

VIKING OFFSHORE AND MARINE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199307300M)

ENTRY INTO TERM SHEET IN RELATION TO A PROPOSED PLACEMENT OF SHARES

1. INTRODUCTION

- 1.1 The board of directors ("**Board**" or "**Directors**") of Viking Offshore and Marine Limited ("**Company**", and together with the subsidiaries of the Company, "**Group**") wishes to announce that the Company had on 16 October 2020 entered into a binding conditional term sheet ("**Term Sheet**") with Li Suet Man ("**Mr Li**") and certain parties to be identified by Mr. Li in due course (collectively, "**Investor 1**"), Blue Ocean Capital Partners Pte. Ltd. ("**Investor 2**") and Ng Yeau Chong ("**Investor 3**", and together with Investor 1 and Investor 2, "**Investors**"), in relation to a proposed placement of shares in the Company ("**Shares**") ("**Proposed Placement**").
- 1.2 Investor 1, Investor 2 and Investor 3 will subscribe for such number of new Shares ("**Placement Shares**") equivalent to 65.25%, 15.225% and 6.525% respectively, of the enlarged issued Shares (after taking into account new Shares to be issued to creditors of the Group ("**Creditors' Shares**") as part of a proposed creditors scheme of arrangement to be finalised in due course ("**Proposed Creditors Scheme**")), for a cash consideration of S\$3,000,000, S\$700,000 and S\$300,000, respectively ("**Placement Consideration**").
- 1.3 The issue price of the Placement Shares ("**Placement Price**") will be derived based on the relevant Placement Consideration divided by the number of relevant Placement Shares, for each of the Investors. The issue price of the Creditors' Shares will be determined pursuant to the Proposed Creditors Scheme which will be finalised in due course. Accordingly, the Placement Price will not be the same as the issue price of the Creditors' Shares. The Placement Price and the number of Placement Shares cannot be determined at the point when the Proposed Creditors Scheme is finalised and announced. Such details can only be determined after the issue price and the number of Creditors' Shares have been determined, after, among others, (a) the creditors of the Group file their respective proof of debts after the launch of the Proposed Creditors Scheme; and (ii) the completion of the adjudication process for the aforesaid proof of debts received by the Group. Based on the Company's indicative timeline of the Proposed Creditors Scheme and the Proposed Placement, the Company envisages that it would be able to determine and announce the Placement Price and the number of Placement Shares prior to the issuance of the circular to shareholders of the Company in relation to, *inter alia*, the Proposed Placement and the Proposed Creditors Scheme.
- 1.4 The Term Sheet sets out broadly the salient terms and conditions in respect of the Proposed Placement which will form the basis of a definitive share subscription agreement to be signed between the Company and the Investors in relation to the Proposed Placement by no later than 29 October 2020 ("**Definitive Agreement**"). Further details of the Proposed Placement will be announced upon the execution of the Definitive Agreement.
- 1.5 The Term Sheet provides for an exclusivity period of 14 days commencing from 15 October 2020, being the effective date of the Term Sheet, for Investor 1 to complete its due diligence exercise and for the parties to negotiate and finalise the terms of the Definitive Agreement. Such exclusivity period may be extended at the mutual agreement of the Company and the Investors.

2. INFORMATION ON THE INVESTORS

2.1 Investor 1

Mr Li is an experienced businessman and a well-known personality in the Singapore-China economic collaboration community. He is currently chairman of the Energy & Chemicals Industry Group (formerly Oil & Gas Industry Group) of the Singapore Manufacturing Federation and the Small and Medium Enterprise Centre @ Singapore Manufacturing Federation. Mr Li also serves on the China-ASEAN Business Council, Singapore-Shandong Business Council as well as the Environment & Resources

Standards Committee of the Singapore Standards Council. He is currently an Independent Non-Executive Director of LHT Holdings Limited, a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company understands from Mr Li that the other parties in Investor 1 have not been identified by him as yet, and Mr Li will provide further details to the Company in the discussion and negotiation of the Definitive Agreement.

As at the date of this announcement, Mr Li (i) does not hold, directly or indirectly, any Shares; and (ii) is not related to the Directors or substantial shareholders of the Company and their respective associates.

2.2 **Investor 2**

Investor 2, a private company limited by shares incorporated in Singapore, is engaged in the business of corporate consultancy, in particular client engagement on mergers, acquisitions, joint ventures and corporate restructuring.

The executive director and sole shareholder of Investor 2, Mr. Daniel Lin Wei, is the son of Mr. Andy Lim (the Executive Chairman and Director of the Company). As at the date of this announcement, Mr. Daniel Lin Wei holds 840,000 Shares and 120,000 warrants in the Company. Save for the foregoing, as at the date of this announcement, none of the directors of Investor 2 (i) holds, directly or indirectly, any Shares; and (ii) is related to the Directors or substantial shareholders of the Company and their respective associates.

On the basis of the foregoing, Mr. Daniel Lin Wei is an "interested person" of the Company for the purposes of Chapter 9 of SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). Accordingly, the proposed issuance and allotment of Placement Shares to Investor 2 will constitute an interested person transaction pursuant to Chapter 9 of the Catalist Rules.

2.3 **Investor 3**

Investor 3 is the Executive Director and Chief Executive Officer of the Company. As at the date of this announcement, Investor 3 holds 1,540,000 Shares and 220,000 warrants in the Company.

On the basis of the foregoing, Investor 3 is an "interested person" of the Company for the purposes of Chapter 9 of Catalist Rules. Accordingly, the proposed issuance and allotment of Placement Shares to Investor 3 will constitute an interested person transaction pursuant to Chapter 9 of the Catalist Rules.

3. **RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS**

- 3.1 The Company is currently undergoing a court-supervised process to reorganise its liabilities and has been granted moratoria against enforcement actions and legal proceedings by creditors against the Company and its wholly-owned subsidiary, Viking Asset Management Pte. Ltd. ("**VAM**") pursuant to Sections 211B and 211C of the Companies Act (Chapter 50) of Singapore ("**Companies Act**"), respectively. Trading of the Shares on the SGX-ST has been suspended since 14 June 2019.
- 3.2 The Proposed Placement will provide funds to the Company to, amongst others, facilitate the restructuring of its debts and liabilities as part of the Proposed Creditors Scheme.
- 3.3 Completion of the Proposed Placement is envisaged to take place concurrently with completion of the Proposed Creditors Scheme.
- 3.4 The estimated gross proceeds of the Proposed Placement is approximately S\$4 million ("**Placement Proceeds**") The Company intends to use the Placement Proceeds for the following purposes:
 - (a) the repayment of debts owed to eligible creditors of the Company under the Proposed Creditors Scheme;
 - (b) the payment of professional fees in connection with (i) the moratorium application made by the Company on 13 June 2019 to the High Court of the Republic of Singapore to commence a court-supervised process to reorganise its liabilities and to seek moratoria against enforcement actions and legal proceedings by creditors against the Company and VAM pursuant to Sections 211B

and 211C of the Companies Act, respectively; (ii) the Proposed Creditors Scheme; and (iii) any other applications to the Courts of Singapore which the Company may make from time to time;

- (c) where applicable, the payment of transactional costs and expenses to be incurred by the Company in relation to the Proposed Placement; and
- (d) where applicable, the Group's working capital needs.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Placement save for their direct or indirect interests (if any) arising by way of their shareholdings and/or directorships, as the case may be, in the Company.

5. FURTHER ANNOUNCEMENTS ON THE PROPOSED PLACEMENT

The Company will make the relevant update announcements on the Proposed Placement, including but not limited to, requisite information in compliance with the Catalist Rules if and when the Definitive Agreement is entered into. The proposed issuance and allotment of the Placement Shares to the Investors (including where such proposed issuance and allotment of Placement Shares constitute interested person transactions pursuant to Chapter 9 of the Catalist Rules) as well as new Shares to be issued and allotted as part of the Proposed Creditors Scheme will be subject to specific approval of shareholders of the Company ("**Shareholders**") at an extraordinary general meeting to be convened.

6. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

7. CAUTIONARY STATEMENT

The Board would like to emphasise that there is no certainty or assurance that the Definitive Agreement will be entered into or the Proposed Placement or Proposed Creditors Scheme will be consummated or completed. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

ON BEHALF OF THE BOARD

Viking Offshore and Marine Limited

Ng Yeau Chong
Executive Director and Chief Executive Officer

18 October 2020

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

The announcement has not been examined or approved by the SGX-ST. 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.