

Vallianz Holdings Limited
Co Reg No. 199206945E

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www.vallianzhholdings.com

INTERESTED PERSON TRANSACTIONS - UPDATE

1. The Board of Directors ("**the Board**") of Vallianz Holdings Limited ("**Company**") and together with its subsidiaries, the "**Group**") refers to the Company's annual report for the financial year ended 31 March 2019 released on 15 July 2019, the announcement on 24 July 2019 ("**IPT Announcement**") in relation to certain IPTs which the Company had not disclosed or complied with under Chapter 9 of the Catalist Rules and the announcement on 5 August 2019 in relation to the Company's responses to queries from SGX-ST on the IPTs.

Capitalised terms used but not defined herein shall have the meanings as ascribed to them in the IPT Announcement, unless otherwise stated or the context otherwise requires.

2. As of the date of this announcement, the IPTs referred to in paragraph 1 above are in relation to the following:
 - (a) Payment of interests and loan amount on behalf of HOL in respect of bank facilities extended to HOL;
 - (b) RVIC Corporate Guarantees and RVIC Advance; and
 - (c) RPL Corporate Guarantee, HOL Corporate Guarantee and RVOS Corporate Guarantees.

In connection with the above and for the purpose of seeking ratification by the shareholders of the Company ("**Shareholders**") of these IPTs at an extraordinary general meeting ("**EGM**") to be convened, the Company has appointed the following professionals to, *inter alia*, undertake a comprehensive review of the IPTs ("**IPTs Review**") and provide the relevant information and opinion in a circular ("**Circular**") to be despatched to Shareholders in due course:

- (i) Virtus Assure Pte. Ltd. ("**VA**") as the internal auditor to conduct the IPTs Review;
- (ii) W Capital Markets Pte. Ltd. ("**W Capital**") as the Independent Financial Adviser ("**IFA**"); and
- (iii) Morgan Lewis Stamford LLC ("**MLS**") as the legal counsel to provide legal advice in relation to the IPTs and the preparation of the Circular.

As the Company had changed its financial year end from 31 December to 31 March in 2017, the review period will cover IPTs undertaken by the Group in the last 3 financial years, namely 15 months ended 31 March 2017 ("**FY2017**"), 12 months ended 31 March 2018 ("**FY2018**") and 12 months ended 31 March 2019 ("**FY2019**") and up to the latest practicable date ("**Review Period**").

As the Company envisages the Group to continue with the above IPTs going forward in the ordinary course of business, the Company intends to also seek specific Shareholders' approval to continue with these transactions.

Details of the IPTs to be ratified and proposed IPTs to be approved by Shareholders at the EGM will be set out in the Circular.

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3. Scope of work of VA and W Capital

In brief, VA, as the internal auditor, will review and list all IPTs carried out during the Review Period, review the Company's existing procedures for identifying, reviewing, approving, documenting and reporting the IPTs, identify any possible internal controls weaknesses in the Company's IPT process and provide recommendations, if any, to improve the Company's existing procedures for IPTs.

W Capital, as the IFA, will evaluate and opine on the IPTs to be ratified and the proposed IPTs to be approved by Shareholders on whether or not they were/are on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

4. Audit Committee's opinion on the RVIC Corporate Guarantees

As disclosed in paragraph 4.3 of the IPT Announcement, the RVIC Corporate Guarantees are provided by the Company and RHC in proportion to their respective shareholding interests in RVIC, and the Company and RHC do not charge any fees for the provision of the RVIC Corporate Guarantee.

Under Catalist Rule 916(3), no shareholders' approval is required for the RVIC Corporate Guarantees if:

- (i) the RVIC Corporate Guarantees are extended by each of its joint venture partners in proportion to their equity and on the same terms;
- (ii) the interested person (being RHC) does not have an existing equity interest in RVIC prior to the participation of the Company in the RVIC; and
- (iii) the Company confirms by an announcement that its Audit Committee is of the view that (a) the provision of the RVIC Corporate Guarantees is not prejudicial to the interests of the Company and its minority Shareholders; and (b) the risks and rewards of the RVIC Corporate Guarantees are in proportion to the equity of each joint partner and the terms of the RVIC Corporate Guarantees are not prejudicial to the interests of the Company and its minority Shareholders.

The Company therefore wishes to confirm in this announcement that its Audit Committee, having reviewed the terms of the RVIC Corporate Guarantees, is of the view that (i) the provision of the RVIC Corporate Guarantees is not prejudicial to the Company and its minority Shareholders; and (ii) the risks and rewards of the RVIC Corporate Guarantees are in proportion to the respective equity interest of each joint partner and the terms of the RVIC Corporate Guarantees are not prejudicial to the interest of the Company and its minority shareholders.

Following from the above, the provision of the RVIC Corporate Guarantees therefore falls within the exception of Catalist Rule 916(3) and accordingly, no Shareholders' approval is required for the RVIC Corporate Guarantees.

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5. Outstanding response to query 8 from SGX-ST on 5 August 2019 on the RVIC Advance

The Company had held the view that the RVIC Advance is deemed to have been made in equal proportion and on the same terms by the Company and RHC, as RVOS is jointly owned by the Company and RHC in equal proportion, as disclosed in the IPT Announcement.

The SGX-ST had queried on 5 August 2019 under Question 8 whether the Company had obtained its external auditors' agreement on the treatment in its financial statements and on the RVIC Advance.

At the time the RVIC Advance was made, the Company did not seek the opinion or agreement of its external auditor, Deloitte and Touche LLP ("**Deloitte**"), on the different treatment of the RVIC Advance, and hence it was not within Deloitte's audit scope.

The Company will seek Shareholders' approval for the ratification of the RVIC Advance at the EGM to be convened. In this regard, W Capital as the IFA will, *inter alia*, evaluate whether the RVIC Advance was deemed to have been made in equal proportion by the Company and RHC to RVIC, and opine on whether or not the RVIC Advance as an IPT is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

6. Save for the RVIC Corporate Guarantees as already disclosed in paragraph 4 above, the Audit Committee will obtain the opinion from the IFA before forming its views on the various IPTs.
7. Shareholders are advised to exercise caution when trading in the shares of the Company. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

BY ORDER OF THE BOARD

Ling Yong Wah
Chief Executive Officer
30 August 2019

*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 Catalyst. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes 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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