

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

ENTRY INTO PLACEMENT AGREEMENT

Reference is made to the Company's announcement of 15 November 2019 ("**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 the Company has on 10 January 2020 entered into a conditional placement agreement ("**Placement Agreement**") with Ruddin Advisory Limited ("**Ruddin Advisory**") and Blue Ocean Capital Partners Pte. Ltd. ("**Blue Ocean Capital**") and together with Ruddin Advisory, the "**Subscribers**", in relation to a proposed placement of shares ("**Shares**") in the Company ("**Proposed Placement**").
- 1.2 Ruddin Advisory and Blue Ocean Capital will each subscribe for such number of new Shares equivalent to 53.0% and 13.5% of the enlarged issued share capital of the Company ("**Placement Shares**"), after taking into account new Shares to be issued to creditors of the Group as part of a proposed creditors scheme of arrangement to be finalised in due course ("**Proposed Creditors Scheme**"), for a cash consideration of S\$4,000,000 and S\$1,000,000, respectively ("**Placement Consideration**"). Each of the Subscribers is subscribing for the Placement Shares as principal and for his own benefit.
- 1.3 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.
- 1.4 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.
- 1.5 The Company did not appoint any placement agent for the purposes of the Proposed Placement. Save for (i) a success fee of S\$120,000 payable to Singasia Capital Partners 2025 Pte. Ltd. ("**Singasia Capital**"); and (ii) an incentive fee of S\$80,000 payable to Mr. Ng Yeau Chong, the Chief Executive Officer and Executive Director of the Company, for structuring and negotiating the terms of the Proposed Placement and for procuring the subscription by Ruddin Advisory, 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. For the avoidance of doubt, no commission, fee or other selling or promotional expenses is payable or incurred by the Company in connection with the subscription by Blue Ocean Capital which was introduced to the Company by Mr. Andy Lim (the Executive Chairman and Director of the Company).
- 1.6 As at the date of this announcement, none of Singasia Capital, its directors and shareholders (i) holds any Shares, whether directly or indirectly; and (ii) is related to and/or has any business relationship with the Directors, substantial shareholders of the Company and/or their respective associates (as defined in the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**")).

2. INFORMATION ON THE SUBSCRIBERS

2.1 Ruddin Advisory

Ruddin Advisory, a private company limited by shares incorporated in Hong Kong, is engaged in the business of providing business advisory services to a diversified client base that includes corporations, governments, and high-net-worth individuals. The sole shareholder of Ruddin Advisory is Dato' Larry Tey Por Yee.

As at the date of this announcement, none of Ruddin Advisory, its directors and shareholders (i) holds any Shares, whether directly or indirectly; and (ii) is related to and/or has any business relationship with the Directors, substantial shareholders of the Company and/or their respective associates (as defined in the Catalist Rules).

2.2 Blue Ocean Capital

Blue Ocean Capital, 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 Blue Ocean Capital, Mr. Daniel Lin Wei, is the son of Mr. Andy Lim (the Executive Chairman and Director of the Company). As at the date of this announcement, Mr. Daniel Lin Wei holds 840,000 Shares and 120,000 warrants in the Company. The spouse of Mr. Ng Yeau Chong, the Chief Executive Officer and Executive Director of the Company, is a cousin of Mr. Andy Lim. Blue Ocean Capital 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 Blue Ocean Capital 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 of the Company and/or their respective associates (as defined in the Catalist Rules).

On the basis of the foregoing, Mr. Daniel Lin Wei is an "interested person" of the Company for the purposes of Chapter 9 of the Catalist Rules. Accordingly, the proposed issuance and allotment of Placement Shares to Blue Ocean Capital will constitute an interested person transaction pursuant to Chapter 9 of the Catalist Rules. Blue Ocean Capital's aggregate subscription amount of S\$1,000,000 represents approximately 4.3% of the latest audited net tangible assets of the Company as at 31 December 2018 of approximately S\$23,503,525. 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 (i) the Proposed Placement and (ii) Blue Ocean Capital's subscription thereunder is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Save for Blue Ocean Capital's subscription amount of S\$1,000,000 under the Proposed Placement, there is no interested person transaction entered into between the Company and any interested person (including Mr. Andy Lim and his associates (as defined in the Catalist Rules)) for the current financial year commencing 1 January 2020 up to the date of this announcement.

3. RATIONALE AND USE OF PROCEEDS

3.1 The Company is currently undergoing a court-supervised process to reorganise its liabilities and has been granted moratorium against enforcement actions and legal proceedings by creditors pursuant to section 211B of the Companies Act (Chapter 50) of Singapore ("**Companies Act**"). The Shares have also been suspended from trading on the SGX-ST since 14 June 2019.

3.2 The Proposed Placement will provide funds to the Company to, amongst others, facilitate the restructuring of its debts and liabilities as part of the Proposed Creditors Scheme.

3.3 Completion of the Proposed Placement is envisaged to take place concurrently with completion of the Proposed Creditors Scheme.

- 3.4 The estimated gross proceeds of the Proposed Placement is approximately S\$5 million ("**Placement Proceeds**") The Company intends to use the Placement Proceeds for the following purposes:
- (a) approximately 62% of the Placement Proceeds will be applied to the repayment of debts owed to eligible creditors of the Company under the Proposed Creditors Scheme;
 - (b) approximately 14% of the Placement Proceeds will be applied to the payment of professional fees and expenses in connection with (i) the moratorium application made by the Company on 13 June 2019 to the High Court of the Republic of Singapore to commence a court-supervised process to reorganise its liabilities and to seek a moratorium against enforcement actions and legal proceedings by creditors against the Company pursuant to section 211B of the Companies Act; (ii) the Proposed Creditors Scheme; (iii) any other applications to the Courts of Singapore which the Company may make from time to time; and (iv) the Proposed Placement;
 - (c) approximately 4% of the Placement Proceeds will be applied to the payment of transactional costs and expenses, comprising the success fee payable to Singasia Capital Partners 2025 Pte. Ltd. and the incentive fee payable to Mr. Ng Yeau Chong as disclosed in paragraph 1.5 above, to be incurred by the Company in relation to the Proposed Placement; and
 - (d) approximately 20% of the Placement Proceeds will be applied to fund the Group's working capital needs.
- 3.5 The Company will make periodic announcements on the use of the Placement Proceeds as and when the proceeds are materially disbursed 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 in such announcements and annual reports.

4. SALIENT TERMS

4.1 Shareholders' Approval

The Company will be seeking specific approval of its shareholders ("**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 extraordinary general meeting to be convened ("**EGM**").

As at the date of this announcement, the Company has an issued share capital comprising 1,106,681,074 Shares (including 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.

On completion of the Proposed Placement, the Placement Shares will represent in aggregate 66.5% 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).

4.2 Conditions Precedent

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

- (a) the restructuring of the Group's existing loan facilities in a manner that the servicing of such facilities may be supported by the Group's cash flow, which fulfilment or waiver shall be confirmed in writing by Ruddin Advisory;
- (b) entry into a three year service agreement between the Company and Mr. Ng Yeau Chong, as its incumbent chief executive officer, on terms (including performance incentives) satisfactory to Ruddin Advisory, which fulfilment or waiver shall be approved in writing by Ruddin Advisory;
- (c) approval of the Proposed Creditors Scheme on terms (including without limitation, the allotment and issue of new Shares in connection therewith) acceptable to Ruddin Advisory 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 Placement Agreement;

- (d) 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;
- (e) 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;
- (f) the Company remaining listed on the SGX-ST and there being no notice or proposal for the delisting of the Company;
- (g) the Securities Industry Council of Singapore ("**SIC**") having granted Ruddin Advisory and its concert parties (and not having revoked or repealed such grant) a waiver of Ruddin Advisory'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 Ruddin Advisory and its 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 Ruddin Advisory 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 Ruddin Advisory and its concert parties; and (ii) the independent Shareholders approving at an extraordinary general meeting of the Company to be convened ("**EGM**"), the Whitewash Waiver;
- (h) 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 Ruddin Advisory and Blue Ocean Capital (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 Placement 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 Ruddin Advisory as Directors of the Company and such other transaction contemplated in connection with the Placement Agreement and the Proposed Creditors Scheme being obtained at the EGM;
- (i) any subsequent extension(s) of the existing moratorium against enforcement actions and legal proceedings by creditors against the Company pursuant to section 211B of the Companies Act and ending on 12 April 2020 (as may be required) being granted by the High Court of Singapore from time to time; and
- (j) 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 to the placement 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 Placement Agreement is not satisfied on or before 9 July 2020 (or such later date as the parties to the Placement Agreement may agree in writing), the Placement Agreement shall forthwith terminate.

4.3 **Additional Provisions**

The Placement Agreement also provides for:

- (a) rights of Ruddin Advisory to nominate new directors to the Board of the Company on completion of the Proposed Placement, 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
- (b) such number of Placement Shares equivalent to an aggregate of 3% of the enlarged issued Shares to be transferred from the Subscribers (comprising 2% of the enlarged issued Shares from Ruddin Advisory and 1% of the enlarged issued Shares from Blue Ocean Capital) to the incumbent chief executive officer of the Company (being Mr. Ng Yeau Chong) as part of a sign-on incentive.

Upon completion of the Proposed Placement and the Proposed Creditors Scheme, and after the aforesaid transfer of Placement Shares to the incumbent chief executive officer of the Company, Ruddin Advisory and Blue Ocean Capital will each hold 51.0% and 12.5% of the enlarged issued Shares.

4.4 **Break Fees**

In the event approval of Shareholders for the Proposed Placement and Proposed Creditors Scheme at the EGM is not obtained, the Company will pay each Subscriber a break fee amount equivalent to 10% of the Placement Consideration as compensation.

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

As the Company is currently undergoing a court-supervised process to reorganise its liabilities and has been granted a moratorium against enforcement actions and legal proceedings by creditors against the Company pursuant to section 211B of the Companies Act, 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 Placement is 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.

6. **CIRCULAR**

A circular containing further details of, *inter alia*, the Proposed Placement and 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**

A copy of the Placement Agreement is available for inspection during normal business hours at the registered office of the Company at 121 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 or substantial shareholders of the Company has any interest, whether direct or indirect, in the Proposed Placement 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. **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 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 Placement 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

13 January 2020

*This announcement has been prepared by the Company and its contents have been received 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. 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, Continuing Sponsorship. The contact particulars are 8 Robinson Road #03-00 ASO Building, Singapore 048544; telephone: (65) 6636 4201.