Vallianz Holdings Limited
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COMPANY UPDATE

The Board of Directors of Vallianz Holdings Limited (the "**Company**" and together with its subsidiaries the "**Group**") wishes to provide more information to the Company's shareholders in light of the recent announcements by Swiber Holdings Limited ("**Swiber**") on 28 and 29 July 2016.

1. Vessel charter contracts in the Middle East

   The Group's order book comprises mainly contracts with third-party customers that are not related to Swiber and its subsidiaries, joint ventures or associates. The bulk of the Group's order book of US$1.2 billion that was reported in May 2016 is made up of long-term charter contracts to third parties in the Middle East.

   The Company wishes to reiterate that the Group's core vessel chartering business is continuing as usual, and that its long-term charter contracts with its third party customers are still ongoing.

   The Group's vessel chartering revenue is driven largely by its Middle East operations. It has the strong support of its joint-venture partner and shareholder, Rawabi Holding Company Limited, which has extensive knowledge and connections in the Middle East oil and gas market.

2. Revenue contribution from Swiber Holdings Limited and its subsidiaries, associates and joint ventures (collectively known as "**Swiber entities**")

   The majority of the Group's revenue was driven by third-party customers as the Group expanded its vessel chartering and brokerage business with third party customers in the Middle East market.

   As disclosed in the announcements dated 13 July 2015, 20 July 2015, 7 December 2015, 6 May 2016 and 16 May 2016, the Group advanced further into the Middle East market which lifted its order book to over US$1.2 billion in May 2016.

   As a result of its focus on growing its chartering and brokerage business with major oil and gas companies, the Group has been reducing its dependence on Swiber entities as a key source of revenue.

Summary of impact from Swiber's revenue [(1)]

Financial Period	Reported Revenue	Revenue from Swiber entities	Proportion of Revenue from Swiber entities	Revenue from third-party customers	Proportion of Revenue from third-party customers
	US$'000	US$'000	(%)	US$'000	(%)
FY2015	232,554	80,562	34.6%	151,992	65.4%
1Q2016	49,303	9.842	20.0%	39,461	80.0%

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Segmental revenue comparison of impact from Swiber's revenue [1]

In US$'000	Vessel chartering and brokerage		Vessel management	
	1Q2016	1Q2015	1Q2016	1Q2015
Reported Revenue	34,661	38,258	13,474	20,647
Revenue from Swiber entities	2,235	2,266	7,607	8,397
Revenue from third parties	32,426	35,992	5,867	12,250

[1]: Note that the information presented as at 31 March 2016 may differ from the half year ended 30 June 2016's financial results which the Company intends to release on or before 14 August 2016.

3. Receivables and Payables [1]

As at 31 March 2016, the Group had trade receivables and other receivables owing from Swiber entities amounting to approximately US$61.9 million. The Group also had trade payables and other payables owing to Swiber entities of approximately US$58.7 million.

[1]: Note that the information presented as at 31 March 2016 may differ from the half year ended 30 June 2016's financial results which the Company intends to release on or before 14 August 2016.

4. Business operations

While the recent developments at Swiber will have an impact to the Group's business, the Board is of the view that the situation is manageable and its operations are continuing as usual.

The Company continues to work in close consultation with its legal advisors to evaluate the impact of the developments at Swiber. The Company would like to assure shareholders that it will make further announcements on any material developments as and when appropriate.

By Order of the Board
Ling Yong Wah
Chief Executive Officer
01 August 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. ("**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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