

VIKING OFFSHORE AND MARINE LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199307300M)

PROPOSED PLACEMENT OF AN AGGREGATE OF 10,987,143 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0801 PER NEW ORDINARY SHARE

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Viking Offshore and Marine Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had, on 18 January 2022, entered into a placement agreement (the “**Placement Agreement**”) with Xiang Xiping (the “**Placee**”) in relation to the placement of an aggregate of 10,987,143 new ordinary shares in the capital of the Company (“**Placement Shares**”) at an issue price of S\$0.0801 (“**Issue Price**”) for each Placement Share, raising gross proceeds of approximately S\$880,000 (the “**Proposed Placement**”).

2. THE PROPOSED PLACEMENT

2.1 Overview

The Issue Price of S\$0.0801 represents a discount of approximately 8.58% to the volume weighted average price of S\$0.08762 per share of the Company (“**Share**”) based on trades done on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 17 January 2022, being the last full market day prior to the signing of the Placement Agreement. The Issue Price was arrived at on a willing-buyer, willing-seller basis. In agreeing to the Issue Price, the Directors have taken into consideration, among others, the prevailing general market conditions and the value of the existing issued Shares.

There is no placement agent appointed for the Proposed Placement. No introducer fee or commission is paid or payable by the Company in connection with the Proposed Placement.

The Placement Shares are to be issued to the Placee by way of a private placement pursuant to an exempted offer under Section 272B(1) of the Securities and Futures Act 2001 of Singapore (the “**SFA**”). Hence, no prospectus or offer information statement in connection with the Proposed Placement will be lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore.

Pursuant to Rule 803 of the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the Company has confirmed that it will not, pursuant to the Proposed Placement, issue the Placement Shares to transfer a controlling interest in the Company without the prior approval of shareholders of the Company (“**Shareholders**”) in a general meeting. Further, the Placement Shares will not be issued to any person who is a Director or a substantial Shareholder, or any other entity/person falling within the categories set out in Rule 812(1) of the Catalist Rules.

There are no share borrowing arrangements to facilitate the Proposed Placement.

An application for the listing of and quotation for the Placement Shares on the SGX-ST will be made to the SGX-ST through the sponsor of the Company. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

2.2 Authority to Issue the Placement Shares

The Placement Shares will be allotted and issued pursuant to a general share issue mandate (the “**General Mandate**”) obtained from Shareholders at the annual general meeting of the Company held on 29 June 2021 (“**2021 AGM**”). The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares), of which the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders does not exceed 50% of the total number of issued Shares (excluding treasury shares) as at the date of the 2021 AGM.

As at the date of the 2021 AGM, the Company has 1,098,719,574 issued Shares (excluding 7,961,500 treasury shares), before the Share Consolidation (as defined below).

On 12 August 2021, the Company completed a consolidation of its Shares, where 50 then-existing shares of the Company were consolidated into one (1) new share of the Company, fractional entitlements to be disregarded (“**Share Consolidation**”). Following the completion of the Share Consolidation, the issued share capital of the Company comprised 21,974,286 Shares (excluding 159,230 treasury shares). Pursuant to Rule 806(3)(c) of the Catalist Rules and the General Mandate, the number of Shares available for issue pursuant to the General Mandate will have to be adjusted to take the Share Consolidation into account. Following the Share Consolidation, the number of Shares available for issue pursuant to the General Mandate is 21,974,286 Shares, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to Shareholders must not exceed 10,987,143 Shares.

As at the date of this announcement, the Company has not issued any new Shares pursuant to the General Mandate. As no new Shares had previously been issued pursuant to the General Mandate, the total number of new Shares that may be issued other than on a *pro rata* basis (after such adjustments as permitted under Rule 806(3) of the Catalist Rules) is 10,987,143 Shares. The proposed allotment and issuance of 10,987,143 Placement Shares will therefore fall within the limits of the General Mandate.

As at the date of this announcement, the Company has (i) existing issued and paid-up share capital of 549,359,674 Shares (“**Existing Issued Share Capital**”) (excluding treasury shares); and (ii) 1,949,798 outstanding warrants, of which no adjustments to the terms of these outstanding warrants are required pursuant to the deed poll of the warrants as a result of the Proposed Placement. The Company has no subsidiary holdings. Upon completion of the Proposed Placement (and assuming no further allotment and issuance of new Shares and/or exercise of warrants), the Company’s issued and paid-up share capital will increase to 560,346,817 Shares (“**Enlarged Issued Share Capital**”) (excluding treasury shares). The Placement Shares represent approximately 2.00% of the Existing Issued Share Capital, and approximately 1.96% of the Enlarged Issued Share Capital.

2.3 Information on the Placee

The Placee is a Chinese national. She is an entrepreneur with more than 10 years’ experience in the wellness industry. She has not participated in any previous share placement by the Company. The Placee has expressed keen interest to invest in the Group in view of the Group’s current business developments and future plans.

As of the date of this announcement, the Placee does not hold (directly or indirectly) any Shares, warrants or any other securities in the Company. Upon completion of the Proposed Placement (and assuming no further allotment and issuance of new Shares and/or exercise of warrants), the Placee will hold approximately 1.96% of the Enlarged Issued Share Capital. The Placee will not hold the Placement Shares on trust or as a nominee of any person.

The Placee was introduced to the Company by Mr. Ong Swee Sin (“**Mr. Ong**”) (Executive Director of the Company). There is no introduction fee or commission paid or to be paid to Mr. Ong. The Placee has represented to the Company that she is subscribing for the Placement Shares purely for investment purposes. None of the Directors or substantial Shareholders have, to the best of their knowledge, any connection (including business relationship) with the Placee.

Pursuant to the Placement Agreement, the Placee has represented, warranted and undertaken to and for the benefit of the Company, *inter alia*, that:

- (i) she is not an associate (as defined under the Catalist Rules) of, or otherwise related to any of Director (including any alternate director), the chief executive officer or any controlling Shareholder or substantial Shareholder, and specifically that she is not an immediate family member of any of the Directors or substantial Shareholders;
- (ii) she is not any of the persons specified in Rule 812(1) of the Catalist Rules;
- (iii) she is not acting in concert with any other party in relation to the Shares and/or any Placement Shares;
- (iv) she is not acting in accordance with the instructions of or under any direction or obligation from any of the Directors or substantial Shareholders; and

- (v) no commission nor discount in connection with the placement of the Placement Shares will be received, directly or indirectly, by her.

2.4 Terms of the Proposed Placement

(i) The Placement Shares

The Placement Shares, when issued and fully paid, shall be issued free from all claims, charges, liens and encumbrances whatsoever, and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Placement Shares.

There is no moratorium imposed on the Placement Shares.

(ii) Conditions Precedent

Completion of the Proposed Placement is conditional upon:

- (a) approval in-principle for the listing of and quotation for the Placement Shares on the SGX-ST being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Company and, to the extent that any conditions for the listing of and quotation for the Placement Shares on the SGX-ST are required to be fulfilled on or before the Completion Date (as defined below), they are so fulfilled;
- (b) the approval of the Directors and Shareholders (where necessary) being obtained in respect of the transactions contemplated by the Placement Agreement including but not limited to the issue and allotment of the Placement Shares, and the same not having been withdrawn or revoked and if such consents or approvals are obtained subject to any conditions, such conditions being acceptable to the parties to the Placement Agreement;
- (c) the approval of SGX-ST (if necessary) being obtained in respect of the transactions contemplated by the Placement Agreement;
- (d) there not having been any event or discovery of any fact or circumstance which would affect, render untrue, incorrect or inaccurate or give rise to a material breach in any respect of any of the representations, warranties, agreements or undertakings on the part of the Placee contained or referred to in the Placement Agreement deemed to be repeated on each day after the date of the Placement Agreement, down to completion of the Proposed Placement;
- (e) the subscription, issue and allotment, and offering (if any) of the Placement Shares being in compliance with the SFA in connection with offers of securities and not being prohibited by any statute, order, rule, regulation or directive promulgated or issued by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company and/or the Placee;
- (f) the exemption under Section 272B(1) of the SFA being applicable to the Proposed Placement; and
- (g) the Placement Shares being issued pursuant to the General Mandate, failing which, the Placement Shares being issued pursuant to the approval of a specific mandate by the Shareholders.

(iii) Completion

Pursuant to the terms and conditions of the Placement Agreement, completion of the Proposed Placement shall take place on the date falling ten (10) market days after the date on which the aforementioned conditions precedent are satisfied (or such other date as may be agreed between the Company and the Placee) ("**Completion Date**").

(iv) Long stop date

If any of the aforementioned conditions precedent is not satisfied and/or waived on or before the date falling not later than eight (8) weeks from the date of the Placement Agreement, the Placement Agreement shall ipso facto cease and determine thereafter, and the Company shall not be under any liability to the Placee in respect of the Placement Agreement.

3. RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS

The Company is undertaking the Proposed Placement to raise funds and strengthen its financial and working capital position. The Proposed Placement will improve the Group's cash flows to meet anticipated general working capital requirements. The Company hopes to strengthen its balance sheet, capital structure and enhance the Group's financial flexibility through the Proposed Placement.

The estimated net proceeds to be raised from the Proposed Placement, if and when completed, after deducting estimated fees and expenses to be incurred in connection with the Proposed Placement (the "**Net Proceeds**") (including listing and application fees, professional fees and other miscellaneous expenses of approximately S\$35,000) will amount to approximately S\$845,000.

The Company, after taking into account its working capital position, intends to utilise the Net Proceeds for the following purposes:

Use of Net Proceeds	As a percentage of Net Proceeds
General working capital for the Group's corporate expenses	100%

Taking into account the Company's working capital position, and as set out in the table above, the Company intends to use all of the Net Proceeds as general working capital for operating and administrative expenses (including staff salaries) and related expenses as well as trade and non-trade payments.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed or utilised, including whether the use is in accordance with the stated use and in accordance with the percentage allocated as announced. The Company will also provide a status report on the utilisation of such Net Proceeds in its interim and full year financial statements announcement(s) and annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcements and annual report(s). Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the Net Proceeds for the purposes mentioned above, such proceeds may be deposited with banks and/or financial institutions or invested in short-term money markets or debt instruments or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit from time to time in the interest of the Company.

4. CONFIRMATION BY THE DIRECTORS

The Directors are of the opinion that, as at the date of this announcement, after taking into consideration:

- (i) the Group's present bank facilities, loans from former controlling Shareholder, internal resources and operating cashflows, the working capital available to the Group is sufficient to meet its present requirements. Please refer to section 3 of this announcement for the rationale for the Proposed Placement; and
- (ii) the Group's present bank facilities, loans from former controlling Shareholder, internal resources and operating cashflows, and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

5. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The proforma financial effects of the Proposed Placement are presented for illustrative purposes only and are not intended to be indicative or reflect the actual results and future financial position of the Company and the Group after the completion of the Proposed Placement.

The proforma financial effects of the Proposed Placement have been computed based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020 (“FY2020”) subject to the following assumptions:-

- (i) the financial effect on the consolidated net tangible asset (“NTA”) per Share is computed based on the assumption that the Share Consolidation and the Proposed Placement were completed on 31 December 2020;
- (ii) the financial effect on the loss per Share (“LPS”) is computed based on the assumption that the Share Consolidation and the Proposed Placement were completed on 1 January 2020; and
- (iii) expenses to be incurred in respect of the Proposed Placement amounted to approximately S\$35,000.

For the avoidance of doubt, the proforma financial effects of the Proposed Placement on the NTA per Share and LPS had NOT taken into account (i) the issuance of new Shares by the Company subsequent to 31 December 2020 up to the date of this announcement; and (ii) the scheme of arrangement undertaken and completed by the Company in August 2021.

Share capital and NTA per Share

As at 31 December 2020	Before the Proposed Placement	After the Proposed Placement
Number of Shares (excluding treasury shares)	21,974,286	32,961,429
Share capital (S\$)	102,604,532	103,484,602
NTA of the Group (S\$'000)	(21,518)	(20,640)
NTA per Share (Singapore cents)	(97.93)	(62.61)

LPS

FY2020	Before the Proposed Placement	After the Proposed Placement
Loss after tax (S\$'000)	26,046	26,081
Weighted average number of Shares	21,974,286	32,961,429
LPS (Singapore cents)	118.54	79.13

6. INTEREST OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial Shareholders and their respective associates has any interest, direct or indirect, in the Proposed Placement (other than through their shareholdings in the Company, if any).

7. 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 Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information contained 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 these sources and/or reproduced in this announcement in its proper form and context.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement will be made available for inspection during normal business hours 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 pandemic, please contact the Company at (65) 6601 9500 prior to making any visits to arrange for a suitable time slot for the inspection.

9. TRADING CAUTION

Shareholders and potential investors of the Company are advised to exercise caution when trading in the Shares in relation to this announcement as there is no certainty that the Proposed Placement will be completed as it is subject to the fulfilment of terms and conditions set out in the Placement Agreement. When in doubt as to the action they should take, Shareholders and potential investors of the Company should consult their financial, tax or other professional adviser immediately.

By Order of the Board

Ng Yeau Chong
Executive Director and Chief Executive Officer
18 January 2022

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

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.