
COMPANY UPDATE – LEGAL PROCEEDINGS INVOLVING THE COMPANY

I. Litigation in Bombay, India

The Board of Directors of Vallianz Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has been notified by Indian solicitors appointed by one Kishore Khanna and 2 other individuals (collectively, the “**Plaintiffs**”) of a suit commenced against Swiber Offshore (India) Pte Ltd (“**SOI**”), Oil and Natural Gas Corporation (“**ONGC**”) as well as two of the Company’s wholly-owned subsidiaries, Offshore Engineering Resources Pte Ltd (“**OER**”) and Vallianz Offshore Marine Pte Ltd (“**VOM**”) in the Bombay High Court. The Company was notified of the suit by way of emails containing what appears to be draft court papers which were unsigned and unsealed by the Indian courts. The suit appears to be in relation to a project between SOI and ONGC, and to which SOI had engaged VOM and OER for the provision of certain services.

Based on the filed court papers, the Plaintiffs appear to be partners of a claimant, Ocean Marine International (“**OMI**”), who was also a service provider used for the supply of certain provisions in relation to the project between SOI and ONGC.

The Plaintiffs have brought the suit on behalf of OMI for the following claims, amongst others:

- (a) payment of unpaid invoices from SOI, VOM and OER, totalling a sum of approximately US\$1.6 million;
- (b) an injunction against SOI, VOM and OER to prevent the repatriation of their respective income and monies out of India pending resolution of the suit;
- (c) an anti-suit injunction against SOI, VOM and OER to prevent them from filing a claim against the Plaintiffs in any other jurisdiction pending resolution of the suit; and
- (d) for ONGC to pay into the Bombay High Court monies that it is contractually obliged to pay to SOI.

VOM and OER have since taken steps to appoint Indian lawyers to represent them in the suit, and to ensure that VOM and OER are properly served with the filed court papers. VOM and OER are of the view that these claims should be made against SOI and not against VOM and OER as none of the unpaid invoices upon which the claims arise are addressed to VOM or OER.

VOM and OER are working closely with their lawyers to take all necessary action to defend this suit and to safeguard the interests of the Group.

VOM and OER have also been notified by their Indian lawyers that this suit is collectively being heard with several other suits in the Bombay Court, in which SOI is a named defendant. This has been done as all the plaintiffs in these suits are seeking for a common relief i.e., for ONGC to pay into the Bombay High Court monies it is contractually obliged to pay SOI.

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The Board will update the Company's shareholders of any material developments in connection with the above suit.

II. Litigation in Batam, Indonesia

The Board further wishes to announce that the Company had been notified that VOM and Holmen Arctic Pte Ltd ("**Holmen**"), an indirect subsidiary of the Company, have been named as defendants alongside Swiber Offshore Construction Pte. Ltd. ("**SOC**") and Newcruz Offshore Marine Pte Ltd ("**NOM**") to a suit commenced by one PT. ASL Shipyard Indonesia (the "**Claimant**").

Under the suit, the Claimant has brought claims for amongst others:

- (a) payment by VOM, Holmen, SOC and NOM of unpaid invoices issued pursuant to certain purchase orders totalling a sum of approximately S\$1.9 million; and
- (b) other interests, fees and damages totalling a sum of approximately S\$6.8 million.

The claims appear to be in relation to the maintenance and repair works provided to the vessel "Holmen Arctic", which Holmen (as the registered owner of the vessel) had chartered to SOC.

VOM and Holmen are of the opinion that the aforementioned claims should be made against SOC and/or NOM only and not to VOM and Holmen as the purchase orders under which the unpaid invoices arose were issued by SOC. VOM and Holmen have taken steps to appoint Indonesian lawyers to provide advice on the said claims.

VOM and Holmen are working closely with their lawyers to take all necessary action to defend this suit as well as safeguard the interests of the Group.

The Board will update the Company's shareholders of any material developments in connection with the above suit.

By Order of the Board

Ling Yong Wah
Chief Executive Officer
02 December 2016

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

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