

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

**THE PROPOSED CONSOLIDATION OF EVERY FIFTY (50) EXISTING ORDINARY SHARES
IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE
IN THE CAPITAL OF THE COMPANY**

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**” or “**Directors**”) of Viking Offshore and Marine Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements of 1 February 2021, 14 April 2021 and 31 May 2021 in relation to, *inter alia*:
- (a) the proposed placement of Placement Shares to Blue Ocean Capital Partners Pte. Ltd. and Mr. Ng Yeau Chong (collectively the “**Subscribers**”) (the “**Proposed Placement**”);
 - (b) the issuance of new shares of the Company (“**Shares**”) to creditors of the Group (the “**Conversion Shares**”) as part of a proposed creditors scheme of arrangement (the “**Scheme**”) (the “**Proposed Allotment and Issue of Conversion Shares**”); and
 - (c) the approval of the Scheme by the requisite majorities of creditors and the commencement of the Scheme on the lodgement of the Order of Court sanctioning the Scheme with the Accounting and Corporate Regulatory Authority (the “**Scheme Commencement Date**”).

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Company’s announcement dated 1 February 2021 in relation to the Proposed Placement.

The Board wishes to announce that, in connection with, *inter alia*, the Proposed Placement and the Proposed Allotment and Issue of Conversion Shares, the Company proposes to undertake a share consolidation of every fifty (50) existing issued ordinary shares in the capital of the Company (“**Existing Shares**”), including treasury shares, held by shareholders of the Company (“**Shareholders**”) at the record date to be determined by the Directors (the “**Record Date**”) into one (1) ordinary share in the capital of the Company (“**Consolidated Share**”), fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”).

- 1.2. As a result of the Proposed Share Consolidation, each Shareholder will receive one (1) Consolidated Share for every fifty (50) Existing Shares held prior to the Proposed Share Consolidation at the Record Date.
- 1.3. Pursuant thereto, the Company is proposing an extraordinary general meeting (“**EGM**”) to seek Shareholders’ approval for, *inter alia*, the Proposed Placement, the Proposed Allotment and Issue of Conversion Shares and the Proposed Share Consolidation (collectively the “**Proposed Transactions**”), as the Proposed Placement and the Proposed Allotment and Issue of Conversion Shares are intended to allow the Company to address its solvency issues, facilitate the execution of any future business or restructuring plans and provide an opportunity for creditors to benefit from the potential rehabilitation of the Company, and that the Proposed Share Consolidation strikes a fair and appropriate balance between safeguarding the minority Shareholders’ interests, and business and commercial factors leading to the successful implementation of the Proposed Transactions. In the event that the Proposed Placement, the Proposed Allotment and Issue of Conversion Shares and the Proposed Share Consolidation are approved at the EGM, the Company will proceed to complete the Proposed Share Consolidation first and then in turn complete the Proposed Placement and the Proposed Allotment and Issue of Conversion Shares, and the Placement Shares and the Conversion Shares will be issued on a consolidated basis.

However, if the Proposed Placement and/or the Proposed Allotment and Issue of Conversion Shares are not approved at the EGM, the Company will not proceed with the Proposed Share Consolidation.

- 1.4. The Company will be despatching a Shareholders' circular (the "**Circular**") in respect of the Proposed Transactions in due course.

2. INFORMATION ON THE PROPOSED SHARE CONSOLIDATION

- 2.1. Subject to the approvals and conditions being obtained or fulfilled (as the case may be) as set out in Section 5 below, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Record Date. After the Record Date, every fifty (50) Existing Shares (including treasury shares) registered in the name, or standing to the credit of the Securities Account¹, of each Shareholder or Depositor² (as the case may be) as at the Record Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded.
- 2.2. Each Consolidated Share will rank *pari passu* in all respects with each other, except that the Consolidated Shares which are held as treasury shares by the Company will be subject to the provisions of the Companies Act on treasury shares. Trading in the Consolidated Shares on the Catalist of the SGX-ST will be in board lots of one hundred (100) Consolidated Shares.
- 2.3. Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of Existing Shares as at the Record Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated and dealt with in such manner as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.
- 2.4. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded. Shareholders who hold less than fifty (50) Existing Shares as at the Record Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation. As trading in the Shares is currently suspended and will continue to be suspended at the time of the Proposed Share Consolidation, Shareholders are advised that they will not be able to purchase additional Existing Shares so as to increase the number of Existing Shares held to a multiple of fifty (50) Shares prior to the Record Date so as to remain as Shareholders upon completion of the Proposed Share Consolidation.
- 2.5. While the Company is mindful of the impact to the affected Shareholders who would cease to be Shareholders upon completion of the Proposed Share Consolidation, and the Shareholders who will receive odd lots of Consolidated Shares, the Proposed Share Consolidation is part of the Company's corporate turnaround plan which is necessary and will be beneficial to the Company and its Shareholders in the long term. Given the above considerations and assessment, the Board is of the view that the Proposed Share Consolidation ratio of 50:1 brings the value ascribed to the Company to an amount that is commercially acceptable by the parties for the successful implementation of the corporate turnaround plan which includes, *inter alia*, the Proposed Placement and the Proposed Allotment and Issue of Conversion Shares.
- 2.6. Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST can trade with a minimum size of one (1) Consolidated Share on the SGX-ST's unit share market. The unit share market will enable trading in odd lots in any quantity less than one (1) board lot

¹ A securities account maintained by a Depositor with The Central Depository (Pte) Limited but does not include a securities sub-account maintained with a Depository Agent (as defined in Section 81SF of the Securities and Futures Act)

² As defined in Section 81SF of the Securities and Futures Act

of the underlying shares. As odd lots of Consolidated Shares can be traded on the unit share market of the SGX-ST, no separate arrangement will be made for the trading of such odd lots. **However, Shareholders should note that the market for trading of such odd lots of Consolidated Shares may be illiquid and they may have to bear disproportionate transaction costs in trading their Shares in the unit share market.**

- 2.7. As at the date of this announcement, the Company has an issued and paid-up share capital of S\$102,604,532 comprising 1,098,719,574 Existing Shares (excluding 7,961,500 treasury shares). The Company has no subsidiary holdings. On the assumptions that there will be no new Shares issued by the Company up to the Record Date and no fractions of Consolidated Shares arising from the Proposed Share Consolidation, and subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, the issued and paid-up share capital of the Company (excluding the effects of the Proposed Placement and the Proposed Allotment and Issue of the Conversion Shares) will be S\$102,604,532, comprising 21,974,288 Consolidated Shares (excluding 159,230 treasury shares).
- 2.8. The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation (excluding the effects of Proposed Placement and the Proposed Allotment and Issue of the Conversion Shares) will not cause any material changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and the disregard of the fractional entitlements.
- 2.9. Trading of the Shares on the SGX-ST has been suspended since 14 June 2019. In view of the prolonged suspension of trading of the Shares since 14 June 2019, the Company is of the view that it is not meaningful to discuss the computations of (i) the 6-month volume weighted average price ("**VWAP**") of the Shares in the Company; (ii) the theoretical adjusted 6-month VWAP based on the Consolidated Shares; and (iii) the theoretical 6-month VWAP taking into account the additional shares that may be converted from the existing Warrants (as defined below).
- 2.10. For illustrative purposes only, based on the last traded price of Shares prior to the suspension of trading in the Company's securities on the last trading day on 14 June 2019 of S\$0.004 per Share on an unconsolidated basis, the theoretical adjusted VWAP of each Consolidated Share, following the completion of the Proposed Share Consolidation, would be S\$0.20.

3. ADJUSTMENT TO WARRANTS

- 3.1. As at the date of this announcement, the Company has 97,491,109 outstanding warrants ("**Warrants**"). Pursuant to the conditions of the deed poll constituting the Warrants dated 1 June 2017 (the "**Deed Poll**"), the Proposed Share Consolidation will constitute an event giving rise to adjustments to the exercise price payable for each new Share on the exercise of the Warrants and the number of Warrants.
- 3.2. Copies of (i) the Deed Poll; (ii) a certificate to be signed by the auditors of the Company stating that the adjustments are in accordance with the relevant conditions set out in the Deed Poll; and (iii) a certificate to be signed by a Director setting out particulars of the adjustments to the Warrants, as required under terms of the Deed Poll will in due course be made available for inspection at the registered office of the Company.
- 3.3. The adjustment will be effective from the close of the market day immediately preceding the date on which the Proposed Share Consolidation becomes effective. Pursuant to conditions 5.5 and 5.6 of the Deed Poll, any adjustment to the exercise price will be rounded upwards to the nearest one (1) cent and any adjustment to the number of Warrants held by each warrant holder will be rounded downwards to the nearest whole Warrant.
- 3.4. Details of such adjustments will be provided in the Circular to be despatched in due course. The Company will make further announcements in relation to these adjustments when appropriate.

Shareholders are advised that the adjustment to the Warrants is a result of the Proposed Share Consolidation (in accordance with the terms of the Deed Poll). There will be no adjustments to the Warrants if the Proposed Share Consolidation is not effected.

4. RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders having taken into consideration the following:

4.1. Satisfaction of the minimum bid size prescribed by the SGX-ST

As it is envisaged that the issue price for each Placement Share (on an unconsolidated basis) will be below the minimum bid size of S\$0.001 prescribed by the SGX-ST, accordingly, the Company proposes to carry out the Proposed Share Consolidation on a 50:1 basis in connection with, and prior to the issue of the Placement Shares.

4.2. Reduction of volatility of the Share price

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in lowly-priced shares may translate to higher transaction costs, relative to the trading price, for each board lot of Shares. In addition, lowly-priced shares are generally more prone to speculation and market manipulation. Given their susceptibility to speculation and market manipulation, lowly-priced shares are generally more volatile as compared to higher-priced shares. The Board believes that the Proposed Share Consolidation may serve to (i) reduce the volatility of its Share price and reduce fluctuations in the Company's market capitalisation; and (ii) reduce the percentage transaction cost for trading in each board lot of Shares.

4.3. Increase in the market interest and attractiveness of the Company and its Shares

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares issued and outstanding. It is expected that, all other things being equal, the theoretical trading price and net tangible asset ("NTA") value of each Consolidated Share following the decrease in the number of Shares in issue after the Proposed Share Consolidation would be higher than the current trading price and NTA of each Existing Share. In addition, the Proposed Share Consolidation may facilitate corporate actions and also increase market interest and activity in the Shares, and generally make the Shares more attractive to investors, including institutional investors, thus providing a more diverse shareholder base.

Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the above desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

5. APPROVALS AND CONDITIONS

5.1. The Proposed Share Consolidation is subject to, *inter alia*:

5.1.1. the receipt of the listing and quotation notice from the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Catalist of the SGX-ST; and

5.1.2. the approval of Shareholders by ordinary resolution of the Proposed Share Consolidation at the EGM.

Shareholders should also note that if the Proposed Placement and/or the Proposed Allotment and Issue of Conversion Shares are not approved at the EGM, the Company will not proceed with the Proposed Share Consolidation.

5.2. The Company will, through its Sponsor, be making an application for the listing and quotation of the dealing in, listing of and quotation for, *inter alia*, the Consolidated Shares, the adjusted

Warrants and the new Consolidated Shares to be issued upon the exercise of the adjusted Warrants on the Catalist of the SGX-ST.

- 5.3. An appropriate announcement on the outcome of the application will be made once the listing and quotation notice is issued by the SGX-ST. Any listing and quotation notice which may be issued by the SGX-ST for the listing and quotation of, *inter alia*, the Consolidated Shares, the adjusted Warrants and the new Consolidated Shares is not to be taken as an indication of the merits of the Company, its subsidiaries, the Proposed Share Consolidation, the Consolidated Shares, the adjusted Warrants or the new Consolidated Shares.

6. CIRCULAR

A circular containing further details of, *inter alia*, the Proposed Share Consolidation, together with a notice of the EGM of the Company, will be despatched to Shareholders in due course.

7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or controlling Shareholders and their respective associates have any interest, direct or indirect, in the Proposed Share Consolidation (other than through their respective shareholdings in the Company).

8. DIRECTORS' 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 Share Consolidation and the Group, 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.

9. CAUTION AND FURTHER ANNOUNCEMENTS

The Board would like to emphasise that there is no certainty or assurance that the Proposed Share Consolidation will be consummated or completed.

The Company will make the necessary announcements as and when there are further material developments.

BY ORDER OF THE BOARD

Viking Offshore and Marine Limited

Ng Yeau Chong
Executive Director and Chief Executive Officer

10 June 2021

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

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.