
ACQUISITION OF INTEREST IN HOLMEN HEAVYLIFT OFFSHORE PTE. LTD.

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Vallianz Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Vallianz International Pte. Ltd., a wholly-owned subsidiary of the Company has entered into a sale and purchase agreement (the “**SPA**”) on 30 December 2014 to acquire 45 ordinary shares representing 45% of the issued and paid-up share capital of Holmen Heavylift Offshore Pte. Ltd. (“**Holmen**”, and such shares, the “**Sale Shares**”) from Holmen International Limited (the “**Vendor**”), for a total cash consideration of US\$2,853,000 (the “**Acquisition**”).

2. ACQUISITION

2.1 Information On Holmen

Holmen, a company incorporated in Singapore in 2011, is an investment-holding company. Holmen owns three (3) submersible launch barges which are primarily used for the transportation and installation of jackets during the field development phase of the oilfield life cycle.

2.2 Rationale and Benefits of the Acquisition

The Company’s primary business is the ownership and chartering of vessels to support exploration and activities in the global offshore oil and gas industry. To realise its goal of becoming a leading global player in the dynamic and rapidly growing offshore marine industry, the Company has been actively executing initiatives to expand its asset base, strengthen its operational capabilities and broaden its geographical coverage. The acquisition of interest in Holmen will diversify its product offering to include construction support vessels.

2.3 Consideration

The aggregate consideration for the Acquisition of US\$2,853,000 (the “**Consideration**”) was arrived at on an arm’s length and on a willing-buyer and willing-seller basis after negotiations between the Vendor and the Group, after taking into account, *inter alia*, the consolidated net tangible asset value of Holmen as at 30 November 2014. The Consideration is funded by way of internal cash flows.

The net tangible asset value attributable to the Sale Shares is US\$2,853,517 as at 30 November 2014.

2.4 Conditions Precedent

Completion of the Acquisition was conditional upon, *inter alia*, the fulfillment of the following conditions:

- (a) consents and approvals required under any and all applicable laws for the sale of the Sale Shares and/or to give effect to the transactions contemplated being obtained and where any consent or approval is subject to conditions, such conditions being satisfactory to the Vendor in its sole and absolute discretion;
- (b) there being no material change to the prospects, operations, financial and/or business conditions

of Holmen from the date of the SPA and up to and including the completion date that would constitute a material adverse effect on or material adverse change in the condition (financial or otherwise), results of operations or business of Holmen; and

- (c) the Vendor having performed all of the covenants and undertakings required to be performed by it under the SPA on or before the completion date.

3. THE ACQUISITION AS A DISCLOSEABLE TRANSACTION

The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the Acquisition and based on the latest announced unaudited financial statements of the Group (“**Latest Announced Financial Statements**”) for the nine months ended 30 September 2014 (“**9M2014**”) are as follows:

Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable
Rule 1006(b)	Net profits attributable to the assets acquired, compared with the Group’s net profits	8.83 % ⁽¹⁾
Rule 1006(c)	Aggregate value of the Consideration given, compared with the Company’s market capitalization based on the total number of issued Shares excluding treasury shares	1.5% ⁽²⁾
Rule 1006(d)	Number of Consideration Shares to be issued, compared with the number of issued Shares	Not applicable
Rule 1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group’s proven and probable reserves	Not applicable

Notes:

- (1) For the latest unaudited profit after tax for 9M2014, the net profits attributable to Holmen is approximately US\$1.56 million. Based on the Latest Announced Financial Statements, the net profits of the Group is approximately US\$17.90 million.
- (2) Based on the Consideration of US\$2,853,000 million, and the issued share capital of the Company of 3,183,512,122 ordinary shares in the capital of the Company and the weighted average price of such shares transacted on the Catalist Board of the SGX-ST on 29 December 2014 (being the market day preceding the date of the SPA on which the shares of the Company were traded).

As the relative figure in Rule 1006(b) computed on the basis set out in Rule 1006 of the Catalist Rules above exceeds 5% but falls below 75%, the Acquisition constitutes a “discloseable transaction” under Chapter 10 of the Catalist Rules.

4. FINANCIAL EFFECTS OF THE ACQUISITION

4.1 Bases and Assumptions

The pro forma financial effects of the Acquisition on the net profits attributable to interests in Holmen, the NTA per Share and earnings per Share (“EPS”) are set out below.

The pro forma financial effects for the Acquisition have been prepared based on the audited financial statements of the Group and Holmen for the financial year ended 31 December 2013 (“FY2013”), which have been prepared on a going concern basis, and are purely for illustrative purposes only and do not necessarily reflect the actual future results and financial position of the Group after completion.

For the purpose of illustrating the financial effects of the Acquisition, the financial effects of the Acquisition are computed based on, *inter alia*, the following assumptions:

- (i) the financial effects on the Group’s NTA attributable to the equity holders of the Company and the NTA per Share are computed assuming that Acquisition was completed on 31 December 2013; and
- (ii) the financial effects on the Group’s earnings attributable to the equity holders of the Company and EPS are computed assuming that the Acquisition was completed on 1 January 2013.

4.2 Net Profits Attributable to Interests in Holmen

The net profits attributable to interests in Holmen would be approximately US\$3.52 million for FY2013.

4.3 NTA per Share

(US\$'000)	Before the Acquisition	After the Acquisition
NTA attributable to the equity holders of the Company	42,730	42,730
Number of Shares ('000)	1,189,412	1,189,412
NTA per Share (US\$ cents)	3.59	3.59

4.4 EPS

(US\$'000)	Before the Acquisition	After the Acquisition
Profit attributable to Shareholders	7,493	9,153
Number of Shares ('000)	1,189,412	1,189,412
EPS (US\$ cents)	0.63	0.77

5. DIRECTOR SERVICE CONTRACTS

No person is proposed to be appointed as Director in connection with the Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling Shareholders of the Company has any interest, direct or indirect, in the Acquisition, other than in their respective capacity as Directors or Shareholders of the Company and Holmen.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office at 12 International Business Park, Swiber@IBP, #03-02, Singapore 609920 for a period of three (3) months from the date of this announcement.

By Order of the Board

Yeo Chee Neng
Chief Executive Officer

30 December 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Bernard Lui.

Telephone number: 6389 3000

Email: bernard.lui@stamfordlaw.com.sg.