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Vallianz Streamlines Operations to Focus its Resources on Core Vessel Chartering Business

The Board of Directors (the “**Board**”) of Vallianz Holdings Limited (“**Vallianz**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to inform that the Group is continuously reviewing its business operations as part of an ongoing strategic review of its organisational structure in response to the requirements of the external operating environment.

To mitigate the challenges of slower market conditions in the offshore & marine industry, the Group has been implementing a cohesive strategy to streamline its business operations. Its latest initiatives include the closure of certain non-core business units that will allow the Group to focus its energies and resources on its core vessel chartering business.

At the end of 2016, the Group has ceased operations at its shipyard in Singapore due to the industry slowdown and discontinuation of business with a key local customer. In view of the current weak market conditions, the Group has decided to consolidate its yard operations at its marine base in Batam, Indonesia. This marine base will continue to service the Group’s fleet of vessels and support activities required to fulfil its chartering contracts.

The decision to cease the shipyard operations in Singapore follows the closure of the Group’s businesses in the provision of crew management services to external parties and travel services to the offshore oil and gas industry.

The closure of these non-core business units is part of a rightsizing exercise that is expected to reap cost savings for the Group. In addition, these initiatives will enable the Group to concentrate its resources on core business units, particularly its profitable vessel chartering operations which are based primarily in the Middle East.

With a leaner operating structure and its continual efforts to maximise operational efficiency, the Group will be better positioned to withstand the challenging industry conditions and to sustain its competitiveness in key operating markets.

By Order of the Board

Ling Yong Wah
Chief Executive Officer
6 January 2017

*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 SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.*

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