(A) PROPOSED PLACEMENT OF UP TO 230,000,000 NEW ORDINARY SHARES ("SHARES") IN THE CAPITAL OF VALLIANZ HOLDINGS LIMITED (THE "COMPANY") AT THE PLACEMENT PRICE OF S$0.13545 PER PLACEMENT SHARE

(B) PROPOSED SUBSCRIPTION OF 170,000,000 NEW SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

1.1 The Board of Directors of the Company (and together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into a placement agreement dated 16 June 2014 (the "**Placement Agreement**") with UOB Kay Hian Private Limited, Tata Capital Markets Pte Ltd and Religare Capital Markets (Singapore) Pte. Limited (the "**Placement Agents**"). Pursuant to the Placement Agreement, the Company has agreed to allot and issue up to 230,000,000 Shares in the capital of the Company (the "**Placement Shares**" and each a "**Placement Share**") at an issue price of S$0.13545 (the "**Issue Price**") for each Placement Share, and the Placement Agents have agreed, on a best endeavours basis, to procure subscribers for the Placement Shares at the Placement Price on the terms and subject to the conditions of the Placement Agreement (the "**Placement**"). Further details of the Placement are provided in paragraph 2 of this Announcement.

1.2 In addition, the Company has entered into separate subscription agreements dated 16 June 2014 (collectively the "**Subscription Agreements**") with each of Legend Financial Limited, Golden Summit International Limited, Zymmetry Investments Ltd, ICH Partners Limited and ICH Invest & Trade Ltd (collectively, the "**Subscribers**" and individually, a "**Subscriber**"). Pursuant to the terms of the Subscription Agreements, the Company has agreed to allot and issue and the Subscribers have agreed to subscribe for an aggregate of 170,000,000 Shares (the "**Subscription Shares**" and each a "**Subscription Share**") at the Issue Price for each Subscription Share, on the terms and subject to the conditions of the respective Subscription Agreements (the "**Subscription**" and together with the Placement the "**Proposed Offerings**"). Further details of the Subscription are provided in paragraph 3 of this Announcement.

1.3 The Company will allot and issue the Placement Shares and the Subscription Shares pursuant to the general share issue mandate approved by shareholders of the Company (the "**Shareholders**") by way of an ordinary resolution at the annual general meeting of the Company held on 28 April 2014 (the "**Share Issue Mandate**"). No Shares had previously been issued pursuant to the Share Issue Mandate.

1.4 There will not be any prospectus or offer information statement issued in connection with the Proposed Offerings as the:

(i) the Placement will be undertaken in accordance with Sections 272B, 274 and 275 of the Securities and Futures Act (Cap. 289) of Singapore (the "**SFA**"); and

(ii) the Subscription will be undertaken in accordance with Sections 274 and 275 of the SFA.

2. THE ISSUE PRICE

The Issue Price represents a discount of 10% to the weighted average price of S$0.1505 for each Share (the "**Benchmark Price**"), based on trades done on Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 11 June 2014 up to the time of the Company's trading halt on 12 June 2014. The discount of 10% to the Benchmark Price is within the 10% discount limit as stated in Rule 811(1) of the Listing Manual Section B: Catalist Rules of the SGX-ST (the "**Catalist Rules**").

3. THE PLACEMENT

3.1 The Placement Shares

The Placement Agents have agreed, on a best endeavours basis, to procure subscribers for the Placement Shares at the Issue Price as follows:

Placement Agent	**Number of Placement Shares**
UOB Kay Hian Private Limited	60,000,000
Tata Capital Markets Pte Ltd	141,800,000
Religare Capital Markets (Singapore) Pte. Limited	28,200,000
Total:	**230,000,000**

Each Placement Agent will be responsible under the Placement Agreement on a several (and not joint) basis to procure subscribers only for its own portion of the Placement Shares as set out above. The Placement will not be underwritten.

The Company will not place any of the Placement Shares to any person who is a Director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Catalist Rules, and will not place any of the Placement Shares to transfer a controlling interest.

3.2 Conditions

The Placement is conditional upon the fulfilment of, *inter alia*, the following conditions:

(i) in-principle approval for the listing and quotation of 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, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before day of completion of the Placement (the "**Completion Date**"), they are so fulfilled;

(ii) the exemption under Sections 272B(1), 274 and 275 of the SFA being applicable to the Placement;

(iii) the allotment, issue and subscription of the Placement Shares 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 the Company or the Placement Agents;

(iv) there not having occurred, in the opinion of the Placement Agents, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of this Agreement which, in the opinion of the Placement Agents, is or is reasonably likely to be materially adverse in the context of the Placement or is reasonably likely to prejudice materially the success of the Placement or dealings in the Placement Shares in the secondary market; and

(v) the representations, warranties and undertakings of the Company under the Placement Agreement remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations hereunder to be performed on or before the Completion Date.

If the conditions as stated above are not fulfilled within 6 weeks from the date of the Placement Agreement, the Placement Agreement will terminate and shall be of no further effect.

For the avoidance of doubt, completion of the Placement is not conditional upon the completion of the Subscriptions.

4. THE SUBSCRIPTION

4.1 The Subscription Shares

The Subscribers propose to subscribe for the Subscription Shares as follows:

Name of Subscriber	Number of Subscription Shares	Aggregate Issue Price	Percentage of enlarged share capital[(1)]
Legend Financial Limited	50,000,000	S$6,772,500	1.98%
Golden Summit International Limited	40,000,000	S$5,418,000	1.59%
Zymmetry Investments Ltd	45,000,000	S$6,095,250	1.78%
ICH Partners Ltd	26,000,000	S$3,521,700	1.03%

ICH Invest & Trade Ltd	9,000,000	S$1,219,050	0.36%
Total	**170,000,000**	**S$23,026,500**	**6.74%**

Note:

(1) As at the date of the Subscription Agreements, none of the Subscribers are existing shareholders of the Company. Assuming that the Placement Shares and the Subscription Shares are fully subscribed for, the Company's issued and paid-up share capital will increase from 2,123,578,789 Shares as at the date of this Announcement to 2,523,578,789 Shares.

The obligation of a Subscriber to subscribe for the Subscription Shares is not conditional upon the completion of subscription by all other Subscribers.

4.2 **Conditions**

The Subscription is conditional upon the fulfilment of, *inter alia*, the following conditions:

(i) in-principle approval for the listing and quotation of the Subscription 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, to the extent that any conditions for the listing and quotation of the Subscription Shares on the SGX-ST are required to be fulfilled on or before the day of completion of the Subscription, they are so fulfilled;

(ii) the exemption under Sections 274 and 275 of the SFA being applicable to the Subscription; and

(iii) the allotment, issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the Subscribers.

If the conditions as stated above are not fulfilled within 6 weeks from the date of the Subscription Agreements, the Subscription Agreements will terminate and shall be of no further effect.

For the avoidance of doubt, completion of the Subscriptions are not conditional upon the completion of the Placement.

4.3 **The Subscribers**

The Subscribers were independently identified by the directors of the Company (the "**Directors**"). They were referred to the Company by business associates of the Company as strategic investors who believe in the growth and prospects of the Company and have a long-term view of the industry. The Subscribers are independent of the Company, the Directors and the substantial shareholders of the Company. They are subscribing for the Subscription Shares for their own investment purposes. A brief description of the Subscribers is set out below:

Subscriber	Description
Legend Financial Limited	Legend Financial Limited is a special purpose investment vehicle and is beneficially owned by Mr. Yang Hsien Chuan and Mr. Ricky Au. Messrs. Yang and Au are business partners in real estate developments, technology and investments.
Golden Summit International Limited	Golden Summit International Limited is a family office incorporated in British Virgin Islands in July 2009. It handles a number of family assets in Asia. The ultimate beneficial owner is Mr. Thomas Chan Ho Lam. Mr. Chan is a full time private investor.
Zymmetry Investments Ltd	Zymmetry Investments Ltd is beneficially owned by Mr. Toe Teow Heng and Newyard Worldwide Holdings Ltd ("**Newyard**"), which in turn is wholly owned by Mr. Ren Yuanlin, a Chinese national. Newyard is the single largest shareholder of Yangzijiang Shipbuilding Holdings Ltd which is quoted on the SGX-ST.
ICH Partners Limited	ICH Partners Limited is a long only proprietary fund which is owned by Mr. Toe Teow Heng. Mr. Toe Teow Heng is currently the Managing Director of ICH Capital Pte Ltd, a boutique financial advisory firm headquartered in Singapore with offices in China and Hong Kong.
ICH Invests & Trade Ltd	ICH Invest & Trade Ltd is a long only proprietary fund which is beneficially owned by Mr. Toe Teow Heng and Mr. Toe Teow Teck. Mr. Toe Teow Teck is the Managing Director of ICH Invests & Trade Ltd.

Each of the Subscribers has confirmed and represented to the Company that, *inter alia*, it is not a person who falls within Rule 812(1) of the Catalist Listing Manual. Save as disclosed above, the Subscribers are not related to each other in any way (other than being co-investors in the Company).

5. STATUS OF THE PLACEMENT SHARES AND THE SUBSCRIPTION SHARES

5.1 The Placement Shares and Subscription Shares, when issued and fully paid, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the Shares existing as at the date of issue of the Placement Shares and Subscription Shares save that they will not rank for any dividends, rights, allotments or other distributions, the record date in respect of which falls on or prior to the date of completion of the allotment and issue of the Placement Shares and the Subscription Shares.

5.2 The Company will be making an application to the SGX-ST through its continuing sponsor, Stamford Corporate Services Pte. Ltd., for the admission of the Placement Shares and the Subscription Shares to the Official List of the SGX-ST and for the listing and quotation of the Placement Shares and the Subscription Shares on Catalist of the SGX-ST.

5.3 The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation of the Placement Shares and the Subscription Shares on Catalist of the SGX-ST.

6. USE OF PROCEEDS

Assuming that all the Placement Shares are placed out and all Subscription Shares are subscribed for, the estimated net proceeds from the Proposed Offerings (the "**Net Proceeds**") will be S$52.20 million (equivalent to approximately US$41.83 million) after deducting expenses of S$2.00 million (equivalent to approximately US$1.60million) incurred by the Company in connection with the Proposed Offerings. The US$ figures are derived using an exchange rate of US$1:S$1.2484.

The Company intends to use the Net Proceeds as follows:

Use of Proceeds	Percentage Allocation (%)
Fleet expansion of the Group	Approximately 70% to 80%
General working capital of the Group	Approximately 20% to 30%

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be placed in deposits with financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may in their absolute discretion deem fit in the interest of the Company.

The Company will make periodic announcements on the utilization of the Net Proceeds as and when the Net Proceeds are materially disbursed, including whether the use was in accordance with the intended use as announced, and will provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report.

7. CONFIRMATION BY THE DIRECTORS

7.1 The Directors are of the opinion that after taking into consideration the Group's present internal resources, operating cash flows and present bank facilities available to the Group, the Group has sufficient working capital to meet its present requirements. Notwithstanding the above, the purpose of the Proposed Offerings is to raise funds for fleet expansion and general working capital of the Group as described in paragraph 6 of this Announcement.

7.2 The Directors are of the opinion that, after taking into consideration, the Group's present internal resources, operating cash flows, present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

8. FINANCIAL EFFECTS OF THE PROPOSED OFFERINGS

The *pro forma* financial effects of the Proposed Offerings on the Group are set forth below and were prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2013 ("**FY2013**"), subject to the following assumptions:

(a) the Placement Shares and Subscription Shares are fully subscribed for;

(b) the expenses incurred by the Company in connection with the Proposed Offerings are approximately US$1.60 million;

(c) for the purpose of calculating the net asset value ("**NTA**") per share after the Proposed Offerings, it is assumed that the Proposed Offerings were completed on 31 December 2013;

(d) for the purpose of computing the earnings per share ("**EPS**") of the Group after the Proposed Offerings, it is assumed that the Proposed Offerings were completed on 1 January 2013; and

(e) the exchange rate of US$1:S$1.2484.

8.1 **Share Capital**

(a) Assuming all the Placement Shares are fully subscribed for, the Company's issued and paid-up share capital will increase from 2,123,578,789 Shares as at the date of this Announcement to 2,353,578,789 Shares. The 230,000,000 Shares to be issued pursuant to the Placement represents approximately 10.83% of the issued share capital of the Company comprising 2,123,578,789 Shares as at the date of this Announcement and will represent approximately 9.77% of the enlarged issued share capital of the Company.

(b) Assuming all the Subscription Shares are fully subscribed for, the Company's issued and paid-up share capital will increase from 2,123,578,789 Shares as at the date of this Announcement to 2,293,578,789 Shares. The 170,000,000 Shares to be issued pursuant to the Subscription represents approximately 8.01% of the issued share capital of the Company comprising 2,123,578,789 Shares as at the date of this Announcement and will represent approximately 7.41% of the enlarged issued share capital of the Company.

(c) Assuming all the Placement Shares and Subscription Shares are fully subscribed for, the Company's issued and paid-up share capital will increase from 2,123,578,789 Shares as at the date of this Announcement to 2,523,578,789 Shares. The 400,000,000 Shares to be issued pursuant to the Proposed Offerings represent approximately 18.84% of the issued share capital of the Company comprising 2,123,578,789 Shares as at the date of this Announcement and will represent approximately 15.85% of the enlarged issued share capital of the Company.

8.2 **Net Tangible Assets per Share**

The effect of the Proposed Offerings on the Group's NTA per Share as at 31 December 2013 will be as follows:

	As at 31 December 2013	After the Proposed Offerings[(1)]
Consolidated NTA attributable to the shareholders of the Company (US$'000)	42,730	84,558
Number of Shares (excluding treasury shares) ('000)	1,189,412	1,589,412
Consolidated NTA per Share attributable to the shareholders of the Company (US cents)	3.59	5.32

Note:

(1) Assuming that all the Placement Shares and Subscription Shares are fully subscribed for as at 31 December 2013, being the end of FY2013.

8.3 **Earnings per Share**

The effect of the Proposed Offerings on the EPS of the Group for FY2013 will be as follows:

	As at 31 December 2013	After the Proposed Offerings[(1)]
Consolidated profit after taxation and non-controlling interest (US$'000)	7,493	7,493
Number of Shares (excluding treasury shares) ('000)	1,189,412	1,589,412
Consolidated EPS (US cents)	0.63	0.47

Note:

(1) Assuming that all the Placement Shares and Subscription Shares are fully subscribed for as at 1 January 2013, being the beginning of FY2013.

It should be noted that the abovementioned *pro forma* financial effects have been calculated for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company or the Group after completion of the Proposed Offerings.

9. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company have, any interest, direct or indirect, in the Proposed Offerings, other than through their respective shareholdings in the Company.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Placement Agreement and the Subscription Agreements are available for inspection during normal business hours at the Company's registered office at 12 International Business Park, #03-02 Swiber@IBP, Singapore 609920, for a period of three (3) months from the date of this announcement.

By order of the Board

Yeo Chee Neng
Chief Executive Officer
17 June 2014

This Announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and 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.

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