Vallianz Holdings Limited
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ACQUISITION OF VESSELS

1. Introduction

The board of directors of Vallianz Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, Vallianz Engineering Limited ("**VEL**"), has on 06 January 2016 entered into two Memoranda of Agreement (the "**Agreements**") with an independent third party to purchase two new built vessels (the "**Vessels**") for a total consideration of US$21,800,000 (equivalent to approximately S$31,245,940) (the "**Consideration**").

2. The acquisition of the Vessels

The Group's principal activities include vessel ownership, chartering, brokering and the provision of vessel management services and marine marketing services. The acquisition of the Vessels (the "**Acquisition**") is in the ordinary course of business of the Group and is undertaken as part of the Group's strategy to support its on-going business.

As the Acquisition is in the ordinary course of business, the Acquisition would not constitute a "transaction" for the purposes of Chapter 10 of the Catalist Rules.

3. Consideration and payment

The Consideration was arrived at based on negotiations on a willing-buyer willing-seller basis and is on normal commercial terms.

The Consideration shall be paid as follows:

(a) ten per cent of the Consideration which amounts to US$2,180,000 (equivalent to approximately S$3,124,594) shall be satisfied in full upon delivery of the respective Vessels by the issuance to the Seller of 70,532,596 new ordinary shares of the Company (the "**Consideration Shares**") at an issue price of S$0.0443 per Consideration Share which is equivalent to the weighted average price for trades done of the shares of the Company (the "**Shares**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on the date the Agreements were signed; provided that if the Company has not obtained SGX-ST approval for the listing and quotation of all the Consideration Shares or if the Consideration Shares are not issued for whatever reason on or prior to delivery of the respective Vessels, such amount shall be satisfied in cash; and

(b) the balance Consideration of US$19,620,000 (equivalent to approximately S$28,121,346) shall be paid in cash.

The cash component of the Consideration will be funded by the internal resources of the Group and bank loans.

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The Consideration Shares, when issued, will be free from encumbrances and will rank *pari pa*ssu in all respects with the existing issued Shares and will be entitled to any dividends, rights, allotments or other distributions save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Consideration Shares.

4. Share issue mandate

The Consideration Shares will be issued pursuant to the Company's general share issue mandate (the "**Share Issue Mandate**") granted by its shareholders (the "**Shareholders**") by way of an ordinary resolution at the annual general meeting of the Company held on 15 April 2015 (the "**AGM Date**") authorising the directors of the Company to allot and issue, inter alia, new Shares or convertible securities in the Company not exceeding 100% of the total number of issued Shares as at the AGM Date (excluding treasury shares) of which the aggregate number of Shares and convertible securities in the Company to be issued other than on a *pro-rata* basis to the then existing Shareholders shall not exceed 50% of the total number of issued Shares as at the AGM Date (excluding treasury shares).

As at the AGM Date, the total number of issued Shares was 3,343,512,122. From the AGM Date up until the date of this announcement, the Company had not issued any Shares under the Share Issue Mandate. The number of Consideration Shares to be issued pursuant to the Acquisition is 70,532,596 and is within the number of Shares that can be issued under the Share Issue Mandate. Accordingly, specific approval of the Shareholders is not required for the issue of such Consideration Shares.

Assuming no further Shares are issued prior to delivery of the Vessel, the Company's share capital will be increased to 3,415,544,719 Shares immediately following the issue of the Consideration Shares.

5. Financial effects

The Acquisition is not expected to have any material impact on the net tangible assets per share, earnings per share and operating results of the Company for the current financial year.

6. Listing and quotation notice

The proposed issuance of Consideration Shares is conditional upon the Company's receipt of a listing and quotation notice from SGX-ST (the "**LQN**") for the listing and quotation for the Consideration Shares on Catalist. The Company will make an application to SGX-ST through its sponsor for the listing of and quotation for the Consideration Shares on Catalist. The Company will make the appropriate announcements upon receipt of the LQN.

7. Agreements for inspection

A copy of the Agreements will be made available for inspection during normal business hours at the Company's registered office for a period of three months from the date of this announcement.

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8. Interests Of Directors And Controlling Shareholders

None of the Directors and controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.

By Order of the Board

Ling Yong Wah
Chief Executive Officer

07 January 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Wong Bee Eng, Chief Executive Officer, at 96 Robinson Road, #13-01, SIF Building, Singapore 068899.

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