

GALLANT VENTURE LTD

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PROPOSED SUBSCRIPTION FOR 87,288,136 NEW ORDINARY SHARES IN THE CAPITAL OF GALLANT VENTURE LTD.

1. INTRODUCTION

The Board of Directors of Gallant Venture Ltd. (the “**Company**”) wishes to announce that the Company had, on 12 December 2019, entered into a subscription agreement (the “**Subscription Agreement**”) with Steadfast Investments SPC acting for the account of and on behalf of Asia Cornerstone Fund SP, a segregated portfolio (the “**Subscriber**”), pursuant to which the Subscriber will subscribe for, and the Company will allot and issue to the Subscriber, 87,288,136 new ordinary shares (each a “**Subscription Share**”) in the capital of the Company at an issue price of S\$0.118 for each Subscription Share (the “**Issue Price**”), amounting to an aggregate consideration of S\$10,300,000 (the “**Proposed Subscription**”).

As at the date of this Announcement, the Company has an issued and paid-up share capital of 5,337,560,225 ordinary shares (“**Shares**”) (excluding 450,000 Shares which are held as treasury 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 share capital of 5,424,848,361 Shares of the Company (excluding 450,000 Shares which are held as treasury Shares). The Subscription Shares would represent approximately 1.64% of the issued Shares of the Company (excluding 450,000 Shares which are held as treasury Shares) as at the date of this Announcement and approximately 1.61% of the issued Shares comprised in the enlarged share capital of the Company (excluding 450,000 Shares which are held as treasury Shares) immediately after completion of the Proposed Subscription.

2. DETAILS OF THE PROPOSED SUBSCRIPTION

2.1 **Subscriber**

Steadfast Investments SPC (“**Main Fund**”) was incorporated on 3 January 2014 as an exempted segregated portfolio company under the laws of the Cayman Islands with a view to carrying on business as a closed end fund. Asia Cornerstone Fund SP is a sub-fund or segregated portfolio established by the Main Fund. The sole investor of Asia Cornerstone Fund SP is Oakman International Limited, a company incorporated in the British Virgin Islands on 29 August 2019 with its registered office in Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The sole director and sole shareholder of Oakman International Limited is Mr Irwan Atmadja Dinata. The Subscriber was introduced to the Company by the Chief Executive Officer and is 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 Subscriber does 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**”). Mr Irwan Atmadja Dinata is the Managing Director of Moya Holdings Asia Ltd (“**Moya**”), a company listed on the Catalist of the SGX-ST, in which Mr Anthoni Salim has a deemed interest of 72.84% in the issued shares of Moya as at the date of this Announcement. Mr Anthoni Salim has a deemed interest of 67.39% in the issued shares of the Company as at the date of this

Announcement. Mr Irwan Atmadja Dinata is investing in the Subscription Shares in his personal capacity.

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 (“**Completion**”).

2.2 Issue Price

The Issue Price represents a premium of approximately 1.69% to the volume weighted average price of S\$0.1160 for trades done on the shares of the Company on the SGX-ST for the full market day on 12 December 2019, being the market day on which the Subscription Agreement was executed.

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

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 30 April 2019.

2.5 Conditions Precedent

Completion 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 been 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 Subscriber 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 Agreement 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 (including, without limitation, the MAS and the SGX-ST) in Singapore, which is applicable to either the Company or the Subscriber, 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 Subscriber 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 obligations under the Subscription Agreement to be performed on or before Completion.

If any of the conditions is not satisfied on or before 30 April 2020 or such later date as the Company and the Subscriber 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\$10,238,000.

The Company intends to utilise the Net Proceeds to repay part of the amount outstanding due in 2020 under the Company’s syndicated term loan.

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\$1,951,371,758.64, comprising 5,337,560,225 Shares (excluding 450,000 Shares which are held as treasury 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\$1,961,671,758.64, comprising 5,424,848,361 Shares (excluding 450,000 Shares which are held as treasury Shares).

Based on the audited consolidated financial statements of the Company and its subsidiaries (“**Group**”) for the financial year ended 31 December 2018:

- (a) assuming the Proposed Subscription was completed on 1 January 2018 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 2018 would be as follows:-

| | Before Proposed Subscription | After Proposed Subscription |
|-----------------------------------|-------------------------------------|------------------------------------|
| Weighted average number of shares | 5,337,560,225 | 5,424,848,361 |
| Basic loss per Share (cents) | 1.382 | 1.359 |
| Diluted loss per Share (cents) | 1.382 | 1.359 |

- (b) assuming the Proposed Subscription was completed on 1 January 2018, the consolidated net asset value per Share after adjusting for the Subscription Shares and the Net Proceeds would be as follows:-

| | Before Proposed Subscription | After Proposed Subscription |
|-----------------------------------|-------------------------------------|------------------------------------|
| Weighted average number of shares | 5,337,560,225 | 5,424,848,361 |
| Net asset value per share (cents) | 26.95 | 26.51 |

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
13 December 2019