



VALLIANZ HOLDINGS LIMITED
(Company Registration No. 199206945E)
(Incorporated in the Republic of Singapore)

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- (I) **ENTRY INTO DEED OF SETTLEMENT FOR PERPETUAL SECURITIES**
(II) **EXERCISE OF RIGHT TO DEFER DISTRIBUTION FOR PERPETUAL SECURITIES**
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1. INTRODUCTION

The Board of Directors of Vallianz Holdings Limited (the “**Company**”, with its subsidiaries, collectively, the “**Group**”) refers to the 4.0 per cent. senior perpetual securities comprised in Series No. 003, Tranche No. 001 with an aggregate principal amount of US\$22,500,000 which were issued to Swiber Holdings Limited (In Liquidation) (“**SHL**”) (as the initial subscriber) (the “**Initial Subscriber**”), by the Company pursuant to the S\$500,000,000 multi-currency debt issuance programme of the Company (the “**Perpetual Securities**”).

2. BACKGROUND ON THE PERPETUAL SECURITIES

The Company had, on 5 January 2015 (the “**Issue Date**”), issued the Perpetual Securities to the Initial Subscriber as partial satisfaction of the consideration paid for the acquisition of the entire issued and paid-up shares of Newcruz International Pte. Ltd. and PTSB Holdings Pte. Ltd. by Vallianz International Pte. Ltd., a wholly-owned subsidiary of the Company. The Perpetual Securities were listed and quoted in the Bonds Market of the Singapore Exchange Securities Trading Limited (the “**Bonds Market**”) with effect from 6 January 2015.

The Perpetual Securities confer a right to receive distributions (each, a “**Distribution**”) from the Issue Date at the following distribution rates: (a) in respect of the period from, and including, the Issue Date to, but excluding the step-up date (being three (3) years after the Issue Date) (the “**Step-Up Date**”), the initial distribution rate of 4.0 per cent. per annum (the “**Initial Distribution Rate**”); and (b) in respect of the period from, and including, the Step-Up Date, the Initial Distribution Rate plus the step-up margin of 300 bps, resulting in a distribution rate of 7.0% per cent. per annum (the “**Current Distribution Rate**”).

The Distributions are payable semi-annually in arrears and may be deferred subject to the terms and conditions of the Perpetual Securities. Further details on the key terms of the Perpetual Securities are set out in the circular to shareholders dated 16 December 2014¹.

¹ The circular can be found at the URL: <https://links.sgx.com/FileOpen/Vallianz-Cir-Dated%2016%20Dec%202014%20.ashx?App=Prospectus&FileID=24908>.

3. ENTRY INTO DEED OF SETTLEMENT FOR THE PERPETUAL SECURITIES

3.1 Entry into Deed of Settlement

The Company is pleased to announce that on 14 June 2024, the Company had entered into a deed of settlement (the “**Settlement Deed**”) with a financial institution who is the financier of the Initial Subscriber (the “**Financier**”) and SHL as the chargor (the “**Chargor**”) and as the Initial Subscriber, to fully settle the Perpetual Securities (the “**Settlement**”).

3.2 Terms of the Settlement

(a) Settlement

Pursuant to the Settlement Deed and subject to the terms of the Settlement Deed, in consideration of the payment of the settlement amount (the “**Settlement Amount**”) by the Company in full to the Financier (for the account of the Chargor), the Financier agrees to:

- (i) discharge, reassign and release unto the Chargor (and any other persons who have granted a Released Charge² in favour of the Financier) (each, a “**Released Party**”) all the rights, benefits, title and interest to the Perpetual Securities and vested in the Financier under the relevant security documents to hold the same unto each Released Party absolutely freed and discharged from the assignments and charges under the relevant security documents and disclaims the benefit of such assignments and charges henceforth; and
- (ii) discharge and release each Released Party from all liabilities, obligations and undertakings under or pursuant to, and from all claims and demands whatsoever under or in respect of, the Perpetual Securities under the relevant security documents.

Concurrently with the completion of the above and in accordance with the terms and conditions of the Perpetual Securities, the Initial Subscriber agrees to transfer the Perpetual Securities to the Company, and the Company agrees to acquire and accept such transfer of the Perpetual Securities, free from all encumbrances and together with all rights, interest, title, benefits and remedies attaching thereto as at the date of the completion of the Settlement (the “**Completion Date**”).

(b) Settlement Amount

The Settlement Amount for the Perpetual Securities shall be equal to 50.0% of the sum of:

- (i) the principal amount of the Perpetual Securities being US\$22,500,000 (the “**Original Principal**”);
- (ii) the amount of unpaid but capitalised interest in respect of the Perpetual Securities, calculated as of 5 July 2024 (the “**Upcoming Scheduled Distribution Payment Date**”), being US\$14,114,023 (the “**Distribution Amount**”); and

² Means all or any encumbrance created or expressed to be created in favour of the Financier in connection with the facility agreement dated 28 June 2016 and entered into between the Chargor (as borrower) and the Financier (as lender) as the same may be amended from time to time, or in connection with the facility agreement dated 14 July 2016 and entered into between the same parties as may be amended from time to time.

- (iii) the amount which is the sum of (a) the Distribution Amount; and (b) the Original Principal, multiplied by the Current Distribution Rate and pro-rated based on the period commencing on the Upcoming Scheduled Distribution Payment Date and ending on the Completion Date.

The Company shall not be liable to pay any other interest or other outstanding amounts that may accrue on and from the date of the Settlement Deed up to (and including) the Completion Date, whether to the Initial Subscriber, Chargor, Financier or otherwise.

The payment of the Settlement Amount for the account of the Chargor to the Financier shall be deemed to be full and final settlement of all the Company's payment and other obligations under the Perpetual Securities and the Initial Subscriber waives any and all claims and rights and title that it may have in respect of the Perpetual Securities following the Completion Date.

To fund the Settlement Amount, the Company will obtain shareholder's advances from its controlling shareholder, Rawabi Holding Company Limited ("**RHC**"), under the existing loan agreement with RHC which was approved by shareholders of the Company at the extraordinary general meeting held on 27 April 2021.

(c) Conditions of the Settlement

Completion of the Settlement is subject to the following conditions (the "**Conditions**"):

- (i) a court order dated 11 November 2022 evidencing that the liquidator of SHL has full capacity and authority to bind the Chargor and the Initial Subscriber (as the case may be) and is authorised to enter into and deliver the Settlement Deed and each document contemplated under the Settlement Deed, and to perform the obligations of the Chargor and the Initial Subscriber (as the case may be) in connection with the Settlement Deed;
- (ii) all other approvals, consents and permits as well as third party approvals, consents and waivers as may be required for the purposes of and in connection with the transactions contemplated by the Settlement Deed have been obtained or fulfilled and are in full force and effect; and
- (iii) all representations, undertakings and warranties made by each party to the Settlement Deed (each, a "**Party**" and together, the "**Parties**") under the Settlement Deed being complied with and remaining true, accurate and correct from the date of the Settlement Deed up to (and including) the Completion Date,

provided that each of the above Conditions may be waived or deferred in writing by the Parties or by the Party for whose benefit such Condition is for.

(d) Long Stop Date and Completion Date

The long stop date under the Settlement Deed is 8 August 2024 (or such later date as may be agreed by the Parties in writing) (the “**Long Stop Date**”).

The Completion Date shall be as specified by the Company by written notice in accordance with the terms and conditions of the Settlement Deed (which in any event shall not be on or earlier than the Upcoming Scheduled Distribution Payment Date), but in any event shall not be later than the Long Stop Date.

(e) Completion of the Settlement

Upon the completion of the Settlement, among others, the Initial Subscriber unconditionally, irrevocably and absolutely transfers to the Company all its rights, title, interest, remedies and benefits in and to the Perpetual Securities, and the Initial Subscriber shall forthwith no longer have any rights or title in or to the Perpetual Securities and the Initial Subscriber irrevocably confirms that it shall have no further claims (whether known or unknown, present or future, actual, prospective or contingent) against the Company in relation to the Perpetual Securities.

(f) Cancellation

Upon transfer of the Perpetual Securities to the Company, the Company shall procure for the Perpetual Securities to be irrevocably cancelled.

(g) Further updates

The Company will make further announcements on any material developments regarding the Settlement as and when appropriate, including the delisting and cancellation of the Perpetual Securities and the financial effects of the Settlement on the Group.

3.3 **Rationale for the Settlement**

In view of the high Current Distribution Rate of 7%, it is in the Company’s interest to fully settle the Perpetual Securities, which would help to save on future payments of Distributions for the Company.

3.4 **Interests of the Directors and Substantial Shareholders**

Save as disclosed in this announcement, none of the other 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.

4. **EXERCISE OF RIGHT TO DEFER DISTRIBUTION FOR THE PERPETUAL SECURITIES**

The Company wishes to announce that it will be exercising its rights under the terms and conditions of the Perpetual Securities to defer the payment of distribution for the Perpetual Securities which is scheduled for 5 July 2024, being the Upcoming Scheduled Distribution Payment Date.

The exercise of rights for the deferment is on the basis that during the 12-month period ending on the day before the Upcoming Scheduled Distribution Payment Date:

- (a) no dividend, distribution or other payment has been paid or declared by the Company on or in respect of any of the Company's Junior Obligations³; and
- (b) none of the Company's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration by the Company,

in each case, other than in connection with any employee benefit plan or similar arrangements with or for the benefit of employees, officers, directors or consultants of the Group.

5. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action in respect of securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Completion of the Settlement is subject to Conditions and there is no certainty or assurance that the Settlement will proceed to completion. In the event of any doubt, shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

By Order of the Board

Ling Yong Wah
Chief Executive Officer

14 June 2024

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "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.

The contact person for the sponsor is Mr. Khong Choun Mun at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: sponsor@rhtgoc.com.

³ Means any class of the Company's share capital and any other instruments or securities (including without limitation any preference shares or subordinated perpetual securities) issued or guaranteed by the Company that ranks or is expressed to rank, by its terms or by operation of law, junior to the Perpetual Securities.