents	
	31-Mar-21	31-Dec-20	31-Mar-21	31-Dec-20
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	(2.01)	(1.87)	(1.48)	(1.47)

**Footnote:**

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

- 8 **A review of the performance of the group to the extent necessary for a reasonable understanding of the business. It must include a discussion of the following:—**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Financial Performance**

Revenue in 1Q2021 was lower as compared to 1Q2020 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 in tandem with the lower revenue recognised.

Other Income decreased mainly due to a reduction in foreign exchange gain of S\$0.9 million recorded during the period as a result of the translation differences in US Dollar denominated current assets.

Marketing and Distribution Expenses decreased due to lesser traveling expenses incurred by the salespersons in securing projects during the period, which was impacted by the COVID-19 global pandemic situation as compared to the prior period.

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

Other Operating Expenses declined with the reduction in depreciation expenses of property, plant and equipment as 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.) was completed in October 2020. Finance costs decreased as 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 Loss After Tax of S\$0.8 million.

**Financial Position**

The Net Liabilities for the Group stood at S\$22.0 million as at 31 March 2021. This was lower compared to that as at 31 December 2020 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 and amortisation of intangible assets.

Trade Receivables decreased due to collection of trade receivables. Other receivables and deposits decreased as the Group managed to recover the amount due during the period.

The decrease in net amount contract assets and contract liabilities was a result of timing of project billing milestones. The decrease in Current Liabilities was due to decrease in Trade Payables due to the shorter payment cycle to suppliers coupled with lesser purchases from project delays. The Group recorded net current liabilities of S\$23.0 million as at 31 March 2021. Please refer to paragraph 10 below for more information on the steps taken by the Company to improve the financial position of the Group.

**Cashflow**

The net cash flows generated from operating activities were mainly due to the billing of amounts due from contract customers after meeting the project milestones.

Net cash flows from investing activities were largely due to the proceeds from disposal of intangible assets.

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

Not applicable

- 10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group's operations in the neighbouring countries within the region are still affected by the COVID-19 pandemic situations with recovery remains uncertain and the lack of business travels undermines the sales order for the Group. While oil prices continue to rise steadily with the curtailing of supply and recovery in demand from the COVID-19 pandemic, oil and gas producers continue to be stringent with their capital expenditures. The Group will continue to monitor the situation closely and adjust its operating capacity in accordance with the fluid uncertain situation and when there is more clarity on the market development.

The Company continues to undergo a court-supervised restructuring process and continues to engage its key creditors in relation to a potential settlement or arrangement of its liabilities thereto. 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 was approved by the requisite majorities of creditors. The Company had subsequently on 20 April 2021 filed applications for extension of the existing statutory moratoria until the entry into effect of the Scheme and sanction and approval of the Scheme by the General Division of the High Court. The applications will be heard on 28 May 2021.

The Group will place its effort in maintaining viability of its offshore and marine business and to successfully exit the moratoria process. This will allow the Group to deleverage the balance sheet and improve the financial position of the Group. The Group hopes to emerge from the eventual successful restructuring and the execution of the plans by potential strategic investors which will allow a renewed lease of life for the business.

- 11 **Dividend**

**(a) Current Financial Period Reported On**

**Any dividend recommended for the current financial period report on?**

No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

No

**(c) Date payable**

Not applicable

**(d) 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

- 12 **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.

- 13 **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained.

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

The Board of Directors of the Company hereby confirms 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 2021 to be false or misleading in any material aspect.

- 15 **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.

BY ORDER OF THE BOARD

MR ANDY LIM  
CHAIRMAN AND EXECUTIVE DIRECTOR

MR NG YEAU CHONG  
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

14 May 2021  
Singapore