

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

- (I) **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE**
 - (II) **PROPOSED PLACEMENT OF UP TO 300,000,000 NEW ORDINARY SHARES ("PLACEMENT SHARES") IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.05 FOR EACH PLACEMENT SHARE**
 - (III) **PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS**
 - (IV) **PROPOSED CHANGE OF NAME OF THE COMPANY**
 - (V) **PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF VIKING AIRTECH PTE. LTD. AND VIKING HVAC PTE. LTD. TO AN INTERESTED PERSON**
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1. INTRODUCTION

The board of directors ("**Board**" or "**Directors**") of Viking Offshore and Marine Limited ("**Company**", and together with its subsidiaries, "**Group**") wishes to announce the following corporate proposals ("**Corporate Proposals**") comprising:

- (a) the proposed renounceable non-underwritten rights cum warrants issue ("**Rights cum Warrants Issue**") of up to 140,574,153 new ordinary shares of the Company ("**Rights Shares**") with up to 281,148,306 free detachable and transferable warrants ("**Warrants**"), the principal terms of which are summarised below:

Principal Terms of the Rights cum Warrants Issue	Description
Price	The issue price of each Rights Share (" Issue Price ") will be S\$0.025, payable in full upon acceptance and/or application. The exercise price of each Warrant (" Exercise Price ") will be S\$0.04 for each new Share (" Warrant Shares ") payable in full upon the exercise of the Warrant.
Allotment Ratio	One (1) Rights Share for every four (4) existing shares in the capital of the Company (" Shares ") held by Entitled Shareholders (as defined herein) as at a record date to be determined by the Board (" Record Date "), fractional entitlements to be disregarded, and two (2) Warrants for every one (1) Rights Share subscribed.
Discount	The Issue Price of S\$0.025 per Rights Share represents: (a) a discount of approximately 74.5% to the closing price of S\$0.098 per Share on the Singapore Exchange Securities Trading Limited (" SGX-ST ") on 24 March 2022, being the last full Market Day ¹ on which the Shares were traded on the SGX-ST immediately prior to the date of this

¹ "**Market Day**" means a day on which the SGX-ST is open for trading in securities.

Principal Terms of the Rights cum Warrants Issue	Description
	<p>announcement ("Last Traded Price"); and</p> <p>(b) a discount of approximately 70.0% to the theoretical ex-rights price of approximately S\$0.0834 per Share based on the Last Traded Price ("TERP")².</p> <p>The Exercise Price of S\$0.04 per Warrant Share represents:</p> <p>(a) a discount of approximately 59.2% to the Last Traded Price; and</p> <p>(b) a discount of approximately 52.0% to the TERP.</p>
Use of Proceeds	Please refer to paragraph 5 of this announcement for details on the use of proceeds arising from the Rights cum Warrants Issue.
Purpose of the issue	Please refer to paragraph 5 of this announcement for further details on the rationale for the Rights cum Warrants Issue.

- (b) the Company intends to undertake a proposed placement of up to 300,000,000 new ordinary shares in the capital of the Company ("**Placement Shares**") at an issue price of S\$0.05 for each Placement Share ("**Placement Price**"), by way of a placement (the "**Proposed Placement**"). The Proposed Placement is subject to the approval of shareholders of the Company ("**Shareholders**"). Assuming that the Placement Shares are fully subscribed, the aggregate gross proceeds of the Proposed Placement will be up to S\$15,000,000. The Company is in the process of appointing a placement agent ("**Placement Agent**") to procure placees ("**Placees**") for the Proposed Placement and will make appropriate announcements once the placement agreement is entered into between the Company and the Placement Agent ("**Placement Agreement**");
- (c) the proposed diversification of the existing core business of the Group, being that of offshore and marine, chartering service and corporate businesses (collectively, the "**Existing Business**") to include supply chain management and lifestyle retail businesses ("**New Business**") (the "**Proposed Diversification**");
- (d) the proposed change of name of the Company to "9R Limited" (the "**Proposed Change of Name**"); and
- (e) the proposed disposal of the entire shareholding interest of the Company in its wholly-owned subsidiaries of the Company, namely, Viking Airtech Pte. Ltd. ("**Airtech**") and Viking HVAC Pte. Ltd. ("**HVAC**") (Airtech and HVAC are collectively, the "**Disposal Group**"), to Acapella Energy Pte. Ltd. ("**Purchaser**") (the "**Proposed Disposal**"),

² Theoretical ex-rights price of each Share is calculated based on the following formula, assuming (i) all of the 1,949,798 Outstanding Warrants (as defined herein) are exercised and Warrant Shares are issued pursuant thereto on or prior to the Record Date; and (ii) completion of the Rights cum Warrants Issue. For the avoidance of doubt, the following formula does not include the Warrant Shares to be issued from the exercise of the Warrants:

$$\text{Theoretical ex-rights price} = \frac{\text{Theoretical market capitalisation of the Company based on the Last Traded Price + gross proceeds from the Rights cum Warrants Issue}}{\text{Number of Shares after completion of the Rights cum Warrants Issue}}$$

pursuant to a sale and purchase agreement dated 27 March 2022 ("**SPA**") entered into by the Company and the Purchaser. The Purchaser is an entity whose sole shareholder and director is Mr. Ng Yeau Chong ("**Mr. Ng**"), the Executive Director and Chief Executive Officer of the Company.

The Company intends for the Proposed Placement to take place after the Rights cum Warrants Issue. For the avoidance of doubt, the Placement Shares pursuant to the Proposed Placement would not be allotted to the Placees until after the completion of the Rights cum Warrants Issue, and accordingly holders of the Placement Shares shall not be entitled to participate in the Rights cum Warrants Issue.

The Corporate Proposals are subject to, *inter alia*, the approval of Shareholders at an extraordinary general meeting to be convened by the Company ("**EGM**"). Further details of each of the Corporate Proposals will be set out in the circular to Shareholders ("**Circular**"), to be electronically disseminated in due course.

The Company's sponsor, ZICO Capital Pte. Ltd., will be submitting an application in due course on behalf of the Company to the SGX-ST for the dealing in, listing and quotation of the Rights Shares, the Warrants, the Warrant Shares and the Placement Shares on the Catalist Board of the SGX-ST.

UOB Kay Hian Private Limited ("**UOBKH**") has been engaged by the Company as the manager for the Rights cum Warrants Issue.

2. SHAREHOLDERS' COMMITMENT TO THE CORPORATE PROPOSALS

As at the date of this announcement, to demonstrate their confidence in the Corporate Proposals and their commitment and support to the Company, certain Shareholders holding in aggregate approximately 85.43% interest in the Company, namely, (i) Lim Jun Hao (through his wholly-owned subsidiary, Subtleway Management Sdn. Bhd. holding a shareholding interest of approximately 25.69%); (ii) Ng Boon Chee (through his wholly-owned subsidiary, Tristan Management Sdn. Bhd. holding a shareholding interest of approximately 25.24%); (iii) Tan Chiau Wei (through his wholly-owned subsidiary, Ireliia Management Sdn. Bhd. holding a shareholding interest of approximately 18.12%); (iv) Toh Kok Soon holding a shareholding interest of approximately 13.46%; and (v) Ong Swee Sin (through his wholly-owned subsidiary, Synergy Supply Chain Management Sdn. Bhd. holding a shareholding interest of approximately 2.92%) (collectively, the "**Relevant Shareholders**"), have executed deeds of undertaking dated 25 March 2022, pursuant to which they have irrevocably undertaken to vote in favour of all the Corporate Proposals.

3. RIGHTS CUM WARRANTS ISSUE

3.1 Issue Price and Exercise Price

The Issue Price of S\$0.025 per Rights Share represents a discount of approximately 74.5% to the Last Traded Price, and the Exercise Price of S\$0.04 per Warrant Share represents a discount of approximately 59.2% to the Last Traded Price.

In arriving at the discounts for the Issue Price and the Exercise Price, the Board wishes to highlight that historical issue prices of the Shares may not be reflective of the current and future outlook of the Company, in particular taking into consideration the Proposed Diversification and the opportunities it brings. As such, while the issue price of the Shares issued by the Company to its scheme creditors during the Company's scheme of arrangement as proposed by the Company to its creditors pursuant to Section 71 of the Insolvency, Restructuring and Dissolution Act 2018 was at S\$0.1907 per Share, the Board is of the view that such issue price of such Shares is not relevant for determining the Issue Price, given that such Shares were then issued when the Company was undergoing a scheme of arrangement and does not take into account the latest developments of the Company.

The Board had undertaken a holistic overview of the entire fundraising exercise and the Corporate Proposals, in particular, the intention of the Company to undertake the Proposed Diversification and the rationale for Proposed Diversification (as further elaborated in paragraph 7.1 below), which amongst others, seeks to enhance its financial position and long-term aspects of the Group through the New Business. Against this backdrop, the Company intends to offer its existing Shareholders an opportunity to participate in the Rights cum Warrants Issue to capitalise on the potential returns the Proposed Diversification may bring.

The Board also considered (i) the fact that the Rights cum Warrants Issue is proposed to be undertaken prior to the Proposed Placement and accordingly, the Rights cum Warrants Issue is only available to existing Shareholders of the Company, but not the potential Placees, and (ii) that the Issue Price is priced at S\$0.025 per Rights Share, which is lower than the Placement Price of S\$0.05 per Placement Share. The foregoing were determined because the Company wishes to offer its existing Shareholders an opportunity to participate in the potential growth strategy of the Company and the Issue Price is arrived at with the intention to facilitate such participation.

The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Board may, in its absolute discretion, deem fit. The final terms and conditions of the Rights cum Warrants Issue will be contained in an offer information statement ("**Offer Information Statement**") which will be lodged with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore ("**Authority**") and electronically disseminated (if applicable) to the Entitled Shareholders (as defined below) in due course.

3.2 Basis of Provisional Allotment

The Rights cum Warrants Issue will be made on a renounceable non-underwritten basis to all Shareholders who are eligible to participate in the Rights cum Warrants Issue ("**Entitled Shareholders**"), on the basis of one (1) Rights Share for every four (4) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded, and two (2) Warrants for every one (1) Rights Share subscribed.

3.3 Size of the Rights cum Warrants Issue

As at the date of this announcement, the Company's issued share capital ("**Existing Share Capital**") comprises 560,346,817 Shares (excluding treasury shares), and there are 1,949,798 outstanding warrants ("**Outstanding Warrants**"), issued by the Company all of which may be exercised on or prior to the Record Date. In the event all the Outstanding Warrants are exercised, the issued share capital of the Company will increase to 562,296,615.

For illustration purposes only, based on the Existing Share Capital, assuming (i) all of the 1,949,798 Outstanding Warrants are exercised and Warrant Shares are issued pursuant thereto on or prior to the Record Date, and (ii) all Entitled Shareholders subscribe for their *pro rata* entitlements of the Rights cum Warrants Issue, 140,574,153 Rights Shares and 281,148,306 Warrants will be issued. As a result, the share capital of the Company will increase from the Existing Share Capital to 702,870,768 Shares upon the issuance of the Rights Shares and further increase to 984,019,074 assuming all the Warrants are exercised. The Company holds 159,230 Shares in treasury and does not have any subsidiary holdings. The Company will receive net proceeds (after deducting estimated costs and expenses of approximately S\$181,000 for the Rights cum Warrants Issue and without taking into account the proceeds from the exercise of the Warrants) of approximately S\$3.33 million.

Assuming up to 281,148,306 Warrants to be issued are exercised, the Company will raise gross proceeds of approximately S\$11.25 million.

3.4 Principal Terms of the Warrants

The Warrants will be issued free with the Rights Shares on the basis of two (2) Warrants for every one (1) Rights Share successfully subscribed for.

The Warrants will be immediately detachable from the Rights Shares upon issue and will be issued in registered form and constituted in an instrument by way of a deed poll ("**Deed Poll**") that sets out the terms and conditions of the Warrants and which may from time to time be amended or supplemented.

The Warrants will be listed and traded on the SGX-ST under the book-entry (scripless) settlement system, upon the listing of and quotation for the Warrants on the SGX-ST, subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Each board lot of Warrants will consist of 100 Warrants or such other board lot size which the SGX-ST may require.

Each Warrant will, subject to the terms and conditions to be set out in the Deed Poll, carry the right to subscribe for one (1) Warrant Share at the Exercise Price within the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth anniversary of the date of issue of the Warrants ("**Exercise Period**").

If such date falls on a day on which the register of members of the Company is closed or is not a market day, the last day of the Exercise Period shall be the immediately preceding market day on which the register of members of the Company remains open, but excluding such period(s) during which the register of warrant holders of the Company may be closed, subject to the terms and conditions of the Warrants as set out in the Deed Poll.

The Warrants that remain unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose. The Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances as provided for in the Deed Poll and appropriate announcements on the adjustments will be made by the Company. Any material amendment to the terms of the Warrants after issue to the advantage of the holders of such Warrants shall be approved by Shareholders, except where the amendment is made pursuant to the terms of the Warrants.

The Company shall, not later than one month before the expiry of the Exercise Period ("**Expiry Date**"), announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall, not later than one month before the Expiry Date, take reasonable steps to notify all holders of the Warrants in writing of the Expiry Date, and such notice shall be delivered by post to the address of the relevant holders of the Warrant(s).

3.5 Ranking of the Rights Shares and Warrant Shares

The Rights Shares will be payable in full on acceptance and/or application and shall, upon allotment and issue, rank *pari passu* in all respects with the Company's then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls on or after the date of issue of the Rights Shares.

The Warrant Shares arising from the exercise of the Warrants will be payable in full upon the exercise of the Warrants and shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date for which falls on or after the date of issue of the Warrants Shares.

For this purpose, "**record date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may be notified by the Company) on which Shareholders must be registered with the Company, the Company's share registrar, M&C Services Private Limited ("**Share Registrar**"), or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

3.6 Option to Scale Down

Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary, scale down a Shareholder's application to subscribe for the Rights cum Warrants Issue to:

- (a) ensure that the relevant Shareholder does not hold a controlling interest in the Company, which is prohibited under Rule 803 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), unless prior approval of Shareholders is obtained in a general meeting; or
- (b) avoid placing the relevant Shareholder and parties acting in concert with it (as defined in The Singapore Code of Take-overs and Mergers ("**Take-over Code**")) in the position of incurring a mandatory bid obligation under the Take-over Code as a result of other Shareholders not taking up their Rights Shares with Warrants entitlements fully.

3.7 No Undertaking to subscribe for Rights cum Warrants Issue

As at the date of this announcement, the Company has not received any undertaking from any of its substantial Shareholders to take up their respective Rights Shares with Warrants. Nonetheless, each of the Relevant Shareholders has expressed his/its intention to support the Rights cum Warrants Issue by subscribing for his/its *pro rata* entitlement of an aggregate of 119,671,708 Rights Shares with 239,343,416 Warrants, as well as excess Rights Shares with Warrants, to the extent that such subscription by the Relevant Shareholders do not result in the loss of public float as required under Rule 723 of the Catalist Rules.

The Company will update Shareholders via SGXNET as and when it has received any undertaking from any Shareholder and in any case, prior to the lodgement and despatch of the Offer Information Statement.

3.8 Non-Underwritten Rights cum Warrants Issue

The Rights cum Warrants Issue will not be underwritten. The Company has decided to undertake the Rights cum Warrants Issue on a non-underwritten basis in view of the savings in costs enjoyed by the Company as a result of not having to bear any underwriting fees and commission.

3.9 Approvals for the Rights cum Warrants Issue

The Rights cum Warrants Issue is subject to, *inter alia*, the following:

- (a) Shareholders' approval being obtained for the Rights cum Warrants Issue, including allotment and issue of the Rights Shares, the Warrants and the Warrant Shares, at an EGM to be convened;
- (b) the approval in-principle of the SGX-ST for the listing of and quotation for the Rights Shares, the Warrants and the Warrant Shares on the Catalist Board of the SGX-ST;
- (c) the lodgment of the Offer Information Statement, together with all other accompanying documents (if applicable) in respect of the Rights cum Warrants Issue, by the Company with the SGX-ST, acting as agent on behalf of the Authority; and
- (d) all approvals, consents, licences, permits, waivers and exemptions for the Rights cum Warrants Issue being granted by third parties.

The Circular containing further information of the Rights cum Warrants Issue, together with a notice of the EGM to be convened, will be electronically disseminated to Shareholders in due course.

The Company will, through its sponsor, be making an application to the SGX-ST for the listing of and quotation for the Rights Shares, the Warrants and the Warrants Shares on the Catalist Board of the SGX-ST. The Company will make the necessary announcements in due course upon obtaining the listing and quotation notice from the SGX-ST.

3.10 Eligibility to Participate

The Company proposes to provisionally allot the Rights Shares with Warrants to the Entitled Shareholders, comprising Entitled Depositors and Entitled Scripholders (each as defined below), on the basis of their shareholdings as at the Record Date. Entitled Shareholders will be entitled to participate in the Rights cum Warrants Issue and receive the Offer Information Statement (through electronic dissemination, if applicable) together with the appropriate application forms and accompanying documents at their respective Singapore addresses as maintained with the records of the CDP or the Share Registrar, as the case may be.

3.11 Entitled Depositors

Entitled Depositors are Shareholders with Shares standing to the credit of their securities accounts ("**Securities Account**") with CDP and whose registered addresses with CDP are in Singapore as at the Record Date or who have provided CDP with addresses in Singapore for the service of notices and documents not later than 5.00 p.m. (Singapore time) on the date falling three Market Days prior to the Record Date ("**Entitled Depositors**").

Entitled Depositors will be provisionally allotted the Rights Shares with Warrants on the basis of the number of Shares standing to the credit of their Securities Accounts as at 5.00 p.m. (Singapore time) on the Record Date.

3.12 Entitled Scripholders

Entitled Scripholders are Shareholders whose (a) share certificates are not deposited with CDP, (b) Shares are registered in their own names, and (c) registered addresses with the Share Registrar are in Singapore as at the Record Date or who have provided the Share Registrar with addresses in Singapore for the service of notices and documents not later than 5.00 p.m. (Singapore time) on the date falling three Market Days prior to the Record Date, and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Record Date ("**Entitled Scripholders**").

Entitled Scripholders will have to submit duly completed and stamped transfers in respect of Shares not registered in the name of CDP, together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Record Date by the Share Registrar, in order to be registered to determine provisional allotments of Rights Shares with Warrants.

3.13 Foreign Shareholders

The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and its accompanying documents will NOT be despatched to Shareholders with registered addresses outside Singapore and who have not, at least three Market Days prior to the Record Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**") and accordingly, the Rights Shares with Warrants will NOT be offered to Foreign Shareholders.

The Offer Information Statement and its accompanying documents will not be despatched, lodged, registered or filed in any jurisdiction other than Singapore. Accordingly, Foreign Shareholders will not be entitled to participate in the Rights cum Warrants Issue. As Foreign Shareholders will not be entitled to participate in the Rights cum Warrants Issue, no provisional

allotment of Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application for any excess Rights Shares with Warrants therefor by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also NOT be despatched to persons purchasing entitlements to Rights Shares with Warrants through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore ("**Foreign Purchasers**"). Foreign Purchasers may not accept any "nil-paid" rights credited to their Securities Account unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Entitlements to Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable to do so and at the absolute discretion of the Company, be sold "nil-paid" on the SGX-ST, as soon as practicable, after dealings in the provisional allotments of Rights Shares with Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the depository register maintained by CDP as at the Record Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be dealt with as the Board may, in its absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company and/or CDP in connection therewith.

Where the provisional allotments of Rights Shares with Warrants are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Share Registrar and/or their respective officers in connection therewith. If such provisional allotments of Rights Shares with Warrants cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the new Shares represented by such provisional allotments will be allotted and issued to satisfy applications for excess Rights Shares with Warrants or disposed of or dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Share Registrar and/or their respective officers in connection therewith.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS CUM WARRANTS ISSUE MAY PROVIDE AN ADDRESS IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING IN WRITING, AS THE CASE MAY BE, (I) THE CENTRAL DEPOSITORY (PTE) LIMITED AT 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS, SINGAPORE 138588 OR (II) M&C SERVICES PRIVATE LIMITED AT 112 ROBINSON ROAD, #05-01, SINGAPORE 068902, IN EACH CASE, AT LEAST THREE MARKET DAYS PRIOR TO THE RECORD DATE.

3.14 Central Provident Fund ("CPF") Shareholders

Persons who bought their Shares previously using their CPF account savings ("**CPF Funds**") must use CPF Funds for the payment of the Issue Price to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants, subject to the applicable CPF rules and regulations. Such persons who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants using CPF Funds will need to instruct their respective approved banks, where they hold their CPF Investment Accounts, to accept the Rights Shares with Warrants and (if applicable) apply for the excess Rights Shares with Warrants on their behalf in accordance with the Offer Information Statement. CPF Funds may not, however, be

used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

3.15 Supplementary Retirement Scheme ("SRS") Shareholders

Persons who bought their Shares previously under the SRS must use monies standing to the credit of their respective SRS accounts for the payment of the Issue Price to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants, subject to the applicable SRS rules and regulations. Such persons who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants using SRS monies will need to instruct their respective approved banks, where they hold their accounts under the SRS, to accept the Rights Shares with Warrants and (if applicable) apply for the excess Rights Shares with Warrants on their behalf in accordance with the Offer Information Statement. SRS monies may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market.

3.16 Provisional Allotments and Excess Applications

Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or, in the case of Entitled Depositors only, trade (during the "nil-paid" rights trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares with Warrants and will also be eligible to apply for Rights Shares with Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.

Entitlements which are not allotted or taken up for any reason will be aggregated and issued to satisfy applications, if any, for excess Rights Shares with Warrants or otherwise disposed of or dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company.

In the allotment of excess Rights Shares with Warrants, preference will be given to Entitled Shareholders for rounding of odd lots, and the Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Group or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares with Warrants.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of the Rights Shares with Warrants and for the applications for excess Rights Shares with Warrants, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement and the relevant application forms.

3.17 Prior Fundraising Exercises

2022 Placement

On 27 January 2022, the Company completed the placement of an aggregate of 10,987,143 new Shares at an issue price of S\$0.0801 for each new Share, for a total cash consideration of approximately S\$880,000 to Xiang Xiping (the "**2022 Placement**"). Please refer to the Company's announcements dated 18 January 2022 ("**Placement Announcement**"), 25 January 2022 and 28 January 2022 for further information on the 2022 Placement.

The use of net proceeds from the 2022 Placement is as follows:

Use of net proceeds from the 2022 Placement	Percentage allocation as disclosed in the Placement Announcement (%)	Allocation of net proceeds raised (S\$)	Amount utilised (S\$)	Balance (S\$)
General working capital for the Group's corporate expenses	100%	S\$845,000	S\$184,887 ⁽¹⁾	S\$660,113

Note:

- (1) Utilised for general working capital purposes for the Group's corporate expenses for operating and administrative expenses (including staff salaries) and related expenses as well as trade and non-trade payments up to 28 February 2022.

The use of net proceeds from the 2022 Placement is in accordance with the intended use as disclosed in the Placement Announcement. The Board will continue to provide periodic announcements on the utilisation of the balance of the net proceeds from the 2022 Placement as and when they are materially disbursed. The Company will also provide a status report on the use such net proceeds in its annual report(s) and financial results announcement(s).

2021 Placement

On 17 August 2021, the Company completed, among others, the placement of an aggregate of 477,943,013 new Shares for a total cash consideration of S\$2,000,000 to Blue Ocean Capital Partners Pte. Ltd. and Mr. Ng Yeau Chong (the "**2021 Placement**"). The issue price is equivalent to the placement monies of S\$2,000,000 divided by the aggregate number of placement shares to be allotted and issued pursuant to the 2021 Placement, being approximately S\$0.0042 for each new Share. Please refer to the Company's announcements dated 14 January 2021, 1 February 2021 and 17 August 2021, as well as the Company's circular to Shareholders dated 15 June 2021 ("**2021 Circular**") for further information on the 2021 Placement.

The use of net proceeds from the 2021 Placement is as follows:

Use of net proceeds from the 2021 Placement	Percentage allocation as disclosed in the 2021 Circular (%)	Allocation of net proceeds raised (S\$)	Amount utilised (S\$)	Balance (S\$)
Repayment of debts owed to eligible creditors of the Company under the scheme of arrangement	100%	S\$2,000,000	S\$2,000,000	S\$0

The net proceeds from the 2021 Placement have been fully utilised and the use of net proceeds from the 2021 Placement is in accordance with the intended use as disclosed in the 2021 Circular.

Save as disclosed above, the Company has not undertaken other equity fund raising exercise

in the last 12 months.

3.18 Offer Information Statement

The Offer Information Statement will be electronically disseminated (if applicable) by the Company, together with the application form for the Rights Shares with Warrants and excess Rights Shares with Warrants or the provisional allotment letter, as the case may be, to the Entitled Shareholders in due course.

3.19 Odd Lots

Shareholders who hold odd lots of the Rights Shares and the Warrant Shares, and who wish to trade in odd lots on Catalist, should note that they will be able to do so on the Unit Share Market of the SGX-ST.

3.20 Adjustment to Warrants

As a result of the Rights cum Warrants Issue, adjustments may have to be made to the number and/or exercise price of the Outstanding Warrants. The Company will in due course make the appropriate announcement and notify holders of the Outstanding Warrants of such adjustments.

4. PROPOSED PLACEMENT

4.1 Placement Price

The Placement Price of S\$0.05 per Placement Share represents a discount of approximately 49% to the volume weighted average price of S\$0.098 for trades done on the SGX-ST on 24 March 2022, being the last full market day on which the Shares were traded on the SGX-ST immediately prior to the date of this announcement. As mentioned in paragraph 1(b) of this announcement, the Company is in the process of appointing a Placement Agent and will enter into a Placement Agreement upon such appointment. The Company will make appropriate announcements in accordance with the provisions of the Catalist Rules, upon appointment of the Placement Agent and execution of the Placement Agreement.

4.2 Placement Shares

For illustration purposes only, based on the Existing Share Capital, assuming (i) all the 300,000,000 Placement Shares are placed out; (ii) all of the 1,949,798 Outstanding Warrants are exercised and Warrant Shares are issued pursuant thereto on or prior to the Record Date; and (iii) all Entitled Shareholders subscribe for their *pro rata* entitlements of the Rights cum Warrants Issue (where all 140,574,153 Rights Shares and 281,148,306 Warrants are issued pursuant thereto, prior to the exercise of the Warrants), the share capital of the Company will increase from the Existing Share Capital of 560,346,817 Shares to 1,002,870,768 Shares ("**Enlarged Share Capital**") upon the completion of the Rights cum Warrants Issue and the Proposed Placement. The Placement Shares represent approximately 53.54% of the Existing Share Capital, and approximately 29.91% of the Enlarged Share Capital. The Company holds 159,230 Shares in treasury and does not have any subsidiary holdings.

The Placement Shares, when issued and delivered, will be free from all pre-emption rights, charges, liens and other encumbrances and with all rights and benefits attaching thereto and shall rank *pari passu* in all respects with the Shares in issue as at the date of issue of the Placement Shares, save for any rights, benefits and entitlements the record date for which is before the date of issue of the Placement Shares. For the purposes of this paragraph 4.2, "**record date**" means the date fixed by the Company for the purposes of determining entitlements to dividends, rights, allotments or other distributions of holders of Shares.

It is not intended that the Placement Shares will be placed to any person who is a Director or substantial Shareholder or any other person in the categories set out in Rule 812(1) of the

Catalist Rules, unless specific Shareholders' approval has been obtained and the relevant restricted parties (who are also Shareholders) must abstain from voting on the resolution approving the Proposed Placement. It is anticipated that each placee subscribing for the Placement Shares shall be independently procured by the Placement Agent.

The Proposed Placement will not result in a transfer of controlling interest of the Company and there are no share borrowing arrangements for the Proposed Placement.

4.3 Placement Commission

In consideration of the agreement of the Placement Agent to procure subscribers on a best efforts basis for the Placement Shares, the Company shall pay to the Placement Agent a placement commission ("**Placement Commission**"), in the range from 1.5% to 3.0% of the Gross Proceeds of the Placement Shares.

For the purpose of this paragraph, "**Gross Proceeds**" means the aggregate purchase price (without deduction whatsoever) of all Placement Shares subscribed for by subscribers procured by the Placement Agent through the Proposed Placement, including any Placement Shares subscribed for by subscribers procured by the Placement Agent through sub-placement agents as the Placement Agent may in its absolute discretion engage.

4.4 Shareholders Approval for the issuance of the Placement Shares

The Company will convene an EGM to seek the approval from its Shareholders for the Proposed Placement. The Circular, which meets the disclosure requirements of the Catalist Rules, together with a notice of the EGM to be convened, will be electronically disseminated to Shareholders in due course.

The Company will, through its sponsor, be making an application to the SGX-ST for the listing of and quotation for the Placement Shares on the Catalist Board of the SGX-ST. The Company will make the necessary announcements in due course upon obtaining the listing and quotation notice from the SGX-ST.

4.5 Offer Information Statement

The final terms and conditions of the Proposed Placement will be contained in the Offer Information Statement which will be lodged with the SGX-ST, acting as agent on behalf of the Authority in due course.

4.6 Conditions Precedent

Completion of the Proposed Placement shall be subject to conditions as may be further detailed in a Placement Agreement to be entered into by the Company and the Placement Agent. It is nonetheless anticipated that the completion of the Proposed Placement will be conditional upon, *inter alia*, the following:

- (a) approval by Shareholders being obtained at a general meeting of the Company for, *inter alia*, for the allotment and issuance of the Placement Shares;
- (b) approval in-principle of the SGX-ST for the listing of and quotation for the Placement Shares on the Catalist Board of the SGX-ST being obtained;
- (c) the completion of the Rights cum Warrants Issue;
- (d) the Proposed Placement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to any party thereto; and
- (e) the representations, warranties and undertakings by each party to the Placement

Agreement remaining true and correct in all material respects and each of them having performed all of its obligations hereunder to be performed on or before completion of the Proposed Placement.

The Company will make appropriate announcements in accordance with the provisions of the Catalyst Rules, upon appointment of the Placement Agent and execution of the Placement Agreement, including such material terms of the Placement Agreement.

4.7 Adjustment to Warrants

As a result of the Proposed Placement, adjustments may have to be made to the number and/or exercise price of the Outstanding Warrants. The Company will in due course make the appropriate announcement and notify holders of the Outstanding Warrants of such adjustments (if any).

5. RATIONALE FOR THE RIGHTS CUM WARRANTS ISSUE AND PROPOSED PLACEMENT; USE OF PROCEEDS

The Company is undertaking the Rights cum Warrants Issue and the Proposed Placement to raise funds to strengthen the Group's financial position and expand the capital base of the Group. In view of the current financial circumstances, the Company believes that the Rights cum Warrants Issue and the Proposed Placement will strengthen the Company's balance sheet, and a stronger financial position will also allow the Group to seize opportunities swiftly.

Further, as disclosed in the offer document electronically disseminated to Shareholders on 6 December 2021 ("**Offer Document**") in relation to the mandatory unconditional cash offer by UOBKH, for and on behalf of the Joint Offerors (as defined in the Offer Document), to acquire the Offer Shares (as defined in the Offer Document), the Joint Offerors would undertake a review of the strategic options in relation to the existing business of the Group to release the value of the existing businesses and to consider possible acquisitions, disposals, joint ventures, business partnerships and business model transformation opportunities which are in the interests of the Group, including seeking approval from Shareholders for the Group to diversify its business. Further to the review by the Joint Offerors, it is contemplated that there would be a diversification to the Company's core business and the Proposed Diversification is being put forth as part of the Corporate Proposals, to Shareholders for their approval. The net proceeds from the Rights cum Warrants Issue and the Proposed Placement, if approved by Shareholders at an EGM to be convened, will allow the Company to execute business opportunities following the Proposed Diversification.

In addition, the Rights cum Warrants Issue will also provide Shareholders with an opportunity to maintain their equity participation in the Company. As and when the Warrants are exercised, the Group's financial position will be improved further.

The Company intends to utilise the net proceeds from the Rights cum Warrants Issue and the Proposed Placement for the following purposes, details of the breakdown are set out below:

Rights cum Warrants Issue

Assuming that up to 140,574,153 Rights Shares are fully subscribed, the estimated net proceeds from the Rights cum Warrants Issue, after deducting estimated expenses of approximately S\$181,000 to be incurred in connection with the Rights cum Warrants Issue, would be approximately S\$3.33 million ("**Rights Shares Net Proceeds**"). The Company intends to utilise the Rights Shares Net Proceeds as follows:

Use of Rights Shares Net Proceeds	Amount (S\$ million)	As a % of Rights Shares Net Proceeds
Repayment of existing loans	1.95	59%

Use of Rights Shares Net Proceeds	Amount (S\$ million)	As a % of Rights Shares Net Proceeds
General working capital requirements of the Group	1.38	41%
Total	3.33	100%

In addition, assuming up to 281,148,306 Warrants to be issued are exercised, the Company will raise gross proceeds of approximately S\$11.25 million ("**Warrant Proceeds**"). The Company intends to utilise the Warrants Proceeds as follows:

Use of Warrants Proceeds	Amount (S\$ million)	As a % of Warrants Proceeds
General working capital requirements of the Group	11.25	100%
Total	11.25	100%

Proposed Placement

Assuming that the Proposed Placement is fully subscribed (subject to the terms and conditions of the Placement Agreement to be executed) and the Placement Commission is 3.0%, the estimated net proceeds raised by the Company from the Proposed Placement, after deducting estimated commission fees and expenses of approximately S\$582,000 to be incurred in connection with the Proposed Placement, would be approximately S\$14.4 million ("**Placement Net Proceeds**"). The Company intends to apply the Placement Net Proceeds as follows:

Use of Placement Net Proceeds	Amount (S\$ million)	As a % of Placement Net Proceeds
General working capital requirements of the Group	4.4	30%
To fund the proposed diversification of the Group's business to include supply chain management and lifestyle retail businesses	10.0	70%
Total	14.4	100%

Shareholders should note that the actual number of Placement Shares to be issued and as such, the actual amount of Placement Net Proceeds will depend on various factors such as market conditions, as well as potential subscribers' interest in the Shares of the Company, and there is no certainty or assurance that the Company will be able to place out all or any of the Placement Shares. Upon completion of the Proposed Placement and finalisation of the actual number of Placement Shares allotted and issued, the Company will provide the actual amounts of the Placement Net Proceeds, as well as details on the use of such Placement Net Proceeds.

Pending the deployment of the Rights Shares Net Proceeds, Placement Net Proceeds and the Warrant Proceeds (as and when the Warrants are exercised) (collectively, the "**Net Proceeds**"), such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities and/or used for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a

status report on the use of the Net Proceeds in the Company's interim and full year financial results announcement(s) and in the Company's annual report(s), until such time the Net Proceeds have been fully utilised. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

Where the Net Proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in its announcements and annual reports.

6. STATEMENTS OF THE BOARD IN RELATION TO THE RIGHTS CUM WARRANTS ISSUE AND THE PROPOSED PLACEMENT

The Directors are of the opinion that (a) after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements, and (b) after taking into consideration the Group's present bank facilities and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Rights cum Warrants Issue and the Proposed Placement shall be undertaken for the reasons set out in paragraph 5 of this announcement.

7. PROPOSED DIVERSIFICATION

7.1 Background and Rationale for the Proposed Diversification

As at the date hereof, the Group is principally engaged in the provision of integrated services for offshore and marine industries globally. The Company's business is cemented along two major pillars – offshore and marine services and asset chartering services. Through the Company's wholly-owned subsidiaries (segregated into three main business units: (a) HVAC and Airtech, (b) Marshal Systems Private Limited, and (c) Promoter Hydraulics Pte Ltd), the Group provides offshore and marine system solutions to shipyards, vessels owners and oil majors around the world and in particular, specialises in providing bespoke engineering designs and projects for clients.

With the multi-faceted challenges facing the Company due to its restructuring efforts as elaborated in its annual report for the financial year ended 31 December 2020, the COVID-19 pandemic situation, and the continued laggard of the offshore and marine industry, the business and operations in the offshore and marine industry remains challenging.

While the Group continues to engage in the Existing Business so long as its continuity is in the best interest of the Group, the proposed diversification of the Group's core business to include (a) supply chain management, and (b) lifestyle retail business, is proposed to benefit the Group from increased business opportunities with an aim to enhance its financial position and long-term prospects of the Group. The Group intends to leverage upon its management team and the experience network and track record of the Relevant Shareholders, whom have relevant expertise in the supply chain management, amongst others, to diversify into the New Business.

In addition, by engaging in ancillary aspects of supply chain management (being part of the Proposed Diversification) pertaining to technologies such as artificial intelligence and digitalisation, the Group can organically grow its revenue and customer base, thereby potentially improve Shareholders' value and returns. The Group is currently in discussions with suppliers and distributors of such technologies and machineries, with a view to customising them for the Group's expanded offerings in the Group's existing industries and other applicable industries. It is anticipated that such offerings would involve two business models, namely (i) sub-distributorship of these technologies and machineries to customers, and (ii) the offerings of leasing services of these technologies and machineries, such as robots for the customers' businesses. To this end, the Company has incorporated a wholly-owned subsidiary, Diverse Supply Chain Sdn Bhd ("**DSC**") in Malaysia on 19 January 2022 with a share capital of RM1,000,000 to undertake such offerings as a start. DSC's nature of business includes

wholesale, trading, sale, supply and distribution of industrial apparels, sophisticated hardware, robotics, pharmaceutical products, cosmetics, health supplements and related products. 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.

The Group is also keen to explore opportunities in the lifestyle retail business, specifically family entertainment space and lifestyle convenience store, as it sees potential demand once governmental measures are increasingly relaxed and consumers adapt to post COVID-19 norms. The management intends to be both prudent and progressive, to take advantage of opportunities in this space.

The Company therefore wishes to seek Shareholders' approval for the Proposed Diversification to undertake the New Business.

7.2 Shareholders' Approval for the Proposed Diversification

The Proposed Diversification involves the New Business which is substantially different from the Existing Business, which is envisaged to change the existing risk profile of the Group.

Pursuant to the Catalist Rules, Shareholders' approval is required for the Proposed Diversification. Accordingly, an EGM will be convened by the Company to seek approval from the Shareholders for the Proposed Diversification. Upon the approval by Shareholders of the Proposed Diversification, the Group may, in the ordinary course of business, enter into transactions relating to the New Business without having to seek Shareholders' approval. The Proposed Diversification would eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when potential transactions relating to the New Business arise. This will allow the Group greater flexibility to pursue business opportunities which may be time-sensitive in nature, and will reduce the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

The Circular containing further information of the Proposed Diversification, together with a notice of the EGM to be convened, will be electronically disseminated to Shareholders in due course.

8. PROPOSED CHANGE OF NAME

In connection with the Proposed Diversification, the Company intends to seek Shareholders' approval at an EGM to change the name of the Company to one which is reflective of its new businesses following the Proposed Diversification. The proposed new name, "9R Limited", is intended to be an abbreviation of the Company's new inspirations which potentially include, "Rebuild, Reborn, Restore, Recreate, Revamp, Reform, Revive, Remedy and Recast". The proposed name would more accurately reflect the Company's strategic direction going forward and the Proposed Change of Name will enable the Company to create a new brand identity for itself and develop a new positioning in the market following the Proposed Diversification which would see the Company undertake businesses beyond the Existing Business, allowing the public and the Company's business partners to better identify with the Company under this new name moving forward.

The Circular containing further information of the Proposed Change of Name, together with a notice of the EGM to be convened, will be electronically disseminated to Shareholders in due course.

9. PROPOSED DISPOSAL

9.1 Information on the Purchaser

Acapella Energy Pte. Ltd. was incorporated in Singapore on 28 August 2018 and has an issued and paid-up share capital of S\$100 comprising 100 shares, held solely by Mr. Ng, Executive Director and the Chief Executive Officer of the Company.

Mr. Ng is the sole director of the Purchaser.

9.2 Information on the Disposal Group

Airtech and HVAC are wholly-owned subsidiaries of the Company.

Airtech was incorporated in Singapore on 4 October 1994 and has an issued and paid-up share capital of S\$60,000 comprising 60,000 shares. Airtech has direct interests in (i) 100% of the entire issued and paid-up share capital of Viking Airtech (Yantai) Co., Ltd, which was incorporated in the People's Republic of China on 6 March 2007; (ii) 49% of the issued and paid-up share capital of Viking Airtech (Shanghai) Co., Ltd, which was incorporated in the People's Republic of China on 13 May 2011; (iii) 100% of the entire issued and paid-up share capital of Viking Offshore Malaysia Sdn Bhd, which was incorporated in Malaysia on 9 April 2009; and (iv) 100% of the entire issued and paid-up share capital of PT Viking Offshore, which was incorporated in Indonesia on 17 February 2011.

HVAC was incorporated in Singapore on 20 June 2007 and has an issued and paid-up share capital of S\$10,000 comprising 10,000 shares.

The principal activities of the Disposal Group are those of designing, package engineering, sales, servicing, installation and commissioning of all kinds of heating, ventilation and air-conditioning systems for the marine and offshore industry.

Mr. Ng Yeau Chong is the sole director of Airtech and HVAC.

9.3 Financial Information on the Disposal Group

Based on the latest unaudited consolidated financial statements of the Group for the financial year ended 31 December 2021 ("FY2021"), the Disposal Group is cumulatively in a net asset position of approximately S\$292,000 as at 31 December 2021. The Disposal Group posted a cumulative net profit before income tax, non-controlling interests and extraordinary items of approximately S\$1,929,000 for FY2021. However, excluding the effects of the one-off gains of approximately S\$3,300,000 due to the intercompany adjustments made within the Group, the Disposal Group would have posted a cumulative net loss before income tax, non-controlling interests and extraordinary items of approximately S\$1,371,000 for FY2021, and recorded net liability of approximately S\$3,008,000 as at 31 December 2021.

9.4 Independent Valuation of the Disposal Group

For the purposes of the Proposed Disposal, the Company had commissioned DHC Capital Pte. Ltd as an independent valuer (the "**Independent Valuer**") to assess and determine the market value of 100.00% equity interests in the capital of the Disposal Group.

Based on the valuation conducted on the Disposal Group by the Independent Valuer dated 25 March 2022 ("**Valuation Report**"), the value of the Disposal Group based on a distressed valuation basis ranges from nil to S\$50,000.

In relation to the valuation of the Disposal Group, the Board has taken into consideration and is satisfied with the following:

- (a) examined if the key assumptions and estimates for the valuation are reasonable;

- (b) ensured that the underlying material uncertainties of the projections are fully disclosed;
- (c) assessed whether the valuation conclusion and limitations as disclosed in the Valuation Report are acceptable;
- (d) examined if the valuation was independently performed by qualified and competent valuation professionals, considering the valuers' track record and credentials; and
- (e) assessed if the valuation is done according to recognised valuation standards, for instance the International Valuation Standards.

9.5 Principal Terms of the Proposed Disposal

Consideration

The consideration ("**Consideration**") for the Proposed Disposal is S\$50,000, payable fully in cash on completion of the Proposed Disposal. The Consideration was arrived at on a willing buyer and willing seller basis after arm's length negotiations between the management team of the Company (excluding Mr. Ng) and Mr. Ng, taking into account, *inter alia*, (a) the existing financial condition of the Disposal Group, (b) the independent business valuation on the Disposal Group provided via the Valuation Report, and (c) applicable market and/or industry conditions of the businesses of the Disposal Group.

Considering the nominal net proceeds to be received after netting off expenses to be incurred in connection with the Proposed Disposal, it is not meaningful to state the use of net proceeds from the Proposed Disposal.

Conditions Precedent

Completion of the Proposed Disposal is subject to certain conditions precedent being satisfied or waived in accordance with the SPA, including, *inter alia*, the following:

- (a) the approval of Shareholders in general meeting in respect of the Proposed Disposal having been obtained;
- (b) all the warranties of the Company being true, accurate and not misleading in any material respects as at the Completion Date (as defined below); and
- (c) if required, all relevant approvals, consents, licences, permits, waivers and exemptions (collectively, "**Approvals**") for the Proposed Disposal being granted by third parties including all legislative, executive, regulatory, judicial or other authorities in Singapore, and where any such Approval is subject to conditions, such conditions being acceptable to the Purchaser, and if such conditions are required to be fulfilled before completion of the Proposed Disposal, such conditions being fulfilled before completion of the Proposed Disposal, and such Approvals remaining in full force and effect as at the Completion Date.

Completion

Completion of the Proposed Disposal shall be the business day falling three (3) business days after the last in time of the conditions precedent are satisfied or waived (as the case may be) in accordance with the SPA (or such other date as may be agreed in writing) ("**Completion Date**").

In the event that any of the conditions is not fulfilled or waived in accordance with the SPA, on or before the date falling six (6) months from the date of the SPA or such other date as the Company and the Purchaser may mutually agree in writing, the SPA (other than the surviving provisions) shall lapse and cease to have further effect and all obligations and liabilities of the parties under the SPA shall cease and determine and no party shall have any claim against the other party, save in respect of any antecedent breach of the SPA.

9.6 Shareholders' Approval for the Proposed Disposal

Requirements pursuant to Chapter 9 of the Catalist Rules

Mr. Ng is the sole director and shareholder of the Purchaser. Mr. Ng is an Executive Director and Chief Executive Officer of the Company and the Proposed Disposal is therefore an interested person transaction under Chapter 9 of Catalist Rules.

Other than the Proposed Disposal, and excluding transactions which were less than S\$100,000, during the course of the financial year ending 31 December 2022:

- (a) there were no interested person transactions entered into by the Group with Mr. Ng and his associates; and
- (b) there were no interested person transactions entered into by the Group and other interested persons.

Pursuant to Rule 906 of the Catalist Rules, an issuer must obtain shareholders' approval for an interested person transaction of a value equal to, or more than 5.0% of the Group's latest audited net tangible asset ("NTA") value. Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2020 ("FY2020"), the Group has recorded negative audited NTA of approximately S\$21,518,000 as at 31 December 2020. Pursuant to Rule 906(3) of the Catalist Rules, if the Group's latest audited NTA is negative, the issuer should consult the SGX-ST on the appropriate benchmark, which may be based on its market capitalisation, to calculate the relevant threshold in Rule 905(1), Rule 905(2) and Rule 906(1) of the Catalist Rules. Accordingly, the Company, through its sponsor, has submitted an application to consult the SGX-ST on the appropriate benchmark to use in respect of the Proposed Disposal ("**SGX-ST IPT Benchmark Consultation**"). The Company will make the necessary announcements in due course upon obtaining the reply from the SGX-ST with respect to the SGX-ST IPT Benchmark Consultation.

Requirements pursuant to Chapter 10 of the Catalist Rules

The relative figures for the Proposed Disposal as computed on the bases set out in Rule 1006 of the Catalist Rules and the Group's latest unaudited consolidated financial statements for FY2021 are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, as compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	-44.45% ⁽¹⁾
(b)	The net profits attributable to the assets disposed of, as compared with the Group's net profits	10.43% ⁽²⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	0.09% ⁽³⁾
(d)	The number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or	Not applicable ⁽⁵⁾

Rule 1006	Bases	Relative Figures (%)
	gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	

Notes:

- (1) Based on the unaudited net asset value of the Disposal Group as at 31 December 2021 of approximately S\$292,000, and the unaudited net liability value of the Group as at 31 December 2021 of approximately S\$656,000.
- (2) Net profits is defined to be profit or loss before income tax, non-controlling interests and extraordinary items. The relative figure under Rule 1006(b) of the Catalist Rules has been computed based on (i) the Disposal Group's net profit before income tax, non-controlling interests and extraordinary items of approximately S\$1,929,000 for FY2021; and (ii) the Group's net profit before income tax, non-controlling interests and extraordinary items of approximately S\$18,497,000 for FY2021.
- (3) The relative figure under Rule 1006(c) of the Catalist Rules is based on (i) the Consideration of S\$50,000; and (ii) the Company's market capitalisation of approximately S\$54,914,000. The market capitalisation of the Company was computed based on the issued Shares of 560,346,817 Shares (excluding treasury shares) and the volume weighted average price of S\$0.098 per Share on 24 March 2022 (being the last day on which the Shares were traded prior to the date of this announcement).
- (4) Rule 1006(d) of the Catalist Rules is not applicable to a disposal of assets.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

Based on the Group's latest unaudited consolidated financial statements for FY2021, the Proposed Disposal is expected to result in a gain on disposal of approximately S\$24,000 amounting to less than 0.2% of the unaudited consolidated net profit of the Group for FY2021. Pursuant to Practice Note 10A of the Catalist Rules, paragraph 4.4(c) read with paragraph 4.6, the Proposed Disposal therefore does not constitute a "major transaction" under Rule 1014, and the Company shall immediately announce the information required in Rule 1010, Rule 1011, Rule 1012 and Rule 1013 of the Catalist Rules, where applicable, in relation to the Proposed Disposal.

Notwithstanding the above, for good corporate governance, the Company will elect to seek the approval of its independent Shareholders for the Proposed Disposal as a "major transaction" under Rule 1014 of the Catalist Rules. Given that the Proposed Disposal is an interested person transaction, regardless of the outcome of the SGX-ST IPT Benchmark Consultation, Mr. Ng and his associates will abstain from exercising their voting rights in respect of all existing issued Shares owned by them and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the resolutions to approve the Proposed Disposal.

The Circular containing further information of the Proposed Disposal, which meets the disclosure requirements of the Catalist Rules, together with a notice of the EGM to be convened, will be electronically disseminated to Shareholders in due course.

9.7 Rationale for the Proposed Disposal

The Proposed Disposal allows the Group to exit from a loss-making business segment. Following the waiver of all inter-company debts within the Group, which resulted in the one-off gains of approximately S\$3,300,000, (i) the Disposal Group, which was originally in a net liability position, is cumulatively in a net asset position of approximately S\$292,000 as at 31 December 2021, and (ii) the Disposal Group posted a cumulative net profit before income tax, non-controlling interests and extraordinary items of approximately S\$1,929,000 for FY2021. Excluding the effects of such one-off gains of approximately S\$3,300,000, the Disposal Group

would have posted a cumulative net loss before income tax, non-controlling interests and extraordinary items of approximately S\$1,371,000 for FY2021, and recorded net liability of approximately S\$3,008,000 as at 31 December 2021.

The Proposed Disposal is also expected to free up the cash flows of the Group as the Disposal Group continues to and is expected to be loss making.

Over the years, in particular during the period when the Group was in the midst of restructuring its debts, the Company had considered disposing of one or more of its subsidiaries, with the Disposal Group being one of them. However, there were no meaningful offers received by the Company. As the years passed and with the offshore and marine industry continuing to face a challenging outlook, where the Disposal Group continues to face challenges in trying to breakeven, the Company considered that there are only three (3) options for the Disposal Group, being (i) liquidation, (ii) disposal, and (iii) continue to receive support from parent/related companies, which would invariably drain the resources of the Group taking into account its financial position. The prospect of the Proposed Disposal without needing to incur major costs despite the nominal consideration was therefore appealing to the Group. In addition, when the Purchaser takes over the Disposal Group, it may be able to retain the majority of the manpower of the Disposal Group, thereby avoiding unnecessary retrenchment of staff and expenses to be incurred by the Group.

9.8 Audit Committee Statement

The Audit Committee of the Company is of the view that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

10. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL, THE RIGHTS CUM WARRANTS ISSUE AND THE PROPOSED PLACEMENT

The *proforma* financial effects are purely for illustration purposes only and are therefore not necessarily indicative of the actual financial position of the Group after completion of the Proposed Disposal, the Rights cum Warrants Issue and the Proposed Placement.

The *proforma* financial effects have been prepared based on the unaudited consolidated financial statements of the Group for FY2021 subject to the following assumptions:-

- (a) the financial effect on the consolidated NTA per Share is computed based on the assumption that the Proposed Disposal, the Rights cum Warrants Issue and the Proposed Placement were completed on 31 December 2021;
- (b) the financial effect on the earnings per Share ("**EPS**") is computed based on the assumption that the Proposed Disposal, the Rights cum Warrants Issue and the Proposed Placement were completed on 1 January 2021;
- (c) the Rights cum Warrants Issue and the Proposed Placement have been completed and fully subscribed; and
- (d) expenses to be incurred in respect of the Proposed Disposal is negligible.

For the avoidance of doubt, the *proforma* financial effects of the Proposed Disposal, the Rights cum Warrants Issue and the Proposed Placement as set out below have not taken into account the financial effects of the 2022 Placement undertaken by the Company, which was announced on 18 January 2022 and completed on 27 January 2022.

Share Capital

As at 31 December 2021	Before the Proposed Disposal, the Rights cum Warrants Issue and the Proposed Placement	After completion of the Proposed Disposal, but before the Rights cum Warrants Issue and the Proposed Placement	After completion of the Proposed Disposal and the Rights cum Warrants Issue, but before the Proposed Placement	After completion of the Proposed Disposal, the Rights cum Warrants Issue and the Proposed Placement
Total number of issued shares (exclude treasury shares)	549,359,674	549,359,674	689,933,827 ^(a)	989,933,827
Total issued and paid-up capital (exclude treasury shares) (S\$'000)	104,284	104,284	107,798	122,798

Note:

(a) Assuming that none of the Warrants has been exercised.

NTA

As at 31 December 2021	Before the Proposed Disposal, the Rights cum Warrants Issue and the Proposed Placement	After completion of the Proposed Disposal, but before the Rights cum Warrants Issue and the Proposed Placement	After completion of the Proposed Disposal and the Rights cum Warrants Issue, but before the Proposed Placement	After completion of the Proposed Disposal, the Rights cum Warrants Issue and the Proposed Placement
NTA (S\$'000)	(656)	(924)	2,329	16,484
Number of issued shares	549,359,674	549,359,674	689,933,827 ^(a)	1,989,082,133
NTA per Share (cents)	(0.12)	(0.17)	0.34	1.67

Note:

(a) Assuming none of the Warrants has been exercised.

EPS

FY2021	Before the Proposed Disposal, the Rights cum Warrants Issue and the Proposed Placement	After completion of the Proposed Disposal, but before the Rights cum Warrants Issue and the Proposed Placement	After completion of the Proposed Disposal and the Rights cum Warrants Issue, but before the Proposed Placement	After completion of the Proposed Disposal, the Rights cum Warrants Issue and the Proposed Placement
Profit attributable to the owners of the Company (S\$'000)	18,446	18,470	18,470	18,470
Weighted average number of issued shares	217,034,635	217,034,635	357,608,788 ^(a)	657,608,788 ^(a)
EPS – Basic (cents)	8.50	8.51	5.16	2.81

Note:

(a) Assuming that none of the Warrants has been exercised.

11. CIRCULAR AND EGM

The Company will be convening an EGM to seek Shareholders' approval for the Corporate Proposals, and the Circular containing, *inter alia*, the notice of the EGM and details of each of the Corporate Proposals, will be electronically disseminated to the Shareholders in due course.

12. NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001

The Rights Shares, the Warrant Shares and the Placement Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the Authority's Notice on the Sale of Investment Products (Notice No.: SFA 04-N12) and the Authority's Notice on Recommendations on Investment Products (Notice No.: FAA-N16).

13. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for Mr. Ng in relation to the Proposed Disposal, none of the Directors or the controlling Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Corporate Proposals, other than through their respective directorships and/or shareholdings in the Company.

14. DIRECTORS' SERVICE CONTRACTS

No person is intended to be appointed as a director of the Company in connection with the Corporate Proposals and no service contract is intended to be entered into between the Company and any such person.

15. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA and the Valuation Report is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 21 Kian Teck Road, Singapore 628773 for a period of three (3) months from the date of this announcement.

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company at +65 66019500 prior to making any visits to arrange for a suitable time slot for the inspection.

16. 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 Corporate Proposals 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.

17. FURTHER ANNOUNCEMENTS

The Company will make the appropriate announcements as and when there are material developments on the Corporate Proposals.

18. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

BY ORDER OF THE BOARD OF
Viking Offshore and Marine Limited

Datuk Low Kim Leng
Chairman and Independent Non-Executive Director
28 March 2022

*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 Catalist 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 77 Robinson Road #06-03 Robinson 77, Singapore 068896; telephone: (65) 6636 4201.