

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

ENTRY INTO PLACEMENT AND LOAN AGREEMENT

Reference is made to the Company's announcement of 14 January 2021 ("**Earlier Announcement**"). Unless otherwise defined herein, all capitalised terms used in this announcement shall have the meaning ascribed in the Earlier Announcement.

1. INTRODUCTION

- 1.1 The Board of Directors ("**Board**" or "**Directors**") of Viking Offshore and Marine Limited ("**Company**", and together with the subsidiaries of the Company, "**Group**") wishes to announce that further to the Term Sheet, the Company has on 1 February 2021 entered into a conditional placement and loan agreement ("**Agreement**") with Blue Ocean Capital Partners Pte. Ltd. ("**Investor 1**") and Mr. Ng Yeau Chong ("**Investor 2**", and together with Investor 1, collectively "**Investors**"), in relation to (i) a proposed placement of shares ("**Shares**") in the Company ("**Proposed Placement**"); and (ii) subject to completion of the Proposed Placement occurring, the grant by each of Investor 1 and Investor 2 to the Company of secured interest-free shareholder's loans of S\$925,000 and S\$75,000, respectively ("**Loans**", and together with the Proposed Placement, "**Proposed Transactions**").
- 1.2 Investor 1 and Investor 2 will subscribe for such number of new Shares ("**Placement Shares**") equivalent to 80.475% and 6.525% respectively, of the enlarged issued Shares (after taking into account new Shares to be issued to creditors of the Group ("**Creditors' Shares**") as part of a proposed creditors scheme of arrangement to be finalised in due course ("**Proposed Creditors Scheme**")), for a cash consideration of S\$1,850,000 and S\$150,000, respectively ("**Placement Consideration**"). Each of the Investors is subscribing for the Placement Shares as principal and for its/his own benefit.
- 1.3 Pursuant to Rules 803, 804, 805(1), 811, 812(2) and 906 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the Company will be seeking the approval of its shareholders ("**Shareholders**") for the Proposed Placement as well as new Shares to be issued and allotted as part of the Proposed Creditors Scheme at an extraordinary general meeting ("**EGM**") to be convened.
- 1.4 The Proposed Creditors Scheme is envisaged to comprise, *inter alia*, (i) a debt write-off of a specified percentage of the face value of the debts owed to creditors (subject to adjudication of the debts); and (ii) payment to creditors of the balance amount in cash and/or new Shares, with the quantum and tranches to be negotiated and finalised in due course. Details of the Proposed Creditors Scheme will be announced upon its finalisation.
- 1.5 The issue price of the Placement Shares ("**Placement Price**") will be derived based on the relevant Placement Consideration divided by the number of relevant Placement Shares, for each of the Investors. The issue price of the Creditors' Shares will be determined pursuant to the Proposed Creditors Scheme which will be finalised in due course. Accordingly, the Placement Price will not be the same as the issue price of the Creditors' Shares. The Placement Price and the number of Placement Shares cannot be determined at the point when the Proposed Creditors Scheme is finalised and announced. Such details can only be determined after the issue price and the number of Creditors' Shares have been determined, after, among others, (a) the creditors of the Group file their respective proof of debts after the launch of the Proposed Creditors Scheme; and (b) the completion of the adjudication process for the aforesaid proof of debts received by the Group. Based on the Company's indicative timeline of the Proposed Creditors Scheme and the Proposed Placement, the Company envisages that it would be able to determine and announce the Placement Price and the number of Placement Shares prior to the issuance of the circular to Shareholders in relation to, *inter alia*, the Proposed Placement and the Proposed Creditors Scheme.
- 1.6 The Proposed Placement is intended to be made pursuant to the private placement exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or

offer information statement will be issued by the Company in connection with the Proposed Placement.

- 1.7 The Company did not appoint any placement agent for the purposes of the Proposed Placement. No commission, fee or other selling or promotional expenses is payable or incurred by the Company in connection with the Proposed Placement, other than those incurred for administrative or professional services.

2. RATIONALE FOR THE PROPOSED TRANSACTIONS AND USE OF PROCEEDS

- 2.1 The Company is currently undergoing a court-supervised process to reorganise its liabilities and has been granted moratoria against enforcement actions and legal proceedings by creditors against the Company and its wholly-owned subsidiary, Viking Asset Management Pte. Ltd. ("**VAM**") pursuant to Sections 211B and 211C of the Companies Act (Chapter 50) of Singapore ("**Companies Act**"), respectively. The Shares have also been suspended from trading on the SGX-ST since 14 June 2019.
- 2.2 The Proposed Transactions will provide funds to the Company to facilitate the restructuring of its debts and liabilities as part of the Proposed Creditors Scheme.
- 2.3 Completion of the Proposed Placement is envisaged to take place concurrently with the completion of the Proposed Creditors Scheme. Upon completion of the Proposed Placement, the Investors will disburse their respective Loans to the Company.
- 2.4 The aggregate gross proceeds of the Proposed Transactions is S\$3.0 million ("**Transaction Proceeds**"). The Company intends to use 100% of the Transaction Proceeds for the repayment of debts owed to eligible creditors of the Company under the Proposed Creditors Scheme.

Any remaining Transaction Proceeds not otherwise applied for the foregoing purpose shall be applied to fund the Group's working capital needs.

- 2.5 In accordance with Rule 704(30) of the Catalist Rules, the Company will make periodic announcements on the use of the gross proceeds of the Proposed Placement amounting to S\$2.0 million ("**Placement Proceeds**") as and when the proceeds are materially disbursed, including whether the use was in accordance with the stated use and in accordance with the percentage allocated as announced, and provide a status report on the use of the Placement Proceeds in the Company's financial results announcements and annual reports. The Company will disclose a breakdown with specific details on the use of the Placement Proceeds (including those used for working capital purposes) in such announcements and annual reports. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

3. PROPOSED PLACEMENT AND SHAREHOLDERS' LOANS

3.1 Shareholders' Approval

The Company will be seeking specific approval of Shareholders for the issue and allotment of the Placement Shares as well as new Shares to be issued and allotted as part of the Proposed Creditors Scheme at an EGM to be convened.

As at the date of this announcement, the Company has an issued share capital comprising 1,098,719,574 Shares (excluding 7,961,500 treasury shares) as well as 97,491,109 outstanding warrants. Save for the foregoing, there are no outstanding securities issued by the Company which are convertible or exchangeable for, or warrants, rights or options to purchase shares in the capital of the Company. Where required, specific approval will be sought from Shareholders in a general meeting for the issue of new shares arising from any adjustment of the warrants pursuant to the Proposed Placement.

On completion of the Proposed Placement ("**Completion**"), the Placement Shares will represent in aggregate 87% of the issued Shares on an enlarged basis, taking into account any new Shares to be issued and allotted pursuant to the Proposed Creditors Scheme (including Shares which may be issued and allotted in tranches or contingently under the Proposed Creditors Scheme).

3.2 Conditions Precedent

Completion is conditional upon the satisfaction or waiver of *inter alia*:

- (a) approval of the Proposed Creditors Scheme on terms (including without limitation, the allotment and issue of new Shares in connection therewith) acceptable to the Investors by the creditors of the Company in compliance with the requirements of Section 210 of the Companies Act, and such approval remaining in full force and effect as of completion under the Agreement;
- (b) the sanction of the Proposed Creditors Scheme by the High Court of Singapore pursuant to the Companies Act and a copy of such court order sanctioning the Proposed Creditors Scheme being lodged with the Accounting and Corporate Regulatory Authority of Singapore pursuant to Section 210(5) of the Companies Act;
- (c) all regulatory approvals being obtained and not withdrawn, including without limitation, (i) the listing and quotation notice from the SGX-ST for the dealing in, listing of and quotation for, *inter alia*, the Placement Shares on the SGX-ST, and (ii) the SGX-ST's approval-in-principle for resumption of trading of the Shares on the SGX-ST, and where any of the aforesaid approvals is obtained subject to any conditions, such conditions being fulfilled and not revoked, rescinded or cancelled;
- (d) the Company remaining listed on the SGX-ST and there being no notice or proposal for the delisting of the Company;
- (e) the Securities Industry Council of Singapore ("**SIC**") having granted Investor 1 and his concert parties (and not having revoked or repealed such grant) a waiver of Investor 1's obligation to make a mandatory offer under Rule 14 of the Singapore Code on Take-overs and Mergers ("**Code**") for the Shares not held by Investor 1 and his concert parties and from having to comply with the requirements of Rule 14 of the Code including but not limited to pre-clearance from the SIC on any issues in connection with the Proposed Placement that Investor 1 and/or the Company may consider necessary ("**Whitewash Waiver**"), subject to (i) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to Investor 1 and his concert parties; and (ii) the independent Shareholders approving at an EGM to be convened, the Whitewash Waiver;
- (f) approval of Shareholders for the Proposed Placement (which for the avoidance of doubt shall be for up to such number of new Shares to be issued to the Investors (i) taking into account the Shares to be issued in accordance with the terms of the Proposed Creditors Scheme at the material time and (ii) assuming the exercise of all the existing warrants held by warrant holders of the Company as at the date of the Agreement), the allotment and issue of new Shares in connection with the Proposed Creditors Scheme, the appointment of such persons as may be nominated by Investor 1 as directors of the Company and such other transaction contemplated in connection with the Agreement and the Proposed Creditors Scheme being obtained at the EGM; and
- (g) the Proposed Placement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to any party to the Agreement.

The Company will be submitting an application to the SGX-ST via its sponsor for the listing and quotation of the Placement Shares on the SGX-ST. In the event that any of the aforementioned conditions precedent as set out in the Agreement is not satisfied on or before 31 July 2021 (or such later date as the parties to the Agreement may agree in writing), the Agreement will forthwith terminate.

3.3 Additional Provisions

The Agreement also provides for:

- (a) the right of Investor 1 to nominate new directors to the Board of the Company on Completion, such directors to hold a majority of the seats of the Board of the Company, subject to compliance

with the requirements of the Catalist Rules and the Code of Corporate Governance 2018; and

- (b) an undertaking by the Company in favour of the Investors that pending Completion, it shall consult and jointly decide with the Investors before (i) making any change in the nature or scope of its business nor dispose of the whole of its undertaking or property or a substantial part thereof, (ii) allotting, issuing, redeeming or repurchasing any share or loan capital (or option to subscribe for the same) of the Company, (iii) making any loan or advance of over S\$100,000 to any person, save in the ordinary course of business, (iv) initiating voluntary liquidation or winding up proceedings in respect of the Company or (v) making any alteration to the provisions of the constitution of the Company.

3.4 **Shareholders' Loans**

In connection with and subject to Completion, the Loans shall be repayable on the date falling 12 months (subject to extension based on mutual agreement) after the date of Completion, being the date of disbursement of such amounts under the Loans. The Loans, when disbursed, will be secured by a first fixed and floating charge over all the assets of the Company in accordance on such terms to be mutually agreed between the parties.

4. **DIRECTORS' OPINION ON WORKING CAPITAL**

As the Company is currently undergoing a court-supervised process to reorganise its liabilities and has been granted moratoria against enforcement actions and legal proceedings by creditors against the Company and VAM pursuant to Sections 211B and 211C of the Companies Act respectively, the Directors are not in a position to opine that the working capital available to the Group is sufficient to meet its present requirements.

The Proposed Transactions are intended to provide funds to the Company to, amongst others, facilitate the restructuring of its debts and liabilities as part of the Proposed Creditors Scheme with a view to rehabilitating the financial health of the Company.

5. **INFORMATION ON THE INVESTORS**

5.1 **Investor 1**

Investor 1, a private company limited by shares incorporated in Singapore, is engaged in the business of corporate consultancy, in particular client engagement on mergers, acquisitions, joint ventures and corporate restructuring.

The executive director and sole shareholder of Investor 1, Mr. Daniel Lin Wei, is the son of Mr. Andy Lim. As at the date of this announcement, Mr. Daniel Lin Wei holds 840,000 Shares and 120,000 warrants in the Company. Investor 1 was introduced to the Company by Mr. Andy Lim. Save for the foregoing and the Proposed Placement, as at the date of this announcement, none of Investor 1 and its directors (i) holds any Shares, whether directly or indirectly; and (ii) is related to and/or has any business relationship with the Directors, substantial Shareholders and/or their respective associates (as defined in the Catalist Rules).

5.2 **Investor 2**

Investor 2 is the Chief Executive Officer and Executive Director of the Company. As at the date of this announcement, Investor 2 holds 1,540,000 Shares and 220,000 warrants in the Company. The spouse of Investor 2 is a cousin of Mr. Andy Lim.

- 5.3 On the basis of the foregoing, each of Investor 1 and Investor 2 is an “interested person” of the Company for the purposes of Chapter 9 of the Catalist Rules. Accordingly, the proposed allotment and issuance of Placement Shares to each of Investor 1 and Investor 2 and the Loans to be extended by each of Investor 1 and Investor 2 will constitute interested person transactions pursuant to Chapter 9 of the Catalist Rules. As the Loans are interest-free, there is no amount at risk to the Company. Investor 1 and Investor 2's subscription amounts of S\$1,850,000 and S\$150,000 represent approximately -78.4% and -6.4%, respectively of the latest audited net tangible liabilities of the Group as at 31 December 2019 of

approximately S\$2.36 million. The Audit Committee of the Company (comprising Mr. Tan Wee Peng Kelvin, Mr. Lee Suan Hiang and Ms. Phua Siok Gek Cynthia) will obtain an opinion from the independent financial adviser to be appointed by the Company on whether the Proposed Placement and Investor 1 and Investor 2's subscriptions thereunder are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

- 5.4 Save for (i) Investor 1 and Investor 2's subscription amounts under the Proposed Placement of S\$1,850,000 and S\$150,000, respectively, and (ii) the amounts to be disbursed by Investor 1 and Investor 2 under the Loans of S\$925,000 and S\$75,000, respectively, there is no interested person transaction entered into between the Company and any interested person (as defined in the Catalist Rules, including Investor 2, Mr. Andy Lim and his associates) for the current financial year commencing 1 January 2021 up to the date of this announcement.

6. CIRCULAR

A circular containing further details of, *inter alia*, the Proposed Transactions and the proposed share issuance pursuant to the Proposed Creditors Scheme ("**Circular**"), together with a notice of the EGM of the Company, will be despatched to Shareholders in due course.

7. DOCUMENTS FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, a copy of the Agreement is 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 months commencing from the date of this announcement.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

9. 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 Transactions 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.

10. CAUTION AND FURTHER ANNOUNCEMENTS

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

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

ON BEHALF OF THE BOARD
Viking Offshore and Marine Limited

Ng Yeau Chong
Executive Director and Chief Executive Officer

1 February 2021

*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 the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

The 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.