

Third Quarter Financial Statements And Dividend Announcement for the Financial Period Ended 30 September 2020

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.

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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					
	3Q 2020 S\$'000 (Unaudited)	3Q 2019 S\$'000 (Unaudited)	Change %	9M 2020 S\$'000 (Unaudited)	9M 2019 S\$'000 (Unaudited)	Change %
Revenue	5,268	5,816	(9)	13,228	15,377	(14)
Cost of sales	(3,619)	(3,380)	7	(8,806)	(9,193)	(4)
Gross Profit	1,649	2,436	(32)	4,422	6,184	(28)
Other income	143	641	(78)	1,891	795	138
Interest income	1	3	(67)	4	13	(69)
Marketing and distribution expenses	(49)	(43)	14	(116)	(143)	(19)
Administrative expenses	(1,809)	(2,253)	(20)	(5,675)	(6,470)	(12)
Other operating expenses	(741)	(94)	688	(1,463)	(1,419)	3
Finance costs	(1,324)	(790)	68	(2,897)	(2,055)	41
Loss before tax	(2,130)	(100)	2,030	(3,834)	(3,095)	24
Income tax credit	54	25	116	44	65	(32)
Loss for the period	(2,076)	(75)	2,668	(3,790)	(3,030)	25
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	411	(375)	NM	(243)	521	NM
Net change in fair value reserve of available-for-sale financial assets	-	-	-	-	-	-
Other comprehensive income for the period, net of tax	411	(375)	NM	(243)	521	NM
Total comprehensive income for the period	(1,665)	(450)	270	(4,033)	(2,509)	61
Loss attributable to:						
- Owners of the Company	(2,028)	(75)	2,604	(3,704)	(3,030)	22
- Non-controlling interests	(48)	-	NM	(86)	-	NM
	(2,076)	(75)	2,668	(3,790)	(3,030)	25
Total comprehensive income attributable to:						
- Owners of the Company	(1,617)	(450)	259	(3,947)	(2,509)	57
- Non-controlling interests	(48)	-	NM	(86)	-	NM
	(1,665)	(450)	270	(4,033)	(2,509)	61

Note

Loss before tax is derived at after

Crediting/(charging):

	The Group					
	3Q 2020 S\$'000 (Unaudited)	3Q 2019 S\$'001 (Unaudited)	Change %	9M 2020 S\$'000 (Unaudited)	9M 2019 S\$'000 (Unaudited)	Change %
Depreciation of property, plant and equipment and right-of-use assets	(697)	(456)	53	(1,403)	(1,431)	(2)
Amortisation of intangible assets	(3)	(5)	(40)	(9)	(14)	(36)
(Loss)/Gain on foreign exchange	(167)	805	NM	837	522	60
Reversal of impairment loss on trade receivables	-	100	(100)	-	100	(100)
Inventories written down	(3)	56	NM	(10)	2	NM
Impairment loss on quoted equity investments	-	(10)	(100)	-	(10)	(100)

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 S\$'000		The Company S\$'000	
	30-Sep-20 (Unaudited)	31-Dec-19 (Audited)	30-Sep-20 (Unaudited)	31-Dec-19 (Audited)
<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	(101,165)	(97,218)	(100,841)	(100,718)
Non-controlling interests	912	4,859	1,236	1,359
<b>Total equity</b>	<b>815</b>	<b>4,848</b>	<b>1,236</b>	<b>1,359</b>
<b>Non-current assets</b>				
Property, plant and equipment	18,136	19,427	-	1
Investment in subsidiaries	-	-	29,505	29,505
Quoted equity investments	40	40	40	40
Intangible assets	7,198	7,207	-	-
Right-of-use assets	1,351	1,441	-	-
	<u>26,725</u>	<u>28,115</u>	<u>29,545</u>	<u>29,546</u>
<b>Current assets</b>				
Inventories	12,264	13,137	-	-
Trade receivables	19,824	24,117	-	-
Contract assets	3,338	4,836	-	-
Prepayments	38	39	30	14
Other receivables and deposits	1,784	1,069	89	67
Due from subsidiaries (non-trade)	-	-	-	36
Cash and cash equivalents	3,959	2,365	22	25
	<u>41,207</u>	<u>45,563</u>	<u>141</u>	<u>142</u>
<b>Total assets</b>	<b>67,932</b>	<b>73,678</b>	<b>29,686</b>	<b>29,688</b>
<b>Current liabilities</b>				
Trade payables	2,639	5,667	-	-
Contract liabilities	2,120	2,732	-	-
Other payables and accruals	26,898	24,923	1,183	997
Tax payable	-	11	-	-
Finance lease obligations	2	15	-	-
Term loans	26,082	25,922	-	-
Redeemable exchangeable bonds	7,058	7,155	-	-
Due to subsidiaries (non-trade)	-	-	27,267	27,332
	<u>64,799</u>	<u>66,425</u>	<u>28,450</u>	<u>28,329</u>
<b>Non-current liabilities</b>				
Lease liabilities	1,507	1,520	-	-
Deferred tax liabilities	811	885	-	-
	<u>2,318</u>	<u>2,405</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<b>67,117</b>	<b>68,830</b>	<b>28,450</b>	<b>28,329</b>
<b>Net assets</b>	<b>815</b>	<b>4,848</b>	<b>1,236</b>	<b>1,359</b>

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

	As at 30 September 2020		As at 31 December 2019	
	S\$'000 Secured	S\$'000 Unsecured	S\$'000 Secured	S\$'000 Unsecured
Amount repayable in one year or less, or on demand				
- Term loans	26,082	-	25,922	-
- Redeemable exchangeable bonds	7,058	-	7,155	-
- Finance lease obligations	2	-	15	-
Amount repayable after one year	-	-	-	-

**Details of any collateral**

The Group's borrowings are secured by the following:

- a first legal mortgage on a subsidiary's leasehold property;
- fixed and floating charge over the subsidiary's assets; and
- 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		The Group	
	3Q 2020 S\$'000 (Unaudited)	3Q 2019 S\$'000 (Unaudited)	9M 2020 S\$'000 (Unaudited)	9M 2019 S\$'000 (Unaudited)
<b>Cash flows from operating activities:</b>				
<b>Loss before tax</b>	(2,130)	(100)	(3,834)	(3,095)
<b>Adjustments for:</b>				
Amortisation of intangible assets	3	5	9	14
Depreciation of property, plant and equipment and right-of-use assets	697	456	1,403	1,431
Inventories written down	3	(56)	10	(2)
Reversal of impairment loss on trade receivables	-	(100)	-	(100)
Impairment loss on quoted equity investments	-	10	-	10
Interest expense	1,324	790	2,897	2,055
Interest income	(1)	(3)	(4)	(13)
Unrealised exchange gain	(724)	(237)	(852)	(522)
<b>Operating (loss)/profit before working capital changes</b>	<b>(828)</b>	<b>765</b>	<b>(371)</b>	<b>(222)</b>
Changes in working capital:				
Inventories	595	(692)	864	(3,276)
Trade receivables	1,201	(1,125)	4,281	2,380
Due from customers for contracts work-in-progress	(179)	694	1,497	960
Other receivables, deposits and prepayments	(800)	(259)	(950)	(486)
Finance lease receivables	-	(198)	-	(106)
Trade payables	(481)	387	(3,031)	827
Due to customers for contracts work-in-progress	(235)	(129)	(612)	(68)
Other payables and accruals	1,338	974	1,099	1,658
<b>Cash flows from operations</b>	<b>611</b>	<b>417</b>	<b>2,777</b>	<b>1,667</b>
Interest received	1	3	4	13
Income taxes paid	-	-	(11)	(1)
<b>Net cash flows from operating activities</b>	<b>612</b>	<b>420</b>	<b>2,770</b>	<b>1,679</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(6)	-	(21)	(13)
Additions to intangible assets	-	-	-	-
Proceeds from disposal of plant and equipment	-	-	-	43
<b>Cash flows (used in)/from investing activities</b>	<b>(6)</b>	<b>-</b>	<b>(21)</b>	<b>30</b>
<b>Cash flows from financing activities</b>				
Interest paid	-	(272)	(262)	(699)
Repayment of loans and borrowings	(64)	(161)	(630)	(914)
Payment of principal portion of lease liabilities	(84)	-	(226)	-
Payment of finance lease obligations	(4)	(6)	(13)	(19)
<b>Cash flows used in financing activities</b>	<b>(152)</b>	<b>(439)</b>	<b>(1,131)</b>	<b>(1,632)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>454</b>	<b>(19)</b>	<b>1,618</b>	<b>77</b>
Effect of exchange rate changes on cash and cash equivalents	(3)	184	(24)	(5)
<b>Cash and cash equivalents at beginning of period</b>	<b>3,508</b>	<b>3,511</b>	<b>2,365</b>	<b>3,604</b>
<b>Cash and cash equivalents at end of period</b>	<b>3,959</b>	<b>3,676</b>	<b>3,959</b>	<b>3,676</b>

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.

	The Group						
	Share capital	Treasury shares	Translation reserve	Other reserves	Accumulated profits	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>9M ended 30 September 2019</b>							
Balance as at 1 January 2019	102,605	(528)	(1,344)	114	(63,833)	-	37,014
Loss for the period	-	-	-	-	(3,030)	-	(3,030)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	521	-	-	-	521
<b>Other comprehensive income for the period, net of tax</b>	-	-	521	-	-	-	521
<b>Total comprehensive income for the period</b>	-	-	521	-	(3,030)	-	(2,509)
<b>Balance as at 30 September 2019</b>	<b>102,605</b>	<b>(528)</b>	<b>(823)</b>	<b>114</b>	<b>(66,863)</b>	<b>-</b>	<b>34,505</b>

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

	The Group						
	Share capital	Treasury shares	Translation reserve	Other reserves	Accumulated profits	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'001
<b>3Q ended 30 September 2019</b>							
Balance as at 1 July 2019	102,605	(528)	(448)	114	(66,788)	-	34,955
Loss for the period	-	-	-	-	(75)	-	(75)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	(375)	-	-	-	(375)
<b>Other comprehensive income for the period, net of tax</b>	-	-	(375)	-	-	-	(375)
<b>Total comprehensive income for the period</b>	-	-	(375)	-	(75)	-	(450)
<b>Balance as at 30 September 2019</b>	<b>102,605</b>	<b>(528)</b>	<b>(823)</b>	<b>114</b>	<b>(66,863)</b>	<b>-</b>	<b>34,505</b>

	The Group						
	Share capital	Treasury shares	Translation reserve	Other reserves	Accumulated profits	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'001
<b>3Q ended 30 September 2020</b>							
Balance as at 1 July 2020	102,605	(528)	(2,194)	114	(97,468)	(49)	2,480
Loss for the period	-	-	-	-	(2,028)	(48)	(2,076)
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	411	-	-	-	411
<b>Other comprehensive income for the period, net of tax</b>	-	-	411	-	-	-	411
<b>Total comprehensive income for the period</b>	-	-	411	-	(2,028)	(48)	(1,665)
<b>Balance as at 30 September 2020</b>	<b>102,605</b>	<b>(528)</b>	<b>(1,783)</b>	<b>114</b>	<b>(99,496)</b>	<b>(97)</b>	<b>815</b>

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>9M ended 30 September 2019</b>					
Balance as at 1 January 2019	102,605	(528)	114	(59,105)	43,086
Loss for the period	-	-	-	(696)	(696)
<b>Total comprehensive income for the period</b>	-	-	-	(696)	(696)
<b>Balance as at 30 September 2019</b>	<b>102,605</b>	<b>(528)</b>	<b>114</b>	<b>(59,801)</b>	<b>42,390</b>

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

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>3Q ended 30 September 2019</b>					
Balance as at 1 July 2019	102,605	(528)	114	(59,784)	42,407
Loss for the period	-	-	-	(17)	(17)
<b>Total comprehensive income for the period</b>	-	-	-	(17)	(17)
<b>Balance as at 30 September 2019</b>	<b>102,605</b>	<b>(528)</b>	<b>114</b>	<b>(59,801)</b>	<b>42,390</b>

	Share capital	Treasury shares	The Company Other reserves	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>3Q ended 30 September 2020</b>					
Balance as at 1 July 2020	102,605	(528)	114	(100,825)	1,366
Loss for the period	-	-	-	(130)	(130)
<b>Total comprehensive income for the period</b>	-	-	-	(130)	(130)
<b>Balance as at 30 September 2020</b>	<b>102,605</b>	<b>(528)</b>	<b>114</b>	<b>(100,955)</b>	<b>1,236</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 30 June 2020 and 30 September 2020	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 ("2017 Warrants") pursuant to a renounceable and non-underwritten rights cum warrants issue. Each 2017 Warrant carries the right to subscribe for two 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 30 September 2020, 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 (30 September 2019: 1,106,681,074 ordinary shares and 7,961,500 treasury shares (0.7% of total number of issued shares)).

	As at 30 September 2020	As at 30 September 2019
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 30 September 2020		As at 31 December 2019	
	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 30 June 2020 and 30 September 2020	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 2020. 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

	3Q 2020 cents	3Q 2019 cents	9M 2020 cents	9M 2019 cents
<b>Loss per ordinary share</b>				
(i) Based on the weighted average number of ordinary share in issue	(0.18)	(0.01)	(0.34)	(0.28)
(ii) On a fully diluted basis (detailing any adjustments made to the loss)	(0.18)	(0.01)	(0.34)	(0.28)
<b>Loss per ordinary share from continuing operations</b>				
(i) Based on the weighted average number of ordinary share in issue	(0.18)	(0.01)	(0.34)	(0.28)
(ii) On a fully diluted basis (detailing any adjustments made to the loss)	(0.18)	(0.01)	(0.34)	(0.28)
Computed based on the following weighted average number of shares				
Basic	1,098,719,574	1,098,719,574	1,098,719,574	1,098,719,574
Diluted	1,098,719,574	1,098,719,574	1,098,719,574	1,098,719,574

As at 30 September 2020, warrants of 97,491,109 (30 September 2019: 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	
	30-Sep-20	31-Dec-19	30-Sep-20	31-Dec-19
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares	0.07	0.44	0.11	0.12

**Footnote:**

Net asset value per ordinary share is based on 1,098,719,574 ordinary shares as at 30 September 2020 (31 December 2019: 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**

The 3Q-2020 quarter continued to be adversely affected by the challenging offshore and marine industry and the COVID-19 global pandemic situation.

While Revenue in 3Q-2020 was about 9% lower compared to same quarter in the preceding year, it was 34% higher than the prior quarter of 2Q-2020. The better quarterly showing against the prior quarter was due to the gradual easing of restrictive work order and pandemic safety management in 3Q-2020, as compared to 2Q-2020.

Compared to 3Q-2019, the decrease in Gross Profit was in tandem with the lower revenue for the quarter. This decrease was further caused by the lower Gross Profit Margin due to lesser service-related revenues which generate higher yield higher margins.

Decrease in Other Income was mainly due to the foreign exchange translation losses in 3Q-2020 as compared to the exchange gain recorded in the preceding quarter.

Administrative Expenses declined as compared to the preceding quarter due to managed spending from the lower business activities and uncertain operating conditions and outlook.

Other Operating Expenses increased due to the reconciliation entry of amortisation of fair value adjustments for the Property, Plant and Equipment for the purposes of the disposal of the properties at Kian Teck Road (by way of disposal of the entire share capital of the Company's wholly-owned subsidiary, Viking Facilities Management & Operations Pte. Ltd.) which was completed subsequently on 30 October 2020.

Finance Costs increased compared to the preceding period as the interests to the Group's borrowings continue to be accrued. The interests accrued on the Maybank loans and the principal sums will be eliminated in the final settlement with Maybank subsequent to 30 September 2020, and the resulting financial effects will be accounted for in 4Q-2020. Please refer to the Maybank debt settlement discussed under Note 10 of this announcement.

Considering the above factors, the Group registered a Net Loss Before and After Tax of approximately S\$2.1 million for 3Q-2020.

**Financial Position**

The Net Assets for the Group stood at S\$0.8 million as at 30 September 2020. This was lower as compared to that as at 31 December 2019 due to the losses for the period.

The reduction in Non-Current Assets was mainly due to the depreciation of property, plant and equipment.

The Current Assets decreased due to the sales drawdown of inventories, collection of trade receivables and the lower billings from delays in project delivery. This trend coupled with the receipt of government economic support under the COVID-19 relief measures resulted in a higher cash balance.

Trade Payables decreased due to the shorter payment cycle to suppliers coupled with lesser purchases from project delays. Other Payables and Accruals increased largely as a result of foreign exchange translation for payables denominated in US Dollar as a result of the stronger US Dollar as compared to that as of 31 December 2019.

**Cashflow**

The net cash flows generated from operating activities were mainly due better collection from receivables and the lower net working capital additions as a result of low business volumes.

There were no major acquisition or disposal of capital assets due to the low business activity and climate; which accounted for the minimal movement in the cash flows used in investing activities.

There was minimal cash flows used in financing activities as compared to 3Q-2019 as the Company is currently undergoing a debt moratorium.

- 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.**

Notwithstanding that the COVID-19 pandemic situation has so far stabilised in Singapore and there is gradual opening of its economy, the prolonging and continuing effects of the pandemic and safety measures will continue to pose challenges and uncertainties to our business in the near future. Our operations in the neighbouring countries are more severely affected with the pandemic situations in these countries to be less optimistic.

Similarly, while oil prices were less volatile during this period, they continue to remain low and oil demand continue to decline, exacerbated by declining global economies.

The combined dampening impact of both scenarios affected the financial performance of the Group due to project delays and lesser new opportunities in the near horizon. On a positive note, the Singapore government has introduced a series of economic reliefs and measures that helped cushion the operating expenditure of the Group during this period.

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 Group continues to look for opportunities to monetise its capital assets in order to improve its liquidity position, repay its debts and strengthen its working capital.

In October 2020, the Group successfully completed the disposal of its 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.). This disposal is of significance as the consideration enables the Group to fully discharge all of the Group's bank borrowings and mortgages to Maybank, and terminated all legal actions by Maybank as part of the settlement. Please refer to the Company's announcement dated 9 November 2020 for further details. Additionally, the Group also negotiated a term lease with the purchaser of the properties which allows the Group to continue its business operations at its current premises at a more cost-effective space utilisation.

The Group managed to secure the interest of strategic investors and had on 13 November 2020 entered into a conditional placement agreement with these investors for gross placement proceeds of S\$4.0 million. Please refer to the Company's announcement dated 13 November 2020 for more details. The Group will focus its effort to ensure the successful completion of the placement agreement and on-boarding of these investors.

The Maybank debt settlement and the proposed share placement to the new investors represent significant progress in its overall restructuring efforts. The Company continues to undergo a court-supervised restructuring process and the adjourned hearing has been re-fixed to 27 November 2020 whereby the court will hear the Company's application for an extension of moratoria to 1 March 2021. During such time, the Company continues to engage its key creditors in relation to a potential settlement or arrangement of its liabilities thereto.

The Group will place its effort in maintaining viability of its offshore and marine business, and to successful exit the moratoria process and reaching settlement with its creditors. 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 third quarter ended 30 September 2020 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) 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.

**BY ORDER OF THE BOARD**

**MR ANDY LIM**  
**CHAIRMAN AND EXECUTIVE DIRECTOR**

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

**13 November 2020**  
**Singapore**