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## ACQUISITION OF INTEREST IN VALLIANZ MARINE PTE. LTD.

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### 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 the Company has entered into a sale and purchase agreement (the “**SPA**”) on 30 June 2014 to acquire 24,500 ordinary shares representing 49% of the issued and paid-up share capital of Vallianz Marine Pte. Ltd. (“**VMPL**”, and such shares, the “**Sale Shares**”) from Swiber Engineering Ltd. (the “**Vendor**”), for a total cash consideration of US\$2,270,000 (the “**Acquisition**”).

Following the Acquisition, VMPL became a wholly-owned subsidiary of the Company.

### 2. ACQUISITION

#### 2.1 The Acquisition as an Interested Person Transaction

As at the date of this announcement, Swiber Holdings Limited (“**Swiber**”) holds approximately 21.18% of the total issued shares in the capital of the Company and is therefore a controlling shareholder of the Company. The Vendor is a wholly-owned subsidiary of Swiber and is an “interested person” pursuant to Chapter 9 of Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). As such, the Acquisition between the Company as an “entity at risk” and the Vendor as an “interested person” is an “interested person transaction” pursuant to Chapter 9 of the Catalist Rules.

The aggregate value of the Acquisition of US\$2,270,000 represents approximately 3.1% of the Group’s latest audited net tangible assets (“**NTA**”) as at 31 December 2013. As the aggregate value of all interested person transactions for the current financial year ending 31 December 2014 exceeds 3% but is less than 5% of the Group’s latest audited NTA, an immediate announcement is necessary pursuant to Catalist Rule 905.

As at the date of this announcement: (i) there is no transaction with the Vendor for the current financial year ending 31 December 2014 (excluding the Acquisition) and (ii) the aggregate value of all interested person transactions entered into for the current financial year ending 31 December 2014 (excluding the Acquisition) amounted to approximately US\$1,278,900. For the avoidance of doubt, all interested persons transactions entered into for the current financial year ending 31 December 2014 was entered into with Swiber and/or its subsidiaries.

#### 2.2 Information on the VMPL

VMPL is incorporated in Singapore and is involved principally in the ownership, operation of and chartering of vessels. As at the date of this announcement, VMPL has an issued and paid-up share capital of US\$35,765, comprising 50,000 ordinary shares. The Vendor was the legal and beneficial owner of the Sale Shares prior to the completion of the Acquisition.

#### 2.3 Rationale and Benefits of the Acquisition

The Directors believe that the Acquisition will further strengthen the Group’s position as an integrated offshore marine services provider. Currently, VMPL owns a fleet of four (4) vessels, namely two (2) towing tugs, an utility vessel and an Anchor Handling Tug.

The audit committee of the Company (“**Audit Committee**”) is of the view that the Acquisition is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders. The non-independent, non-executive Director on the Audit Committee, Mr. Raymond Kim Goh and the independent director on the Audit Committee, Mr. Yeo Jeu Nam, both being directors of Swiber, have abstained from the Audit Committee’s review and determination in relation to the Acquisition.

**2.4 Consideration**

The aggregate consideration for the Acquisition of US\$2,270,000 (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 net tangible asset value of VMPL as at 30 April 2014. The Consideration is funded by way of internal cash flows.

The net tangible asset value attributable to the Sale Shares is US\$2,270,160 as at 30 April 2014.

**2.5 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 VMPL 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 VMPL; 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.

**2.6 Chapter 10 of the Catalist Rules**

The relative figures for the Acquisition computed on the bases set out in Catalist Rule 1006 are as follows:

Catalist Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	Net asset value of assets to be disposed of, compared with the Group’s net asset value	Not applicable
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group’s net profits <sup>(1)</sup>	4.69
(c)	Aggregate value of consideration given, compared with the Company’s market capitalisation as at 27 June 2014 <sup>(2)</sup>	0.9
(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of	Not applicable

	equity securities previously in issue	
(e)	The 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) Based on the latest announced net profit of the Company and unaudited net profit of VMPL for the three (3) months ended 31 March 2014. The net profits of VMPL attributable to the Sale Shares was approximately US\$285,812 for the three (3) months ended 31 March 2014.
- (2) The market capitalisation of the Company is based on the weighted average price of the shares of the Company (the "**Shares**") transacted on the SGX-ST on 27 June 2014, being the market day preceding the date of the SPA.

As none of the relative figures computed on the bases set out in Catalist Rule 1006 exceeds 5%, no approval from shareholders of the Company (the "**Shareholders**") is required pursuant to Chapter 10 of the Catalist Rules for the Acquisition.

**3. DOCUMENTS AVAILABLE FOR INSPECTION**

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

**4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Mr. Raymond Kim Goh, Mr. Yeo Chee Neng and Mr. Yeo Jue Nam are directors of both the Company and Swiber.

Save as disclosed above, 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.

**By order of the Board**

Yeo Chee Neng  
Chief Executive Officer  
30 June 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. ("Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified 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 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 no.: (65) 6389 3000 Email: [Bernard.lui@stamfordlaw.com.sg](mailto:Bernard.lui@stamfordlaw.com.sg)*