Vallianz Holdings Limited
Co Reg No. 199206945E

12 International Business Park, #03-02 Singapore 609920
Tel: +65 6505 0600 Fax: +65 6505 0601
www.vallianzholdings.com

COMPANY UPDATE – RECEIPT OF LETTERS OF REQUEST FOR PAYMENT AND STATEMENT OF ACCOUNTS

The Board of Directors of Vallianz Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Vallianz Group**") wishes to inform its shareholders that certain entities within the Vallianz Group ("**Relevant Vallianz Entities**"), have recently received letters ("**Request Letters**") from the interim judicial managers ("**IJMs**") of Swiber Holdings Limited ("**SHL**") (a controlling shareholder of the Company), and of SHL's subsidiary, Swiber Offshore Construction Pte Ltd ("**SOC**") requesting for (a) payments totaling approximately US$63.5 million which the IJMs claim to be owing to SHL or SOC as based on the records and (b) statements of accounts from the Relevant Vallianz Entities to SHL and/or SOC.

In the Request Letters, the IJMs have also requested reasons for non-payment should the Relevant Vallianz Entities decline payment of the amounts which the IJMs claimed to be outstanding.

The Relevant Vallianz Entities have declined payment of such amounts and furnished the following in explanation to the IJMs on 25 August 2016:

(a) that there has been substantial commercial dealings between the Vallianz Group and the Swiber Group (comprising SHL and its subsidiaries including SOC) - such dealings broadly involving various Vallianz Group entities providing services to various Swiber Group entities on a regular basis and generally as a result of these activities, the Vallianz Group would more often than not have receivables due from the Swiber Group;

(b) that the Vallianz Group and the Swiber Group have conducted business between themselves on an extended credit basis as well as a netting off basis which included the netting off of receivables and payables between the Relevant Vallianz Entities and Swiber Group entities and this was an established course of dealings in transactions between the Vallianz Group and the Swiber Group with such squaring up of positions reflected in year-end reports of the Vallianz Group and the Swiber Group;

(c) that this netting off practice allowed the Vallianz Group and the Swiber Group to conduct business easily and efficiently, with the assurance that credit would be granted to each other with no fixed term of repayment, and on the expectation that if sums are to be paid, it would be with the ability to net off all that is owed between the two groups leaving only the net amount payable to the relevant entity/group; and

(d) that consequently, receivables due to the Vallianz Group that are owed by the Swiber Group must be taken into account when payment(s) for the above amounts are requested by the Swiber Group of the Relevant Vallianz Entities.

As announced on 14 August 2016 by the Company in the Unaudited Financial Statement and Dividend Announcement for the Second Quarter and Half Year Ended 30 June 2016, the Vallianz Group, as at 30 June 2016:

(a) had trade receivables and other receivables owing from Swiber Group entities amounting to approximately US$65.92 million; and

(b) had trade payables and other payables owing to Swiber Group entities amounting to approximately US$67.34 million.

Vallianz Holdings Limited
Co Reg No. 199206945E

12 International Business Park, #03-02 Singapore 609920
Tel: +65 6505 0600 Fax: +65 6505 0601
www.vallianzholdings.com

The Company is awaiting a response from the IJMs on the above and will make further announcements on any further material developments as and when appropriate in consultation with its Sponsor, legal and professional advisers.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Ling Yong Wah

Chief Executive Officer

31 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 verified independently 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.

The contact person for the Sponsor is Ms Wong Bee Eng, Chief Executive Officer, at 96 Robinson Road, #13-01, SIF Building, Singapore 068899.