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**PROPOSED SUBSCRIPTION FOR 513,045,113 NEW ORDINARY SHARES IN THE CAPITAL OF GALLANT VENTURE LTD.**

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**1. INTRODUCTION**

The Board of Directors of Gallant Venture Ltd. (the "**Company**") wishes to announce that the Company has today entered into subscription agreements (collectively, the "**Subscription Agreements**") with each of the Subscribers (as defined below), pursuant to which the Subscribers will subscribe for, and the Company will allot and issue to the Subscribers, an aggregate of 513,045,113 new ordinary shares (each a "**Subscription Share**") in the capital of the Company at an issue price of S\$0.133 for each Subscription Share (the "**Issue Price**"), amounting to an aggregate gross consideration of S\$68,235,000 (the "**Proposed Subscription**").

As at the date of this Announcement, the Company has an issued capital of 4,824,965,112 ordinary shares ("**Shares**"). Immediately following the completion of the Proposed Subscription, and assuming that there is no conversion of the convertible bonds issued by the Company, the Company will have an enlarged issued and paid-up capital of 5,338,010,225 Shares of the Company. The Subscription Shares would represent approximately 10.63% of the issued Shares of the Company as at the date of this Announcement and approximately 9.61% of the issued Shares comprised in the enlarged share capital of the Company immediately after completion of the Proposed Subscription.

**2. DETAILS OF THE PROPOSED SUBSCRIPTION****2.1 Subscribers and Subscription Shares**

Pursuant to the Subscription Agreements, the following persons (the "**Subscribers**") will subscribe for, and the Company will allot and issue to them, the Subscription Shares at the Issue Price in the numbers and for the consideration set out below.

<b>Name of Subscriber</b>	<b>Number of Subscription Shares</b>	<b>Percentage shareholding of the enlarged issued share capital of the Company<sup>1</sup></b>	<b>Consideration (\$)</b>
Emirates Investment Holding Pte Ltd	205,218,045	3.84%	27,294,000
Lion Trust (Singapore) Limited (as Trustee of NS Industrial Fund)	205,218,045	3.84%	27,294,000

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<sup>1</sup> The percentage shareholding of each Subscriber immediately after completion of the Proposed Subscription assumes that there is no conversion of the convertible bonds issued by the Company.

Terrafirma Property Holdings Ltd	102,609,023	1.92%	13,647,000
<b>Total</b>	513,045,113	9.61%	68,235,000

The Subscribers are private investors who were introduced to the Company by the Chief Executive Officer, and are subscribing for the Subscription Shares for investment purposes. The Company did not appoint any placement agent for purposes of the Proposed Subscription, and no commission or introduction fees is payable by the Company.

The Proposed Subscription will not result in a change of controlling interest in the Company. The Subscribers are also not related to any Directors or substantial shareholders of the Company and do not fall within the category of persons listed in Rule 812(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The Subscription Shares, when allotted and issued, shall rank *pari passu* with, and shall carry all rights similar to, the then existing issued ordinary shares of the Company, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Proposed Subscription.

## 2.2 Issue Price

The Issue Price represents a discount of approximately 0.75% to the volume weighted average price of S\$0.134 for trades done on the shares of the Company on the SGX-ST for the full market day on 21 November 2017, being the market day on which the Subscription Agreements were executed.

The Issue Price was arrived at following arm’s length negotiations between the Company and the Subscribers.

## 2.3 Additional Listing Application

The Proposed Subscription will be undertaken by way of a private placement in accordance with Section 272B of the Securities and Futures Act, Chapter 289 of Singapore (“**SFA**”). As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore (“**MAS**”) in connection with the issuance of the Subscription Shares.

The Company will be making an application to the SGX-ST for the listing of and quotation for the Subscription Shares on the Official List of the SGX-ST. The Company will make the necessary announcements once the approval in-principle of the listing and quotation of the Subscription Shares has been obtained from the SGX-ST.

## 2.4 Authority for Issue of Shares

The Subscription Shares will be issued pursuant to the general share issue mandate approved by shareholders of the Company at the Company’s annual general meeting held on 28 April 2017.

## 2.5 Conditions Precedent

Completion of the Proposed Subscription is conditional upon:

- (a) the approval in-principle of the SGX-ST for the listing of and quotation for the Subscription Shares on the Main Board of the SGX-ST having being obtained and such approval being in full force and effect, and where such approval is subject to conditions, (i) such conditions being reasonably acceptable to the Company and the Subscribers and (ii) if such conditions are required to be fulfilled on or before Completion, such conditions having been fulfilled on or before such date, and such approvals remaining in full force and effect as of Completion;

- (b) the allotment, issue and subscription of the Subscription Shares and all the transactions contemplated in the Subscription Agreements not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority (including, without limitation, the MAS and the SGX-ST) in Singapore, which is applicable to either the Company or the Subscribers, including but not limited to the provisions of the SGX-ST Listing Manual or the SFA; and
- (c) the representations, warranties and undertakings by the Company and the Subscribers remaining true and correct in all material respects as if made on the date of Completion, with reference to the then existing facts and circumstances, and each of them having performed all of its/his obligations under the Subscription Agreements to be performed on or before Completion.

If any of the conditions is not satisfied on or before 30 April 2018 or such later date as the Company and the Subscribers may agree in writing, the Proposed Subscription will not proceed.

## 2.6 Rationale and Use of Proceeds

The estimated net proceeds (the **"Net Proceeds"**) from the Proposed Subscription, after deducting estimated expenses, will amount to approximately S\$68,173,000.

The Company intends to utilise the Net Proceeds for the following purposes:

Proposed use of Net Proceeds	% of Net Proceeds
(a) Financing the Group's business expansion	50%
(b) General working capital	50%

Pending the utilisation of the Net Proceeds for such purposes, such proceeds may be placed in deposits with banks or financial institutions or invested in short-term money markets or debt instruments or for any other purpose on a short-term basis as the directors may, in their absolute discretion, deem fit from time to time.

The Company will make periodic announcements on the utilisation of the Net Proceeds from the Proposed Subscription as and when such proceeds are materially disbursed and provide a status report of the use of proceeds from the Proposed Subscription in the Company's annual report.

## 2.7 Financial Effects

As at the date of this Announcement, the issued and paid-up share capital of the Company is S\$1,880,153,880, comprising 4,824,965,112 Shares. On Completion, and assuming that there is no conversion of the convertible bonds issued by the Company, the issued and paid-up share capital will increase to approximately S\$1,948,326,880 comprising 5,338,010,225 Shares.

Based on the audited consolidated financial statements of the Company and its subsidiaries ("**Group**") for the financial year ended 31 December 2016:

- (a) assuming the Proposed Subscription was completed on 1 January 2016 with all the Subscription Shares being in issue during the period, the Basic Earnings per share and Diluted Earnings per share of the Group for the financial year ended 31 December 2016 would be as follows:-

	Before Proposed Subscription	After Proposed Subscription
Weighted average number of shares	4,824,965,112	5,338,010,225
Basic Earnings per Share (cents)	1.495	1.352
Diluted Earnings per Share (cents)	1.422	1.291

- (b) assuming the Proposed Subscription was completed on 1 January 2016, the consolidated net asset value per Share after adjusting for the Subscription Shares and the Net Proceeds would be as follows:-

	<b>Before Proposed Subscription</b>	<b>After Proposed Subscription</b>
Weighted average number of shares	4,824,965,112	5,338,010,225
Net asset value per share (cents)	32.11	30.30

It should be noted that the above financial effects are for illustrative purposes only and do not purport to be an indication or a projection of the financial results and financial position of the Company and the Group immediately after the completion of the Proposed Subscription.

### **3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Subscription (other than their direct or indirect shareholdings in the Company).

**Shareholders of the Company and potential investors should note that the Proposed Subscription is subject to the fulfilment of, *inter alia*, the conditions precedent set out above and accordingly should exercise caution when trading in the Shares of the Company. Persons who are in doubt as to the action they should take should consult their financial, tax, legal or other professional advisers.**

BY ORDER OF THE BOARD  
**GALLANT VENTURE LTD.**

Choo Kok Kiong  
Executive Director and Company Secretary  
21 November 2017