
**PROPOSED SUBSCRIPTION OF 350,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE
COMPANY AT S\$0.02 FOR EACH SUBSCRIPTION SHARE**

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of Vallianz Holdings Limited (the “**Company**,” and together with its subsidiaries and associated companies, the “**Group**”) wishes to announce that the Company has, on 16 January 2017, entered into a subscription agreement (the “**Subscription Agreement**”) with Greatwill Asset Global Limited (the “**Subscriber**”) for the subscription by the Subscriber of 350,000,000 new ordinary shares (the “**Subscription Shares**”) in the capital of the Company (the “**Proposed Subscription**”).
- 1.2 The total amount of the gross proceeds to be raised from the Proposed Subscription is S\$7.0 million.

2. TERMS OF THE PROPOSED SUBSCRIPTION

2.1 Subscription Price

The Subscription Shares will be offered to and subscribed by the Subscriber at S\$0.02 per Subscription Share (“**Subscription Price**”). The Subscription Price represents a premium of approximately 11.1 % to the volume weighted average price of S\$0.018 for trades done on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the preceding market day, 13 January 2017 and up to the time the Subscription Agreement was signed.

2.2 Conditions Precedent

The obligation of the Subscriber to subscribe and pay for the Subscription Shares under the Subscription Agreement are conditional upon the following conditions (each a “**Condition**” and collectively the “**Conditions**”) (to the extent not waived in accordance with the terms of the Subscription Agreement) being fulfilled on or prior to 31 March 2017:

- (a) the Company obtaining the listing and quotation notice from the SGX-ST for the listing and quotation of the Subscription Shares on the Catalist board of the SGX-ST and delivering a copy of the listing and quotation notice to the Subscriber prior to 31 March 2017;

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

- (b) the Proposed Subscription not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the Subscriber;
- (c) there being no breach of any representations and warranties by the Company, and no breach of undertakings required to be performed or caused to be performed by the Company under the Subscription Agreement;
- (d) no event having occurred which has a material adverse effect on the assets, properties, business, financial condition, prospects or operations of any company within the Group; and
- (e) there being no breach of any representations and warranties by the Subscriber under the Subscription Agreement.

3. GENERAL MANDATE AND STATUS OF SUBSCRIPTION SHARES

- 3.1 The Subscription Shares will be allotted and issued pursuant to the general share issue mandate (“**General Mandate**”) granted by the shareholders of the Company to the Directors at the last annual general meeting of the Company held on 7 April 2016 (the “**2016 AGM**”). As at the date of the 2016 AGM, the issued and paid-up share capital of the Company (excluding treasury shares) (the “**Previous Share Capital**”) comprised 3,540,544,719 ordinary shares (“**Shares**”). According to the terms of the General Mandate, the aggregate number of Shares that may be issued other than on a *pro-rata* basis to existing shareholders of the Company shall not exceed such number of Shares representing 50% of the Previous Share Capital.

As at the date of this announcement, no Shares have been, or are to be issued under the General Mandate. Accordingly, the allotment and issuer of the Subscription Shares is within the limit of the General Mandate.

The Subscription Shares represent approximately 9.7% of the Company’s issued share capital of 3,592,211,385 Shares as at the date of this Announcement, and approximately 8.9% of the enlarged share capital of 3,942,211,385 Shares after the allotment and issuance of the Subscription Shares. The Company currently has no treasury shares.

- 3.2 The Subscription Shares, when issued and allotted, 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 an issue and allotment of the Subscription Shares, save that they will not rank for any dividends, rights, allotments other distributions, the record date in respect of which falls on or prior to such issue and allotment.
- 3.3 The Catalyst sponsor of the Company, Provenance Capital Pte. Ltd., will be making an additional listing application for and on behalf of the Company to the SGX-ST for the listing and quotation of the Subscription Shares on the Catalyst board of the SGX-ST. The Company will make the necessary announcement upon receipt of the approval in-principle from the SGX-ST for the listing and quotation of the Subscription Shares.

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

- 3.4 As a result of the Proposed Subscription, the controlling shareholders of the Company, Swiber Holdings Limited and Rawabi Holding Company Limited, will have their respective shareholdings diluted from 25.2% to 22.9% and 18.7% to 17.0%.
- 3.5 The Subscription Shares will be eligible for the Rights cum Warrants Issue announced by the Company on 6 September 2016 when the Company proceeds with it.

4. RATIONALE FOR PROPOSED SUBSCRIPTION AND USE OF PROCEEDS

- 4.1 When allotted and issued in full, the estimated net proceeds from the Proposed Subscription due to the Company, after deducting expenses (mainly the introducer's fees) incurred in connection with the Proposed Subscription, is expected to amount to approximately S\$6.8 million ("**Net Proceeds**").
- 4.2 The Company intends to use the Net Proceeds in the following estimated proportions:

<u>Use of Proceeds</u>	<u>Percentage Allocation</u>
Strengthening of strategic alliance and/or joint ventures	50%
Working capital (comprises mainly trade payables and general and administrative expenses)	50%

- 4.3 The Company will make periodic announcements as and when the Net Proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds raised from the Proposed Subscription in the Company's interim and full year financial statements and the Company's annual report. To the extent that the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.
- 4.4 The Directors are of the opinion that, after taking into consideration the Group's present banking facilities and the Net Proceeds, the working capital available to the Group is sufficient to fund its intentions under the use of proceeds and meet its present requirements.

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

5. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

- 5.1 Assuming that the Proposed Subscription has been completed and all of the Subscription Shares have been issued, the existing issued number of Shares will increase by approximately 9.7% from 3,592,211,385 Shares (as at the date of this Announcement) to 3,942,211,385 Shares.
- 5.2 For illustrative purposes only and based on the unaudited consolidated financial statements of the Group for the third quarter and nine (9) months ended 30 September 2016 (“9M2016”) as announced by the Company on 14 November 2016, the financial effects of the Proposed Subscription on (i) the net asset value (“NAV”) per Share of the Group (assuming that the Proposed Subscription had been completed at the end of 9M2016); and (ii) the earnings per Share (“EPS”) of the Group (assuming that the Proposed Subscription had been completed at the beginning of 9M2016), are as follows:

	<u>Before the Proposed Subscription</u>	<u>After the Proposed Subscription</u>
NAV per Share (US cents)	6.83	6.35
Number of Shares excluding treasury shares at the end of 9M2016 for calculating NAV per Share	3,592,211,000	3,942,211,000
EPS (US cents)	0.261	0.238
Weighted average number of Shares for calculating EPS	3,507,790,000	3,841,939,000

(Illustrative USD / S\$ exchange rate on the date of this Announcement: 1 USD = S\$1.40)

- 5.3 The financial effects of the Proposed Subscription on the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Group after the completion of the Proposed Subscription.

6. ABOUT THE SUBSCRIBER

- 6.1 The Subscriber is Greatwill Asset Global Limited, which is a company incorporated in the British Virgin Islands and is an investment holding company whose ultimate beneficial owner is Mr Lim Oon Cheng.
- 6.2 Greatwill Asset Global Limited intends to subscribe for 350,000,000 Subscription Shares and was introduced to the Company by Sea Capital Pte. Ltd., which is a company incorporated in

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

Singapore and is an investment and corporate advisory firm that is focused on the global oil services and shipping industries.

6.3 The Subscriber has confirmed and represented to the Company that it is not a “person” falling within Rule 812(1) of the Catalist Rules.

7. NO PROSPECTUS, OFFER DOCUMENT OR OFFER INFORMATION STATEMENT TO BE ISSUED

The issue and allotment of the Subscription Shares pursuant to the Subscription Agreement will be undertaken in reliance on the exemption under Section 275 of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus, offer document or offer information statement will be lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in connection with the Proposed Subscription.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or as far as the Directors are aware, the substantial shareholders of the Company, has any interest, direct or indirect, in the Proposed Subscription (other than arising from their shareholdings in the Company, if any).

9. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is available for inspection during normal business hours at the registered office of the Company for a period of three (3) months commencing from the date of this Announcement.

10. DIRECTORS' 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 Subscription, the Company and its subsidiaries 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.

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

11. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company that 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 of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Ling Yong Wah
Chief Executive Officer
16 January 2017

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.