
SETTLEMENT OF SERIES B CONVERTIBLE BONDS DUE 2029

The Board of Directors of Vallianz Holdings Limited (“**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that on 31 October 2023, the Company had entered into a Settlement Agreement with Malayan Banking Berhad, Singapore Branch (“**Maybank**”) to fully settle (“**Settlement**”) the Series B floating rate Convertible Bonds due 2029 with an aggregate principal amount of US\$6,563,679 which are held by Maybank (“**Maybank CB**”).

1. Background

The Company had on 12 August 2021, as part of its debt restructuring exercise, issued *inter alia* the Maybank CB to Maybank, which bore interest at the rate equal to the six-month USD LIBOR (which was subsequently changed to the compounded daily rate of the Secured Overnight Financing Rate (SOFR) in view of the abolishment of LIBOR internationally) and are payable semi-annually in arrears on each interest payment date.

As part of the debt restructuring exercise, Rawabi Holding Company Limited (“**RHC**”) has the option to *inter alia* purchase all or part of the outstanding Maybank CB at par at any time during the conversion period (“**RHC Call Option**”) and the right of first refusal in the event of a sale or transfer of any of the Maybank CB by Maybank (“**RHC ROFR**”).

Further details on the key terms of the Maybank CB were set out in the circular to shareholders dated 7 June 2021.

2. Settlement and Settlement Amount

Pursuant to the Settlement Agreement and in consideration of the payment of the settlement amount (“**Settlement Amount**”) by the Company to Maybank, Maybank agrees to transfer the Maybank CB to the Company, and the Company agrees to acquire and accept such transfer of the Maybank CB, free from all encumbrances and together with all rights, benefits and remedies attaching thereto as at the completion date.

The Settlement Amount for the above is US\$3,957,749.40. The payment of the Settlement Amount by the Company to Maybank shall be deemed to be full and final Settlement of all the Company’s obligations under the Maybank CB and Maybank shall waive any and all claims and rights and title that it may have in respect of the Maybank CB following its receipt of the Settlement Amount.

On 31 October 2023, pursuant to the Settlement Agreement, the Company paid the Settlement Amount to Maybank. RHC has also given its consent not to exercise the RHC Call Option and the RHC ROFR to facilitate the completion of the Settlement on even date. Accordingly, the full and final Settlement of the Maybank CB has been completed on 31 October 2023.

3. Rationale

In view of the current high interest rate environment which is expected to persist into the foreseeable future, it is in the Company’s interest to fully settle the Maybank CB, which would help to save on future interest costs and lower the gearing of the Company.

4. Financial effects of the Settlement on the Group

The Settlement will result in a gain of approximately US\$2.6 million for the current financial year ending 31 March 2024, mainly being the difference between the aggregate principal amount of the Maybank CB and accrued interest up to Settlement Date less the Settlement Amount.

Based on the Group's audited consolidated financial statements for the financial year ended 31 March 2023 ("FY2023"), for illustrative purposes, the financial effects of the Settlement on the Group are set out as follows:

- (a) The net asset value ("NAV") per share of the Group (including perpetual capital securities) as at 31 March 2023, assuming the Settlement was completed on 31 March 2023, would have increased NAV per share from US\$0.0180 before the Settlement to US\$0.0201 after the Settlement.

The NAV per share of the Group (excluding perpetual capital securities) as at 31 March 2023, assuming the Settlement had been completed on 31 March 2023, would have changed from US\$(0.0006) (i.e. net liabilities) before the Settlement to become a positive NAV per share of US\$0.0015 after the Settlement.

As the Group does not have any intangible assets, its net tangible assets is the same as its NAV.

- (b) The loss per share of the Group for FY2023, assuming that the Settlement was completed on 1 April 2022, would have reduced from US\$(0.0077) before the Settlement to US\$(0.0056) after the Settlement.

5. Interest of the Directors and Controlling Shareholders

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Settlement other than in their respective capacities as directors and/or shareholders of the Company.

BY ORDER OF THE BOARD

Ling Yong Wah
Chief Executive Officer
1 November 2023

This document has been reviewed by the Company's sponsor, Provenance Capital Pte. Ltd. ("Sponsor"), for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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