

SUBSCRIPTION OF SHARES IN PT UNITED SINDO PERKASA BY RAWABI ENERGY COMPANY

1. Subscription

The Board of Directors of Vallianz Holdings Limited (“**Company**” and together with its subsidiaries, “**Group**”) wishes to announce the subscription of shares (“**Subscription**”) of its indirect wholly-owned subsidiary, PT United Sindo Perkasa (“**PT USP**”), by Rawabi Energy Company (“**REC**”), a subsidiary of the Company’s controlling shareholder, Rawabi Holding Company Limited (“**RHC**”).

PT USP is held through two of the Company’s indirect wholly-owned subsidiaries, Jetlee Shipbuilding and Engineering Pte Ltd (“**JSE**”) and Vallianz Shipbuilding & Engineering Pte Ltd (“**VSE**”), which hold 9,999 shares and 1 share respectively in PT USP prior to the Subscription as shown in the table below.

REC had, on 21 December 2021, subscribed for 500 new ordinary shares at par of US\$1,000 each in PT USP for a total consideration of US\$500,000 in cash. Post-Subscription, REC and the Group (via JSE and VSE) will own 4.76% and 95.24% of the enlarged share capital of PT USP respectively.

The table below sets out the number of shares and amount of paid-up capital of PT USP before and after the Subscription:

Share-holders of PT USP	No. of shares in PT USP before the Subscription	Amount of paid-up capital before the Subscription	No. of new shares subscribed pursuant to the Subscription	Increase in the paid-up capital pursuant to the Subscription	No. of shares after the Subscription	Amount of paid-up capital after the Subscription
JSE	9,999	US\$9,999,000	-	-	9,999	US\$9,999,000
VSE	1	US\$1,000	-	-	1	US\$1,000
REC	-	-	500	US\$500,000	500	US\$500,000
Total	10,000	US\$10,000,000	500	US\$500,000	10,500	US\$10,500,000

The new shares rank *pari passu* in all respects with the existing shares of PT USP.

2. Brief background of PT USP

PT USP operates a shipyard in Batam, Indonesia, which serves as a marine base for vessel docking, repair and maintenance work. As announced on 17 December 2021, PT USP has set up a branch office in Taiwan, the Republic of China. The branch office is intended to be a liaison office and marketing representative for PT USP.

As at 30 September 2021, PT USP’s net asset value (“**NAV**”) was US\$9.95 million. As it has no intangibles, its net tangible assets (“**NTA**”) is the same as its NAV. PT USP is loss-making for the 6-month period ended 30 September 2021.

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3. Rationale for the Subscription

RHC is keen to have a direct equity stake in a shipyard company in Asia. The investment by RHC, through REC, would also benefit PT USP from the additional working capital and as its strategic investor. RHC's interest in PT USP is capped below 5% to be in compliance with Rule 915(3) of the Listing Manual.

4. Interested Person Transaction

REC is an "Interested Person" within the meaning of Chapter 9 of the Catalist Rule, as REC is a subsidiary of RHC, a controlling shareholder of the Company. Accordingly, the Subscription is deemed an interested person transaction.

The shares were subscribed at the par value of US\$1,000 per PT USP share which was at a slight premium above the NAV/NTA per PT USP share of US\$995 as at 30 September 2021.

The consideration of US\$500,000 represents approximately 0.7% of the latest audited NTA of the Group of US\$68.1 million as at 31 March 2021. Accordingly, the Subscription is not subject to shareholders' approval pursuant to Chapter 9 of the Listing Manual.

5. Financial Effects of the Subscription

The Subscription is not expected to have a material impact on the Group's earnings per share or the net tangible assets per share for the current financial year ending 31 March 2022.

6. Interest of the Directors

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Subscription other than in their respective capacities as directors and/or shareholders of the Company and/or REC (as the case may be).

BY ORDER OF THE BOARD

Ling Yong Wah
Chief Executive Officer
23 December 2021

*This document has been reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. ("**Sponsor**"), for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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