

VIKING OFFSHORE AND MARINE LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199307300M)

DISCLAIMER OF OPINION BY INDEPENDENT AUDITORS

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board of Directors of Viking Offshore and Marine Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s independent auditor, Ernst & Young LLP, has issued a disclaimer of opinion in their Independent Auditors’ Report (“**IAR**”) in relation to the Group’s financial statements for the financial year ended 31 December 2018 (“**FY2018**”).

Relevant extracts of the following are annexed to this announcement as “Appendix 1”:

- (i) the disclaimer of opinion and basis for disclaimer of opinion in the IAR for FY2018;
- (ii) Note 2.1 of the audited financial statements for FY2018 titled “Summary of significant accounting policies - Basis of preparation - Going concern”; and
- (iii) Note 38 of the audited financial statements for FY2018 titled “Events occurring after the reporting period”.

The Board of Directors believes that the use of the going concern assumption in the preparation of the financial statements for FY2018 is still appropriate after taking into consideration the assumptions and measures set out in Note 2.1 of the audited financial statements for FY2018.

The Annual Report 2018 of the Company containing, *inter alia*, the IAR and audited financial statements for FY2018 will be released via a separate announcement on SGXNET and will be despatched to the shareholders of the Company (“**Shareholders**”) in due course. Shareholders are advised to read the Company’s financial statements for FY2018 set out in the Annual Report 2018.

BY ORDER OF THE BOARD

Viking Offshore & Marine Limited

Ng Yeau Chong
Executive Director and Chief Executive Officer

13 June 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (the “**Sponsor**”) in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

The announcement has not been examined or approved by the SGX-ST. The SGX-ST assume 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 Mr Ken Lee, Associate Director, Investment Banking. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623; telephone: (65) 6337 5115.

Appendix 1**EXTRACT OF THE DISCLAIMER OF OPINION FROM THE INDEPENDENT AUDITORS REPORT****Disclaimer of Opinion**

We were engaged to audit the financial statements of Viking Offshore and Marine Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2018, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

The Group incurred a net loss after tax of \$28,048,157. As at 31 December 2018, the Group's total borrowings amounted to \$33,847,385, of which \$24,965,226 were classified as current liabilities. Included in the total borrowings classified as current liabilities are borrowings amounting to \$15,041,687 that, as at 31 December 2018, are in default. As disclosed in Note 2.1, the Group's loans and borrowings that are in default and due for repayment in the next 12 months exceeded its cash and bank balances of \$3,603,944 as at 31 December 2018.

Further, as disclosed in Note 38, subsequent to year-end, the Company was served with an application to the High Court of the Republic of Singapore by one of the Group's lenders, for a winding up order to be made against the Company. The court hearing of the winding up proceedings has not commenced as at the date of this report.

These conditions and events indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group to continue as a going concern.

The directors have prepared the financial statements on a going concern basis based on the assumptions as disclosed in Note 2.1 to the financial statements. However, based on the information available to us, we have not been able to obtain sufficient audit evidence to satisfy ourselves as to the appropriateness of the use of the going concern assumption in the preparation of the financial statements.

EXTRACT OF NOTE 2.1 TO THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018Going concern

The Group incurred a net loss of \$28,048,157 (2017: \$13,241,009) during the financial year ended 31 December 2018. As at 31 December 2018, the Group's total borrowings amounted to \$33,847,385 of which \$24,965,226 were classified as current liabilities. The Group's loans and borrowings that are due for repayment in the next 12 months exceeded its cash and bank balances of \$3,603,944 as at 31 December 2018.

The above conditions indicate the existence of material uncertainties which may cast significant doubt on the Group's and the Company's abilities to continue as going concerns. Nevertheless, the Board of Directors believes that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 December 2018 is still appropriate after taking into consideration the following assumptions and measures:

- (a) The Group and the Company will be applying for a debt moratorium and debt restructuring arrangement under the Section 211 of the Companies Act (Cap. 50) in order to address its outstanding past due loans and borrowings;
- (b) The Group is in discussions and/or looking for potential strategic investor(s) to secure additional funding;
- (c) The Group is taking active steps in respect of certain properties and assets divestment plan to pare down its borrowings;
- (d) The Group expects that it will generate adequate cash flows from operations to repay its trade-related debt obligations as and when they fall due; and
- (e) The Group continues to pursue the enforcement of the favourable arbitration award in China against the assets of the defendant.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

EXTRACT OF NOTE 38 TO THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**Events occurring after the reporting period**

On 2 May 2019, the Company was served with an application to the High Court of the Republic of Singapore by one of the Group's lenders, for a winding up order to be made against the Company. The lender had extended a loan of \$800,000 to a subsidiary of the Group, Viking Asset Management Pte Ltd. As at 31 December 2018, the loan is in default. The court hearing of the winding up proceedings commenced by the lender has been scheduled on 14 June 2019 in the High Court of the Republic of Singapore.