

CIRCULAR DATED 9 JULY 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Circular with the Notice of Extraordinary General Meeting (the “**Notice of EGM**”) and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of EGM and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular has been reviewed by the Company’s Sponsor, Provenance Capital Pte. Ltd. It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms. Wong Bee Eng, Chief Executive Officer, who can be contacted at 96 Robinson Road, #13-01, SIF Building, Singapore 068899, telephone: (65) 6227 5810, email: wongbe@provenancecapital.com.

This Circular has been made available on the SGXNet and the Company’s website and may be accessed at the URL <http://www.vallianzholdings.com/newsroom.html>. A printed copy of this Circular will NOT be despatched to Shareholders.

To minimise physical interactions and COVID-19 transmission risks, Shareholders will not be able to attend the Extraordinary General Meeting (the “EGM”) in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching or listening to the EGM proceedings via “live” webcast; (b) submitting questions in advance of the EGM; and/or (c) voting by proxy at the EGM.

Please refer to Section 11 of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM.



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

CIRCULAR TO SHAREHOLDERS
in relation to:

- (1) **RATIFICATION OF THE RENUNCIATION OF ENTITLEMENT TO THE RIGHTS ISSUE UNDERTAKEN BY RAWABI VALLIANZ OFFSHORE SERVICES COMPANY LIMITED AS AN INTERESTED PERSON TRANSACTION; AND**
- (2) **RATIFICATION OF THE CESSATION OF RAWABI VALLIANZ OFFSHORE SERVICES COMPANY LIMITED AS A PRINCIPAL SUBSIDIARY**

*Independent Financial Adviser to the Recommending Directors
in relation to Ordinary Resolution 1*



W CAPITAL MARKETS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 201813207E)

IMPORTANT DATES AND TIMES:

- Last date and time for lodgement of Proxy Form : 27 July 2021 at 4.30 p.m.
Date and time of EGM : 29 July 2021 at 4.30 p.m. (or immediately after the conclusion of the SOSA EGM to be held by way of electronic means at 4.00 p.m. on the same day)
Place of EGM : The EGM will be held by way of electronic means

CONTENTS

	Page No.
1. INTRODUCTION	8
2. OVERVIEW OF THE RATIFICATIONS	8
3. RATIFICATION OF THE RENUNCIATION.....	10
4. RATIFICATION OF THE CESSATION OF RVOS AS A PRINCIPAL SUBSIDIARY	11
5. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS	13
6. OPINION OF THE INDEPENDENT FINANCIAL ADVISER	13
7. STATEMENT OF THE AUDIT COMMITTEE.....	14
8. DIRECTORS' RECOMMENDATIONS	14
9. CONSENT	15
10. THE EGM.....	15
11. ACTION TO BE TAKEN BY SHAREHOLDERS	15
12. DIRECTORS' RESPONSIBILITY STATEMENT	17
13. DOCUMENTS FOR INSPECTION	17
APPENDIX – IFA LETTER	A-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	N-1
PROXY FORM	P-1

DEFINITIONS

For the purpose of this Circular, except where the context otherwise requires, the following definitions shall apply throughout:

“31 March Announcement”	:	Announcement of the Company dated 31 March 2021
“Associate”	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.00% or more; (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.00% or more
“associated company”	:	A company in which at least 20.00% but not more than 50.00% of its shares are held by the Company or the Group
“Audit Committee”	:	The audit committee of the Company, comprising the Independent Directors, namely, Mr. Bote de Vries, Mr. Yeo Jeu Nam and Mr. Chong Chee Keong Chris, as at the Latest Practicable Date
“Board of Directors”	:	The board of Directors of the Company as at the Latest Practicable Date
“Catalist”	:	The Catalist board of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The Listing Manual of the SGX-ST, Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Cessation Date”	:	The effective date of the Cessation of Assignment, being 31 December 2020
“Cessation of Assignment”	:	The cessation of the assignment of economic interests in RVOS by RHC to VIC, which took effect on the Cessation Date
“Circular”	:	This circular to Shareholders dated 9 July 2021
“Companies Act”	:	The Companies Act (Chapter 50 of Singapore), as amended, modified or supplemented from time to time

DEFINITIONS

“Company”	:	Vallianz Holdings Limited
“Controlling Shareholder”	:	A person who (a) holds directly or indirectly 15.00% or more of all voting shares in a company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over a company
“CPF”	:	The Central Provident Fund of Singapore
“CPF Agent Banks”	:	Banks approved by CPF to be agent banks of CPFIS Members
“CPFIS Members”	:	Investors who hold shares under the Central Provident Fund Investment Scheme
“Deconsolidation of RVOS”	:	The deconsolidation of the financial results of RVOS from the Group’s consolidated financial statements with effect from 1 October 2020
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“EGM”	:	The extraordinary general meeting of the Company, to be held by way of electronic means on 29 July 2021 at 4.30 p.m. (or immediately after the conclusion of the SOSA EGM to be held by way of electronic means at 4.00 p.m. on the same day), the notice of which is set out on pages N-1 to N-3 of this Circular
“entity-at-risk” or “EAR”	:	Means either: (a) the listed company; (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company
“FY”	:	A financial year ended or ending 31 March, as the case may be
“Group”	:	The Company and its subsidiaries
“IFA” or “Independent Financial Adviser” or “W Capital”	:	The independent financial adviser to the Recommending Directors for the purpose of the Ordinary Resolution relating to the Ratification of the Renunciation, being W Capital Markets Pte. Ltd.
“IFA Letter”	:	The IFA’s letter to the Recommending Directors for the purpose of the Ordinary Resolution relating to the Ratification of the Renunciation, dated 9 July 2021 as appended in the Appendix to this Circular
“IKTVA”	:	In-Kingdom Total Value Add

DEFINITIONS

“Independent Director”	:	An independent director of the Company as at the Latest Practicable Date
“Independent Shareholders”	:	Shareholders who are deemed independent for each of the Ordinary Resolutions as further described in Sections 3.5 and 4.3 of this Circular
“interested person”	:	Means: (a) a director, chief executive officer, or Controlling Shareholder of the listed company; or (b) an Associate of any such director, chief executive officer, or Controlling Shareholder
“interested person transaction” or “IPT”	:	Means a transaction between an entity at risk and an interested person and a “transaction” includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly
“Latest Practicable Date”	:	5 July 2021, being the latest practicable date prior to the issuance of this Circular
“Live EGM Webcast”	:	The “live” webcast of the EGM proceedings
“Notice of Cessation”	:	The notice of the Cessation of Assignment issued by Rawabi and dated 30 May 2021
“Notice of EGM”	:	The notice of the EGM which is set out on pages N-1 to N-3 of this Circular
“NTA”	:	Net tangible assets. The NTA of the Group refers to the net tangible assets attributable to owners of the Company and capital securities holders and is calculated based on the total assets less total liabilities, intangible assets and non-controlling interests
“Ordinary Resolutions”	:	The ordinary resolutions relating to the Ratification of the Renunciation and the Ratification of the Cessation of RVOS as a Principal Subsidiary as set out in the Notice of EGM
“Principal Subsidiary”	:	A subsidiary whose latest audited consolidated pre-tax profits (including discontinued operations that have not been disposed and excluding the non-controlling interest relating to that subsidiary) as compared with the latest audited consolidated pre-tax profits of the Group (including discontinued operations that have not been disposed and excluding the non-controlling interest relating to that subsidiary) accounts for 20.00% or more of such pre-tax profits of the Group
“Ratifications”	:	Means the (i) Ratification of the Renunciation; and (ii) the Ratification of the Cessation of RVOS as a Principal Subsidiary

DEFINITIONS

“Ratification of the Cessation of RVOS as a Principal Subsidiary”	:	The ratification of the cessation of RVOS as a Principal Subsidiary, details of which are set out under Section 4 of this Circular
“Ratification of the Renunciation”	:	The ratification of the renunciation of VIC’s entitlement to the RVOS Rights Issue, details of which are set out under Section 3 of this Circular
“Rawabi”	:	RHC and REC collectively
“Rawabi Group”	:	RHC and its subsidiaries
“REC”	:	Rawabi Energy Company
“Recommending Directors”	:	The Directors who are regarded as independent for the purpose of the Ratification of the Renunciation and the Ratification of the Cessation of RVOS as a Principal Subsidiary, namely Mr Darren Yeo, Mr Ling Yong Wah, Mr Bote De Vries, Mr Yeo Jeu Nam and Mr Chong Chee Keong Chris
“Register of Members”	:	Register of members of the Company
“Registration Deadline”	:	The registration deadline, being 4.30 p.m. on 26 July 2021, for Shareholders who wish to watch or listen to the Live EGM Webcast
“Renunciation”	:	The renunciation of the Group’s <i>pro rata</i> rights entitlement of 40,000 RVOS Shares to RHC
“RHC”	:	Rawabi Holding Company Limited
“RVOS”	:	Rawabi Vallianz Offshore Services Company Limited
“RVOS Interest Assignment”	:	The assignment of economic interests in RVOS by Rawabi to the Group
“RVOS Rights Issue”	:	The rights issue undertaken by RVOS which was completed on 24 December 2020, which involved the issuance of 80,000 new RVOS Shares at an issue price of SAR1,000 (US\$267) per RVOS Share, being the par value of each RVOS Share, in cash
“RVOS Shares”	:	Ordinary shares in the capital of RVOS
“SAR”	:	Saudi Arabian Riyal, being the lawful currency of the Kingdom of Saudi Arabia
“Saudi Government”	:	The Government of the Kingdom of Saudi Arabia
“Securities Accounts”	:	Securities accounts maintained by Depositors with CDP but not including securities sub-accounts maintained with a Depository Agent
“SFA”	:	Securities and Futures Act (Chapter 289 of Singapore), as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

DEFINITIONS

“Shareholders”	:	Registered holders of Shares, except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Share Registrar”	:	Tricor Barbinder Share Registration Services
“Sheikh Abdulaziz”	:	Sheikh Abdulaziz Ali Alturki
“SHL”	:	Swiber Holdings Limited (Judicial Managers Appointed)
“SOSA EGM”	:	The extraordinary general meeting of the Company to be held by way of electronic means on 29 July 2021 at 4.00 p.m. as disclosed in the circular to Shareholders dated 25 May 2021
“Sponsor”	:	Provenance Capital Pte. Ltd.
“SRS Approved Banks”	:	Agent banks approved by CPF under the Supplementary Retirement Scheme
“SRS Investors”	:	Investors who hold shares under Supplementary Retirement Scheme
“Substantial Shareholder”	:	A person (including a corporation) who has an interest in not less than five per cent. (5.00%) of the issued Shares
“US\$” and “cents”	:	United States dollars and cents respectively, being the lawful currency of the United States of America
“VCL”	:	Vallianz Capital Ltd.
“VIC”	:	Vallianz Investment Capital Pte. Ltd.
“VIPL”	:	Vallianz International Pte. Ltd.
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the SFA.

The terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Catalist Rules. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA and the Catalist Rules or any modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the SFA and the Catalist Rules or any statutory modification thereof, as the case may be.

DEFINITIONS

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, unless otherwise stated.

Any discrepancies in tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, the figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

For the purposes of this Circular, the exchange rate of SAR1.000:US\$0.267 has been used, being the closing exchange rate on the Latest Practicable Date from Markets Insider at the URL https://markets.businessinsider.com/currency-converter/saudi-riyal_united-states-dollar.

For the purposes of this Circular, Morgan Lewis Stamford LLC has been appointed as the legal counsel to the Company in relation to Singapore law.

LETTER TO SHAREHOLDERS

VALLIANZ HOLDINGS LIMITED

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

Directors:

Sheikh Abdulaziz Ali Alturki (Non-Executive and Non-Independent Chairman)
Mr Darren Yeo (Executive Vice Chairman)
Mr Ling Yong Wah (Chief Executive Officer)
Mr Bote De Vries (Lead Non-Executive Independent Director)
Mr Yeo Jeu Nam (Non-Executive Independent Director)
Mr Chong Chee Keong Chris (Non-Executive Independent Director)

Registered Office:

1 Harbourfront Avenue
#06-08 Keppel Bay Tower
Singapore 098632

9 July 2021

To: The Shareholders of Vallianz Holdings Limited

Dear Sir / Madam,

1. INTRODUCTION

1.1 Extraordinary General Meeting

The Directors are convening an EGM by way of electronic means on 29 July 2021 at 4.30 p.m. (or immediately after the conclusion of the SOSA EGM to be held by way of electronic means at 4.00 p.m. on the same day) to seek Independent Shareholders' approval for the following Ratifications:

- (a) Ratification of the Renunciation (in relation to the renunciation of VIC's entitlement to the RVOS Rights Issue) as an interested person transaction as Ordinary Resolution 1; and
- (b) Ratification of the Cessation of RVOS as a Principal Subsidiary as Ordinary Resolution 2.

1.2 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with all necessary information relating to, and to seek Independent Shareholders' approval for, the above Ratifications to be tabled at the EGM. The SGX-ST assumes no responsibility for the accuracy, completeness or correctness of any information, statements, opinions made, or reports contained in this Circular.

2. OVERVIEW OF THE RATIFICATIONS

2.1 Background of RVOS

RVOS is a company incorporated in the Kingdom of Saudi Arabia with a focus on provision of offshore marine support services. It was a 50:50 joint venture between the Group and RHC, prior to a rights issue which was undertaken and completed by RVOS on 24 December 2020.

The Group's 50.00% shareholding interest in RVOS was initially acquired by the Company's wholly-owned subsidiary, VCL, from SHL pursuant to a sale and purchase agreement dated 1 October 2013.

LETTER TO SHAREHOLDERS

2.2 RVOS Interest Assignment

The Group had entered into an assignment agreement with RHC dated 2 May 2014 in relation to the RVOS Interest Assignment, whereby the economic interest in RVOS held by RHC were assigned to VCL. The Group started to consolidate the results of RVOS with effect from 1 January 2014 as the Directors had assessed that the Group had the practical ability to direct the relevant activities of RVOS. Further, pursuant to the RVOS Interest Assignment, the Group had consolidated the results of RVOS as a wholly-owned subsidiary. RVOS was also deemed as a Principal Subsidiary within the meaning of the Catalist Rules, as RVOS was the main revenue and profit contributor of the Group.

Pursuant to an internal restructuring of the Group, the RVOS Shares held by VCL were transferred to VIPL on 16 March 2015 and subsequently transferred from VIPL to VIC on 31 December 2017. Both VIPL and VIC are wholly-owned subsidiaries of the Group. The RVOS Interest Assignment was updated via an assignment agreement with RHC dated 8 January 2018, whereby the economic interest in RVOS held by RHC continued to be assigned to the Group, through VIC.

2.3 RVOS Rights Issue and Ratifications

As announced by the Company in the 31 March Announcement, RVOS had undertaken and completed the RVOS Rights Issue on 24 December 2020, which involved the issuance of 80,000 new RVOS Shares at an issue price of SAR1,000 (US\$267) per RVOS Share, being the par value of each RVOS Share, in cash.

The Group had renounced its *pro rata* rights entitlement of the 40,000 RVOS Shares to RHC and RHC had subscribed for the entire rights issue for SAR80.0 million (US\$21.3 million). The rationale for the Renunciation is set out in Section 3.1 below.

The paid-up share capital of RVOS before and after the RVOS Rights Issue is set out below:

Name of Shareholders	Before the RVOS Rights Issue		RVOS Rights Issue		After the RVOS Rights Issue	
	No. of RVOS shares ('000)	Paid-up capital of RVOS ('000)	No. of Rights Shares ('000)	Value of the Rights Shares issued and allotted ('000)	No. of RVOS shares ('000)	Paid-up capital of RVOS ('000)
RHC	175	SAR175,000 (US\$46,667)	80	SAR80,000 (US\$21,333)	255	SAR255,000 (US\$68,000)
VIC	175	SAR175,000 (US\$46,667)	-	-	175	SAR175,000 (US\$46,667)
Total	350	SAR350,000 (US\$93,333)	80	SAR80,000 (US\$21,333)	430	SAR430,000 (US\$114,667)

Pursuant to the completion of the RVOS Rights Issue, the respective shareholding interests in RVOS held by RHC and VIC had changed from 50.00% each, to 59.30% and 40.70% respectively.

In addition, following the RVOS Rights Issue, RHC had assigned its shareholding interests in RVOS to its wholly-owned subsidiary, REC, as part of an internal restructuring of the Rawabi Group.

At the time of the 31 March Announcement, the Company was in the process of seeking SGX-ST's guidance on:

LETTER TO SHAREHOLDERS

- (a) whether VIC in renouncing its *pro rata* entitlement of the 40,000 shares under the RVOS Rights Issue, which was fully taken up by RHC, is deemed to be an IPT and subject to Shareholders' approval; and
- (b) whether, as a result of the reduction in VIC's shareholding interest in RVOS from 50.00% to 40.70%, the Company is in compliance with Catalist Rule 805(2)(a), which requires an issuer to seek prior shareholders' approval in a general meeting if a Principal Subsidiary of an issuer issues shares or convertible securities or options that will or may result in the Principal Subsidiary ceasing to be a subsidiary of the issuer.

The Company subsequently announced on 20 April 2021 that pursuant to the consultation with the SGX-ST, it was confirmed that (i) the Renunciation constitutes an IPT which requires Shareholders' approval and that (ii) RVOS has ceased to be a Principal Subsidiary of the Group and therefore Shareholders' approval is required pursuant to Catalist Rule 805(2)(a). Accordingly, the Company is seeking Independent Shareholders' approval for the Ratifications at the forthcoming EGM via Ordinary Resolutions 1 and 2. Further details of the Ratifications are set out in Sections 3 and 4 below.

3. RATIFICATION OF THE RENUNCIATION

3.1 Rationale for the Renunciation

The RVOS Rights Issue was undertaken for the purpose of providing RVOS with additional working capital required for its operations including vessel modifications and drydocks operations. Due to the limited financial resources of the Group, the Group had renounced its *pro rata* entitlement to the RVOS Rights Issue to RHC.

The subscription by RHC of VIC's renounced *pro rata* rights entitlement is beneficial for RVOS as it provided the additional working capital required by RVOS and at the same time increases the local shareholding content of RVOS which is in line with the local content drive. This would also further enhance the competitiveness standing of RVOS in the region, especially in view of the challenging and competitive landscape which RVOS operates in.

3.2 Requirements under Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies enters into or proposes to enter into with any party who is an interested person of the listed company.

Under Catalist Rules 905 and 906, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain materiality thresholds are reached or exceeded. In particular, under Catalist Rule 906, shareholders' approval is required for an IPT of a value equal to, or exceeding:

- (a) Five per cent. (5.00%) of the group's latest audited NTA; or
- (b) Five per cent. (5.00%) of the group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

3.3 EAR and Interested Person

VIC as a wholly-owned subsidiary of the Group and is considered the EAR for the purpose of the Ratification of the Renunciation under Chapter 9 of the Catalist Rules.

RHC is a Controlling Shareholder of the Company, holding 317,560,389 Shares as at the Latest Practicable Date, representing an interest of approximately 56.77% in the share capital of the Company. Accordingly, RHC is deemed an interested person under Chapter 9 of the Catalist Rules and the Renunciation to RHC is deemed an IPT.

LETTER TO SHAREHOLDERS

3.4 Value at risk

The issue price per RVOS Share of SAR1,000 (US\$267) was substantially lower than the net asset value or net tangible asset value per RVOS Share of SAR1,915 (US\$511) as at 30 September 2020. Accordingly, the value at risk of the Renunciation as an IPT can be seen as the value given up by the Group as a result of the Renunciation, being the difference between the rights share price and the net tangible asset attributable to the 40,000 RVOS Shares, which amount to SAR36.6 million (US\$9.76 million). This represents 15.40% of the last audited NTA of the Group as at 31 March 2020.

Accordingly, the Renunciation is an IPT subject to Shareholders' approval at an EGM and the opinion of an IFA.

3.5 Shareholders' approval and abstention from voting

Following from the above, as the RVOS Rights Issue was already completed on 24 December 2020 before Shareholders' approval was obtained, the Company is now seeking Independent Shareholders' approval for the Ratification of the Renunciation as an IPT via the passing of Ordinary Resolution 1.

In accordance with Catalist Rule 919, as RHC is an interested person under Chapter 9 of the Catalist Rules, RHC shall abstain from, and procure that its associates abstain from, voting at the EGM, whether by representative or proxy, in respect of Ordinary Resolution 1 (for the Ratification of the Renunciation) and shall decline to accept appointment as proxy to attend and vote at the forthcoming EGM for other Shareholders in respect of Ordinary Resolution 1, unless the Shareholders concerned have given specific instructions as to the manner in which their votes are to be cast.

4. RATIFICATION OF THE CESSATION OF RVOS AS A PRINCIPAL SUBSIDIARY

4.1 Development on how RVOS ceased to be a Principal Subsidiary of the Group

"Principal Subsidiary" is defined under the Catalist Rules as a subsidiary whose latest audited consolidated pre-tax profits (including discontinued operations that have not been disposed and excluding the non-controlling interest relating to that subsidiary) as compared with the latest audited consolidated pre-tax profits of the Group (including discontinued operations that have not been disposed and excluding the non-controlling interest relating to that subsidiary) accounts for 20.00% or more of such pre-tax profits of the Group.

As set out in Section 2.2 above, in the past, RVOS was deemed as a Principal Subsidiary of the Group as it was the main revenue and profit contributor of the Group and the Group had consolidated the results of RVOS as a wholly-owned subsidiary as the Directors had assessed that the Group had the practical ability to direct the relevant activities of RVOS, and on the basis of the RVOS Interest Assignment.

However, as set out in the Company's announcement dated 30 May 2021 in relation to its unaudited financial statements for FY2021, in light of the rigorous implementation measures by the Saudi Government to reinforce local content as a requirement for companies to do business in Saudi Arabia, and together with Saudi Aramco's IKTV program, the Board had assessed that the Group no longer has the ability to direct the business activities of RVOS, and consequently the Group will deconsolidate the financial results of RVOS with effect from 1 October 2020. In addition, pursuant to the completion of the RVOS Rights Issue, the respective shareholding interests in RVOS held by Rawabi and VIC had changed from 50.00% each, to 59.30% and 40.70% respectively, and Rawabi will have the majority representation on the board of RVOS.

Further, in a separate announcement by the Company on 30 May 2021, the Company announced that Rawabi had issued a Notice of Cessation of the RVOS Interest Assignment,

LETTER TO SHAREHOLDERS

on the grounds that the terms and conditions for the RVOS Interest Assignment were not met by the Group and for the same to be terminated with effect from the Cessation Date, being 31 December 2020. The RVOS Interest Assignment was provided on the basis that VIC provides financing and funding for vessels required for the business of RVOS and fleet management expertise to RVOS.

The Cessation of Assignment was due to (a) the inability of the Group to continue providing financing and funding (including corporate guarantees) for the vessels of RVOS; and (b) given the size of RVOS' fleet, complexity of RVOS' operations and the high customer interface requirement, the fleet management expertise from the Group was replaced by RVOS' local operations management team.

Accordingly, for the first half of FY2021 from 1 April 2020 to 30 September 2020, the results of RVOS were consolidated as a wholly-owned subsidiary of the Group. For the third quarter of FY2021 from 1 October 2020 to 31 December 2020, in view of the then valid RVOS Interest Assignment, the Company had equity accounted its interest in RVOS as "Investment in Associate" in the Group's financial statements on the basis of the Group having full economic interest in RVOS. From 1 January 2021 onwards, in view of the Notice of Cessation and following the completion of the RVOS Rights Issue, the Company had equity accounted for its 40.70% interest in RVOS.

Following from the above, taking into consideration the reduction in VIC's shareholding interest in RVOS from 50.00% to 40.70% on 24 December 2020, the Deconsolidation of RVOS (on 1 October 2020) for the reasons as set out above, and the Notice of Cessation of the RVOS Interest Assignment (on 31 December 2020), the Group ceased to recognise 100.00% of the results of RVOS with effect from 1 January 2021 onwards. As such, RVOS had ceased to be a Principal Subsidiary of the Group.

Nonetheless, it is to be noted that RVOS is still an "entity-at-risk" pursuant to Catalist Rule 904(2)(c) and an "interested person" under Chapter 9 of the Catalist Rules.

4.2 Requirements under Rule 805(2) of the Catalist Rules

Chapter 8 of the Catalist Rules deals with listed companies changing their capital either by issuing additional equity securities or adjusting existing capital. It also sets out the requirements and procedures for listing additional equity securities.

Catalist Rule 805(2) requires an issuer to obtain prior approval of shareholders in general meeting if a Principal Subsidiary of a listed company issues shares or convertible securities or options that will or may result in:

- (a) the Principal Subsidiary ceasing to be a subsidiary of the listed company; or
- (b) a percentage reduction of 20.00% or more of the issuer's equity interest in the Principal Subsidiary.

4.3 Shareholders' approval and abstention from voting

Following from the above, as RVOS had ceased to be a Principal Subsidiary of the Group, the Company is therefore seeking Independent Shareholders' approval for the Ratification of the Cessation of RVOS as a Principal Subsidiary via Ordinary Resolution 2.

RHC, being a Controlling Shareholder and a major shareholder of RVOS, may face a conflict of interest in relation to the passing of Ordinary Resolution 2. For good corporate governance, RHC shall abstain from, and procure that its associates abstain from, voting at the EGM, whether by representative or proxy, in respect of the Ordinary Resolution 2 (for the Ratification of the Cessation of RVOS as a Principal Subsidiary) and shall decline to accept appointment as proxy to attend and vote at the forthcoming EGM for other Shareholders in respect of the

LETTER TO SHAREHOLDERS

Ordinary Resolution 2, unless the Shareholders concerned have given specific instructions as to the manner in which their votes are to be cast.

5. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are as follows:

	<u>Direct Interest</u>		<u>Deemed Interest</u>	
	Number of Shares	%	Number of Shares	%
Directors				
Sheikh Abdulaziz ⁽¹⁾	-	-	317,560,389	56.77
Darren Yeo ⁽²⁾	2,000,000	0.36	297,493	0.05
Ling Yong Wah	1,526,146	0.27	-	-
Bote De Vries	136,666	0.02	-	-
Yeo Jeu Nam	336,666	0.06	-	-
Chong Chee Keong Chris	-	-	-	-
Substantial Shareholders				
RHC	317,560,389	56.77	-	-
SHL	115,102,345	20.58	-	-

Notes:

- (1) By virtue of Section 4 of the SFA, Sheikh Abdulaziz is deemed to be interested in 317,560,389 Shares held by RHC; and
- (2) by virtue of Section 4 of the SFA, Darren Yeo is deemed to be interested in 297,493 Shares held by his wife.

Save as disclosed in this Circular and other than through their respective shareholdings in the Company (if any), none of the Directors or Substantial Shareholders and their respective Associates have any interest, direct or indirect, in the Ratifications.

6. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Chapter 9 of the Catalist Rules, W Capital was appointed as the IFA to opine on whether the Renunciation as an IPT was carried out on normal commercial terms and was not prejudicial to the interests of the Company and its Independent Shareholders.

The following is an extract from Section 4 of the IFA Letter and should be read by Shareholders in conjunction with, and in the full context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter unless otherwise stated. A copy of the IFA Letter is set out in the Appendix to this Circular. Shareholders are advised to read the IFA Letter carefully.

“OPINION

In arriving at our opinion, we have taken into account, inter alia, the following key considerations which we consider to be pertinent to our assessment of the Renunciation:

- (a) *The rationale for the Renunciation, details of which are set out in Section 3.1 of this IFA Letter. In particular, we note that the Group had renounced its pro-rata entitlement to the RVOS Rights Issue to RHC in view of the limited financial resources of the Group;*

LETTER TO SHAREHOLDERS

- (b) *The historical financial position/condition of Group as assessed under Section 3.2 of this IFA Letter. In this regard, we note, inter alia, that as at the relevant time of the RVOS Rights Issue and based on the then latest reported financial position of the Group as at 30 September 2020: (i) the Group was in a net current liabilities position with a deficit of approximately US\$140.0 million; and (ii) the Group had a very high gearing ratio with total borrowings which is 9.2 times that of its total equity;*
- (c) *Assessment of the RVOS Rights Issue as set out in Section 3.3 of this IFA Letter. In this regard, we note, inter alia, the circumstances under which Group renounced its entitlement to the RVOS Rights Issue and that the Rights Issue Price was based on the par value of RVOS Shares of SAR1,000, which was the same basis as the previous share issuance by RVOS in March 2020; and*
- (d) *RVOS had been reliant on the financial support from RHC and the RVOS Interest Assignment had ceased with effect from 31 December 2020 due to, inter alia, the inability of the Group to continue providing financing and funding (including corporate guarantees) for the vessels of RVOS and fleet management expertise to RVOS.*

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Renunciation was carried out on normal commercial terms and was not prejudicial to the interests of the Company and its Independent Shareholders.

Our opinion is required under Rule 921(4) of the Catalist Rules as well as addressed to the Recommending Directors in connection with their consideration of the ratification of the Renunciation and their advice to the Independent Shareholders arising thereof. The recommendations made by the Recommending Directors to the Shareholders shall remain the responsibility of the Recommending Directors."

In rendering its opinion and advice, the IFA has not taken into consideration the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. Accordingly, any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional Adviser.

7. STATEMENT OF THE AUDIT COMMITTEE

In relation to the Ratification of the Renunciation, the Audit Committee having considered and reviewed, *inter alia*, the terms of the RVOS Rights Issue and the rationale of the Renunciation, the reasons stated in Section 2 and Section 3 of this Circular, the opinion and advice of the IFA (as set out in the Appendix to this Circular), and after discussion with the management of the Company, recognises that the Renunciation was carried out on normal commercial terms and was not prejudicial to the interests of the Company and its Independent Shareholders.

8. DIRECTORS' RECOMMENDATIONS

All the Directors save for Sheikh Abdulaziz are deemed independent for the purposes of both Ordinary Resolutions 1 and 2. Sheikh Abdulaziz will abstain from making a recommendation in respect of both Ordinary Resolutions 1 and 2 in light of his concurrent position as Chairman of the Rawabi Group. Sheikh Abdulaziz will also not accept appointments as proxies for voting in respect of both the Ordinary Resolutions as set out in the Notice of EGM unless specific instructions as to voting are given.

Having considered, *inter alia*, the rationale and circumstances of the Ratifications as stated in Section 2 and Section 3 of this Circular and the opinion of the IFA as set out in the Appendix to

LETTER TO SHAREHOLDERS

this Circular, the Recommending Directors are of the opinion that the Ratifications are in the interests of the Group. Accordingly, the Recommending Directors recommend that Shareholders vote in favour of both Ordinary Resolution 1 and Ordinary Resolution 2 to be proposed at the EGM.

The Recommending Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, the Directors recommend that any individual Shareholder who may require specific advice in relation to the Ordinary Resolutions should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

9. CONSENT

W Capital, the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Letter, and references to its name and the IFA Letter (as set out in the Appendix to this Circular), in the form and context in which they appear in this Circular.

10. THE EGM

The EGM will be held by way of electronic means on 29 July 2021 at 4.30 p.m. (or immediately after the conclusion of the SOSA EGM to be held by way of electronic means at 4.00 p.m. on the same day) for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolutions as set out in the Notice of EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

11.1. No attendance at EGM

To minimise physical interactions and COVID-19 transmission risks, Shareholders will not be able to attend the EGM in person.

11.2. Alternative arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching or listening to the Live EGM Webcast; (b) submitting questions in advance of the EGM; and/or (c) voting by proxy at the EGM.

11.3. Registration

All Shareholders who wish to watch or listen to Live EGM Webcast proceedings must pre-register online by the Registration Deadline, being 4.30 p.m. on 26 July 2021, at the URL <https://conveneagm.sg/vallianzegm2> for verification purposes.

Shareholders who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPFIS Members and SRS Investors) and wish to follow the proceedings of EGM through the Live EGM Webcast must inform their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Approved Banks) that they have registered for the Live EGM Webcast and provide their respective relevant intermediaries with their registration details.

Following authentication of the shareholders' status as Shareholders, authenticated Shareholders will receive an email notification, and would be able to access the Live EGM Webcast proceedings using the account credentials created upon completion of registration.

LETTER TO SHAREHOLDERS

Shareholders who do not receive an email by 4.30 p.m. on 28 July 2021, but who have registered by the Registration Deadline should contact the Company at the email address at sg.is.enquiry@sg.tricorglobal.com.

Please note that Shareholders who have registered for the SOSA EGM will not be required to register again to watch or listen to the Live EGM Webcast proceedings.

11.4. Submission of questions in advance

Please note that Shareholders will not be able to ask questions at the Live EGM Webcast, and therefore it is important for Shareholders to pre-register their participation in order to be able to submit their questions in advance of the EGM.

Shareholders who have pre-registered to watch or listen to the Live EGM Webcast may also submit questions related to the Ordinary Resolutions to be tabled for approval at the EGM. All questions must be submitted by 4.30 p.m. on 22 July 2021 via the URL <https://conveneagm.sg/vallianzegm2>.

The Company will address substantial and relevant questions received from the Shareholders relating to the agenda of the EGM prior to the EGM via SGXNet and the Company's website.

The Company will publish the minutes of the EGM on SGXNet and on the Company's website within one month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from Shareholders which were addressed prior to the EGM.

11.5. Completion of the proxy form

Shareholders will not be able to vote online on the Ordinary Resolutions to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit a proxy form to appoint the Chairman of the EGM to vote on their behalf.

Shareholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

The duly completed and signed proxy form appointing the Chairman of the EGM as proxy must be submitted to the Company by 4.30 p.m. on 27 July 2021 via either the following means:

- (a) post to the Share Registrar's office at 80 Robinson Road, #11-02, Singapore 068898; or
- (b) electronic mail to sg.is.proxy@sg.tricorglobal.com.

For CPFIS Members or SRS Investors who wish to exercise their votes by appointing the Chairman of the EGM as their proxy should approach their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Approved Banks) to submit their voting instructions at least seven (7) working days before the EGM (i.e. by 16 July 2021).

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

In the case of Shareholder whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if such Shareholder, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 4.30 p.m. on 26 July 2021, as certified

LETTER TO SHAREHOLDERS

by The Central Depository (Pte) Limited to the Company.

11.6. Documents

The Circular, Notice of EGM and proxy form will be sent to the Shareholders solely by electronic means via publication on the Company's website at the URL <http://www.vallianzholdings.com/newsroom.html> and SGXNet. Printed copies of these documents will NOT be despatched to Shareholders.

The Company will publish the minutes of the EGM on SGXNet and on the Company's website within one month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from Shareholders which were addressed prior to the EGM.

11.7. Reminder

Shareholders who wish to attend the Live EGM Webcast are reminded that the EGM is private. Invitations to attend the EGM shall not be forwarded to anyone who is not a Shareholder of the Company or who is not authorized to attend the Live EGM Webcast. Recording of the Live EGM Webcast in whatever form is also strictly prohibited.

The Company asks for Shareholders' indulgence as the EGM progresses in the event of any technical disruptions. The Company may be required to change its EGM arrangements at short notice. Shareholders are advised to regularly check the Company's announcements on SGXNet or the Company's website for any changes or updates on the EGM.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular (other than the IFA Letter) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Ratifications, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source (including, without limitation, information in relation to the IFA Letter), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

13. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the IFA Letter as set out in the Appendix to this Circular; and
- (b) the consent letter from the IFA referred to in Section 9 of this Circular.

LETTER TO SHAREHOLDERS

Yours faithfully
For and on behalf of the Board of Directors of
VALLIANZ HOLDINGS LIMITED

Ling Yong Wah
Chief Executive Officer



W CAPITAL MARKETS PTE. LTD.

Incorporated in the Republic of Singapore)
(Company Registration Number: 201813207E)
65 Chulia Street
#43-01 OCBC Centre
Singapore 049513

9 July 2021

The Recommending Directors (as defined herein)
Vallianz Holdings Limited
1 Harbourfront Avenue
#06-08 Keppel Bay Tower
Singapore 098632

Dear Sirs,

LETTER TO THE RECOMMENDING DIRECTORS IN RELATION TO THE RATIFICATION OF THE RENUNCIATION OF ENTITLEMENT TO RVOS RIGHTS ISSUE

Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 9 July 2021 (“Circular”) issued by the Company shall have the same meanings herein.

1. INTRODUCTION

RVOS is a company incorporated in the Kingdom of Saudi Arabia with a focus on provision of offshore marine support services. Prior to the RVOS Rights Issue, the Company, through its wholly-owned subsidiary, VIC, had owned 50.00% of the issued share capital of RVOS, and the remaining 50.00% of the issued share capital of RVOS was owned by RHC.

RHC is a company incorporated in the Kingdom of Saudi Arabia with a focus on oilfield services, contracting, industrial services and offshore services. RHC is a Controlling Shareholder of the Company, holding 317,560,389 Shares as at the Latest Practicable Date, representing an interest of approximately 56.77% in the share capital of the Company. RHC is an interested person under Chapter 9 of the Catalist Rules.

The Group had entered into an assignment agreement with RHC dated 2 May 2014 in relation to the RVOS Interest Assignment, whereby all the economic interest in RVOS held by RHC were assigned to the Group effective from 1 January 2014. Since then, the Group has consolidated the results of RVOS as a wholly-owned subsidiary, on the basis of the RVOS Interest Assignment, as the Directors of the Company had assessed that the Group has the practical ability to direct the relevant activities of RVOS and VIC had the casting vote on the board of RVOS, even though the Group had only 50.00% shareholding interest in RVOS.

The Company had on 31 March 2021 and 20 April 2021 announced that due to the Government of the Kingdom of Saudi Arabia’s local content drive and requirement, and in anticipation of further regulatory and/or industry developments, the Board had assessed that the Group no longer had the ability to direct the business activities of RVOS, and consequently the Group would deconsolidate the financial results of RVOS with effect from 31 March 2021.

APPENDIX – IFA LETTER

In line with Saudi Aramco's In-Kingdom Total Value Add requirements to drive Saudi value creation, or IKTVA, RVOS appointed a local General Manager in December 2019, to manage the day-to-day activities of RVOS towards eventual taking over of operational control of RVOS. With the rigorous implementation measures by the Government of The Kingdom of Saudi Arabia to reinforce local content as a requirement for companies to do business in Saudi Arabia, and together with Saudi Aramco's IKTVA program, the Group then announced on 30 May 2021 that it shall deconsolidate RVOS with effect from 1 October 2020 instead of 31 March 2021. Correspondingly, the Company and RHC agreed to remove the casting vote of VIC on the board of RVOS with effect from 1 October 2020.

As announced by the Company on 31 March 2021, RVOS had increased its share capital by way of a non-underwritten renounceable rights issue via the allotment and issuance of 80,000 new ordinary shares in RVOS (the "**New RVOS Shares**") (the "**RVOS Rights Issue**"). In relation to the RVOS Rights Issue, both RHC and VIC were entitled to their pro rata right entitlements in the RVOS Rights Issue pursuant to the articles of association of RVOS. However, in view that the Government of the Kingdom of Saudi Arabia has been reinforcing the local content requirement in the recent few years and as the Group was not in a financial position to subscribe for its pro-rata entitlement to the RVOS Rights Issue, VIC had renounced its rights entitlement of the 40,000 New RVOS Shares to RHC (the "**Renunciation**") and RHC had subscribed for all of the New RVOS Share arising from RVOS Rights Issue for SAR80.0 million (US\$21.3 million).

The New RVOS Shares were issued at the par value of SAR1,000 (US\$267¹) per RVOS Share which was lower compared to the NAV/NTA per RVOS Share of SAR1,915 (US\$511) as at 30 September 2020. Pursuant to the Company's consultation with SGX-ST, the SGX-ST had on 14 April 2021 confirmed that the value at risk of the Renunciation is the difference between the price of the New RVOS Share and the NAV/NTA per RVOS Share of SAR915 (US\$244) multiplied by 40,000 New RVOS Shares, amounting to SAR36.6 million (US\$9.76 million). As the value at risk resulting from the Renunciation represented 15.40% of the last audited NTA of the Group as at 31 March 2020, the Renunciation constitutes an Interested Person Transaction ("**IP**") which requires Independent Shareholders' approval and the opinion of an independent financial adviser ("**IFA**") on whether the terms of the IPT that are to be ratified (i.e. the Renunciation) had been carried out on normal commercial terms and were not prejudicial to the interests of the Company and its Independent Shareholders pursuant to Chapter 9 of the Catalist Rules.

Following the completion of the RVOS Rights Issue on 24 December 2020, the shareholding interests of VIC and RHC in RVOS have changed from 50.00% each, to 40.70% and 59.30% respectively. Further, RHC had an internal restructuring to assign all its 59.30% shareholding interest in RVOS to REC, a wholly-owned subsidiary of RHC. Accordingly, as at the Latest Practicable Date, REC has the shareholding rights to 59.30% in RVOS.

W Capital Markets Pte. Ltd. ("**W Capital**") has been appointed by the Company as the IFA to advise the directors of the Company who are considered independent for the purposes of making recommendations to the Independent Shareholders in respect of the Ratification of the Renunciation of Entitlement to RVOS Rights Issue (the "**Recommending Directors**"). This letter ("**IFA Letter**") sets out, *inter alia*, our evaluation and opinion on the Renunciation. This IFA Letter forms part of the Circular which provides, *inter alia*, the details of the Renunciation and the recommendations of the Recommending Directors on the ratification of the Renunciation.

¹ The Saudi Riyal (SAR) is pegged to the US dollar (US\$) at an exchange rate of SAR1.000: US\$0.267.

2. TERMS OF REFERENCE

W Capital Markets has been appointed as the IFA as required under Rule 921(4) of the Catalyst Rules and also to advise the Recommending Directors in respect of the ratification of the Renunciation. We were not involved in or responsible for, in any aspect, the discussions in relation to the Renunciation, nor were we involved in the deliberation leading up to the decisions on the part of the directors of the Company (“**Directors**”) in respect of the Renunciation. Further, we do not warrant the merits of the Renunciation, other than to express an opinion on whether the Renunciation as an IPT had been carried out on normal commercial terms and was not prejudicial to the interests of the Company and its Independent Shareholders.

In the course of our evaluation, we have held discussions with the management of the Company (“**Management**”) and have examined and relied to a considerable extent on publicly available information collated by us, as well as information provided and representations made to us, both written and verbal, by the Directors and/or the Management, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information. In this regard, we noted that the Directors have collectively and individually accepted full responsibility for the accuracy of the information given in the Circular as set out in the “Directors’ Responsibility Statement” in Section 12 of the Circular.

For the purpose of assessing the Renunciation as an IPT, we have not relied upon any financial projections in respect of RVOS, the Company and/or the Group and we have not conducted a comprehensive review of the business, operations and financial condition of RVOS, the Company or the Group and have not made any independent evaluation or appraisal of the assets and liabilities of RVOS, the Company or the Group.

Our opinion as set out in this IFA Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as of 5 July 2021 (“**Latest Practicable Date**” or “**LPD**”) and the information and representations provided to us as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement relevant to the Ordinary Resolutions, which may be released by the Company after the Latest Practicable Date.

In rendering our opinion and advice, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. Accordingly, any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this IFA Letter).

APPENDIX – IFA LETTER

We have prepared this IFA Letter pursuant to the requirements of Chapter 9 of the Catalyst Rules as well as for the use of the Recommending Directors in connection with their consideration of the Renunciation as an IPT and their advice to the Shareholders arising thereof.

Our opinion in relation to the Renunciation should be considered in the context of the entirety of this IFA Letter and the Circular.

3. EVALUATION OF THE RENUNCIATION

In arriving at our opinion on whether the Renunciation was carried out on normal commercial terms and was not prejudicial to the interests of the Company and its Independent Shareholders, we have given due consideration to, *inter alia*, the following:

- 3.1 Rationale for the Renunciation;
- 3.2 Historical financial position/condition of the Group;
- 3.3 Assessment of the RVOS Rights Issue; and
- 3.4 Other relevant considerations.

3.1 Rationale for the Renunciation

We have considered the rationale by the Company for the Renunciation as set out in Section 3.1 of the Circular and we have set them out in italics below for your easy reference:

“The RVOS Rights Issue was undertaken for the purpose of providing RVOS with additional working capital required for its operations including vessel modifications and drydocks operations. Due to the limited financial resources of the Group, the Group had renounced its pro-rata entitlement to the RVOS Rights Issue to RHC.

The subscription by RHC of VIC’s renounced pro-rata rights entitlement is beneficial for RVOS as it increases the local shareholding content of RVOS which is in line with the local content drive and would also further enhance the competitiveness standing of RVOS in the region, especially in view of the challenging and competitive landscape which RVOS operates in.”

3.2 Historical financial position/condition of the Group

The following are extracts from the audited consolidated financial statements of the Group for the financial years ended 31 March 2019 (“FY2019”) and 31 March 2020 (“FY2020”), and the unaudited financial statements of the Group for the 6 months period ended 30 September 2020 (“HY2021”) (being the latest financial period ended as at the relevant time of the RVOS Rights Issue):

APPENDIX – IFA LETTER

Summary of consolidated statement of financial position

Figures in US\$'000	Unaudited HY2021	Audited FY2020	Audited FY2019
Non-current assets	848,992	858,117	320,057
Current assets	200,292	133,268	249,693
Total Assets	1,049,284	991,385	569,750
Non-current liabilities	621,441	527,984	162,318
Current liabilities	340,341	374,298	247,289
Total Liabilities	961,782	902,282	409,607
Total Equity	87,502	89,103	160,143
Equity attributable to owners of the Company and capital securities holders	62,498	63,178	172,385
Net current assets/(liabilities)	(140,049)	(241,030)	2,404
Total borrowings ⁽¹⁾	803,599	743,839	304,308
Gearing (times) – Total borrowings / Total Equity	9.2	8.3	1.9

Source: Company's annual reports and/or financial results announcements.

Note:

(1) Total borrowings comprise current and non-current term loans, working capital lines and finance lease. Shareholder's advances have been excluded from total borrowings, as they have been classified as equity in the Group's balance sheet.

The following should be reviewed in conjunction with the tables and notes above:

(i) Assets and liabilities of the Group

The Group's total assets increased from approximately US\$569.8 million as at 31 March 2019 to approximately US\$991.4 million as at 31 March 2020 and approximately US\$1.0 billion as at 30 September 2020, due mainly to the acquisition of vessels by RVOS from RVIC as part of a restructuring exercise during FY2020.

Non-current assets as at 30 September 2020 comprised property, plant and equipment of approximately US\$818.0 million, right-of-use assets of approximately US\$15.4 million, associate of approximately US\$14.8 million, and monies pledged with banks of approximately US\$0.7 million.

Current assets as at 30 September 2020 comprised cash and cash equivalents of approximately US\$34.1 million, trade receivables of approximately US\$61.6 million, other receivables of approximately US\$65.7 million, inventories of approximately US\$6.5 million, contract assets of approximately US\$0.7 million and financial assets at fair value through other comprehensive income of approximately US\$31.7 million.

The Group's total liabilities rose from approximately US\$409.6 million as at 31 March 2019 to approximately US\$902.3 million as at 31 March 2020 and approximately US\$961.8 million as at 30 September 2020. It is noted that the Group had reported a net current liabilities position as of 31 March 2020 and 30 September 2020.

Total borrowings increased substantially from approximately US\$304.3 million as at 31 March 2019 to approximately US\$743.8 million as at 31 March 2020 and approximately US\$803.6 million as at 30 September 2020. The significant increase in the Group's total borrowings was mainly due to new bank borrowings obtained by RVOS to partly fund the acquisition of all the vessels from RVIC as part of the restructuring exercise which were secured on these vessels and were fully guaranteed by RHC.

APPENDIX – IFA LETTER

As at 30 September 2020, total borrowings accounted for approximately 83.6% of total liabilities of which approximately US\$210.7 million (or approximately 26.2% of total borrowings) are current and repayable within 12 months from 30 September 2020. The Group's gearing ratio has increased significantly from approximately 1.9 times as at 31 March 2019 to approximately 8.3 times and 9.2 times as at 31 March 2020 and 30 September 2020 respectively.

Accordingly, it is noted that as at the relevant time of the RVOS Rights Issue and based on the then latest reported financial position of the Group as at 30 September 2020:

- (i) the Group was in a net current liabilities position with a deficit of approximately US\$140.0 million;
 - (ii) the Group had a very high gearing ratio with total borrowings which is 9.2 times that of its total equity; and
 - (iii) as reported in the Company's annual report for FY2020, the Group had breached the financial covenants under the framework agreement with its lenders that it had entered into on 10 March 2017 in respect of minimum sum in the debt servicing reserve account and certain financial ratios. In this regard, it is noted that the Company had on 19 February 2021 entered into a debt-restructuring agreement with two financial institutions such that there is no financial covenant to observe as there is a moratorium period until 31 March 2022. This proposed restructuring was approved by the shareholders via an extraordinary general meeting held on 22 June 2021. For further details, please refer to the Circular of the Company dated 7 June 2021.
- (ii) Equity attributable to owners of the Company and capital securities holders

Equity attributable to owners of the Company and capital securities holders decreased substantially from approximately US\$172.5 million as at 31 March 2019 to approximately US\$63.2 million as at 31 March 2020 and approximately US\$62.5 million as at 30 September 2020. This was due mainly to an increase in accumulated losses arising from the losses incurred for the respective periods, which was partially offset by an increase in shareholders' advances over the same period which are classified as equity.

3.3 Assessment of the RVOS Rights Issue

The RVOS Rights Issue involved the allotment and issuance of the New RVOS Shares at an issue price of SAR1,000 (US\$267) per New RVOS Share ("**Rights Issue Price**"), being the par value of each existing RVOS Share, which is lower than the net asset value or net tangible asset value per RVOS Share of SAR1,915 (US\$511) as at 30 September 2020. In this regard, the Company informed that the Rights Issue Price was fixed at the par value of each existing RVOS Share of SAR1,000 as the previous increase in issued share capital in RVOS that was carried out as at 31 March 2020 (as announced by the Company on 20 May 2020), by way of the conversion of then existing shareholders' loans from each of VIC and RHC, was also based on the par value of RVOS Shares of SAR1,000 each. As at 30 September 2020, RVOS had total assets amounting to approximately US\$895.6 million (comprising mainly of fixed assets (72.0%), cash (6.1%) and net trade receivables (6.1%)) and total liabilities amounting to approximately US\$716.8 million (comprising mainly borrowings (84.4%) and lease liabilities (3.0%)).

At the relevant time of the RVOS Rights Issue, the RVOS Interest Assignment was still valid and the Group renounced its pro rata entitlement to the RVOS Rights Issue in view of the limited financial resources of the Group as set out in Section 3.1 of the Circular. In this regard

and as mentioned under Section 3.2 of this IFA Letter, based on the then latest reported financial position of the Group as at 30 September 2020, it is noted that: (i) the Group was in a net current liabilities position with a deficit of approximately US\$140.0 million; and (ii) the Group was highly geared with total borrowings which is 9.2 times that of its total equity.

3.4 Other Relevant Considerations

3.4.1 RVOS Interest Assignment and reliance on financial support from RHC

In connection with the RVOS Interest Assignment, RHC had assigned all economic benefits of all its shareholdings in RVOS to the Company, in consideration of the Company providing (i) financing and funding for the vessels required for the business of RVOS; and (ii) fleet management expertise to RVOS. In this regard, we understand from the Company that apart from the aforesaid ‘in-kind’ consideration, no cash consideration was paid to RHC in respect of the assignment of the economic benefits pursuant to the RVOS Interest Assignment. Notwithstanding the RVOS Interest Assignment, RVOS had continued to rely on financial support from RHC in the form of shareholders advances and also joint corporate guarantees together with the Company to secure credit facilities for the benefit of RVOS. During the second half of FY2020, RVOS acquired all the vessels of RVIC and funded the acquisition partly through new bank borrowings obtained by RVOS which are fully guaranteed by RHC at no cost to the Group and the outstanding corporate guarantee as at 31 March 2020 previously provided by the Company in relation to RVOS then existing bank borrowings had also been released and replaced by RHC at no cost to the Group.

On 30 May 2021, RHC had issued a notice of cessation of the RVOS Interest Assignment (the “**Notice of Cessation**”), on the grounds that the terms and conditions for the RVOS Interest Assignment were not met by the Group and for the same to be terminated with effect from 31 December 2020 (the “**Cessation Date**”). The cessation of the RVOS Interest Assignment was due to (a) the inability of the Group to continue providing financing and funding (including corporate guarantees) for the vessels of RVOS; and (b) given the size of RVOS’ fleet complexity of RVOS’ operations and the high customer interface requirement, the fleet management expertise from the Group was replaced by RVOS’ local operations management team. Accordingly, the Company will equity account its interest in RVOS on the basis of the Group having 40.70% interest in RVOS from 1 January 2021 onwards.

3.4.2 Cessation of RVOS as a Principal Subsidiary

As stated in Section 4.1 of the Circular, taking into consideration:

- (a) the removal of the casting vote of VIC on the board of RVOS with effect from 1 October 2020;
- (b) the deconsolidation of RVOS with effect from 1 October 2020 in light of the rigorous implementation measures by the Saudi Government to reinforce local content as a requirement for companies to do business in Saudi Arabia, and together with Saudi Aramco’s IKTVA program; and
- (c) the cessation of the RVOS Interest Assignment with effect from the 31 December 2020,

the Group ceased to recognise 100% of the results of RVOS with effect from 1 January 2021 onwards and RVOS had ceased to be a Principal Subsidiary of the Group.

Accordingly, for the first half of FY2021 from 1 April 2020 to 30 September 2020, the results of RVOS were consolidated as a wholly-owned subsidiary of the Group. For the third quarter of FY2021 from 1 October 2020 to 31 December 2020, in view of the then valid RVOS Interest Assignment, the Company had equity accounted its interest in RVOS as “Investment in Associate” in the Group’s financial statements on the basis of the Group having full economic

APPENDIX – IFA LETTER

interest in RVOS. From 1 January 2021 onwards, in view of the Notice of Cessation and following the completion of the RVOS Rights Issue, the Company had equity accounted for its 40.70% interest in RVOS.

Nonetheless, it is to be noted that RVOS is still an “entity-at-risk” pursuant to Catalist Rule 904(2)(c) and an “interested person” under Chapter 9 of the Catalist Rules.

4. OPINION

In arriving at our opinion, we have taken into account, *inter alia*, the following key considerations which we consider to be pertinent to our assessment of the Renunciation:

- (a) The rationale for the Renunciation, details of which are set out in Section 3.1 of this IFA Letter. In particular, we note that the Group had renounced its pro-rata entitlement to the RVOS Rights Issue to RHC in view of the limited financial resources of the Group;
- (b) The historical financial position/condition of Group as assessed under Section 3.2 of this IFA Letter. In this regard, we note, *inter alia*, that as at the relevant time of the RVOS Rights Issue and based on the then latest reported financial position of the Group as at 30 September 2020: (i) the Group was in a net current liabilities position with a deficit of approximately US\$140.0 million; and (ii) the Group had a very high gearing ratio with total borrowings which is 9.2 times that of its total equity;
- (c) Assessment of the RVOS Rights Issue as set out in Section 3.3 of this IFA Letter. In this regard, we note, *inter alia*, the circumstances under which Group renounced its entitlement to the RVOS Rights Issue and that the Rights Issue Price was based on the par value of RVOS Shares of SAR1,000, which was the same basis as the previous share issuance by RVOS in March 2020; and
- (d) RVOS had been reliant on the financial support from RHC and the RVOS Interest Assignment had ceased with effect from 31 December 2020 due to, *inter alia*, the inability of the Group to continue providing financing and funding (including corporate guarantees) for the vessels of RVOS and fleet management expertise to RVOS.

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Renunciation was carried out on normal commercial terms and was not prejudicial to the interests of the Company and its Independent Shareholders.

Our opinion is required under Rule 921(4) of the Catalist Rules as well as addressed to the Recommending Directors in connection with their consideration of the ratification of the Renunciation and their advice to the Independent Shareholders arising thereof. The recommendations made by the Recommending Directors to the Shareholders shall remain the responsibility of the Recommending Directors.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors, nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purposes of the forthcoming EGM to obtain shareholders' approval in respect of the ratification of the Renunciation.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

APPENDIX – IFA LETTER

Yours Sincerely
For and on behalf of
W Capital Markets Pte. Ltd.

Foo Say Nam
Partner
Head of Advisory

Sheila Ong
Senior Vice President
Corporate Finance

NOTICE OF EXTRAORDINARY GENERAL MEETING

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

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of the shareholders of Vallianz Holdings Limited (the “**Company**”) will be held by way of electronic means on 29 July 2021 at 4.30 p.m. (or immediately after the conclusion of the SOSA EGM to be held by way of electronic means at 4.00 p.m. on the same day) for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolutions:

*All capitalised terms in this Notice of EGM which are not defined herein shall have the same meaning as ascribed to them in the Company’s circular dated 9 July 2021 (the “**Circular**”).*

ORDINARY RESOLUTION 1:

RATIFICATION OF THE RENUNCIATION OF ENTITLEMENT TO THE RIGHTS ISSUE UNDERTAKEN BY RAWABI VALLIANZ OFFSHORE SERVICES COMPANY LIMITED AS AN INTERESTED PERSON TRANSACTION

THAT:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules of the Singapore Exchange Securities Trading Limited (the “**Catalist Rules**”), for the Group or any of them to ratify the renunciation by Vallianz Investment Capital Pte. Ltd. of its entitlement to the RVOS Rights Issue and all transactions contemplated thereby; and
- (b) the Directors of the Company are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

ORDINARY RESOLUTION 2:

RATIFICATION OF THE CESSATION OF RAWABI VALLIANZ OFFSHORE SERVICES COMPANY LIMITED AS A PRINCIPAL SUBSIDIARY

THAT:

- (a) approval be and is hereby given for the purposes of Chapter 8 of the Catalist Rules, for the Group or any of them to ratify the cessation of RVOS as a Principal Subsidiary of the Group as contemplated under Catalist Rule 805(2)(a), arising as a result of, amongst others, the RVOS Rights Issue; and
- (b) the Directors of the Company are hereby authorised to complete and do all such acts and things (including without limitation, execution of all such documents as may be required) as they and/or he may consider desirable, expedient or necessary or in the interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

BY ORDER OF THE BOARD

Ling Yong Wah
Chief Executive Officer
9 July 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT NOTES:

1. To minimise physical interactions and COVID-19 transmission risks, the EGM of the Company will be convened and held by way of electronic means through a “live” webcast (the “**Live EGM Webcast**”). **NO PHYSICAL ATTENDANCE TO THE EGM IS PERMITTED.**
2. The Circular, Notice of EGM and proxy form will be sent to the Shareholders solely by electronic means via publication on the Company’s website at the URL <http://www.vallianzholdings.com/newsroom.html> and SGXNet. Printed copies of these documents will NOT be despatched to Shareholders.

3. Registration of Shareholders

- (i) All Shareholders who wish to watch or listen to Live EGM Webcast proceedings must pre-register online by at 4.30 p.m. on 26 July 2021 (the “**Registration Deadline**”) at the URL <https://conveneagm.sg/vallianzegm2> for verification purposes.
- (ii) Shareholders who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPFIS Members and SRS Investors) and wish to follow the proceedings of EGM through the Live EGM Webcast must inform their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Approved Banks) that they have registered for the Live EGM Webcast and provide their respective relevant intermediaries with their registration details.
- (iii) Following authentication of the shareholders’ status as Shareholders, authenticated Shareholders will receive an email notification, and would be able to access the Live EGM Webcast proceedings using the account credentials created upon completion of registration.
- (iv) Shareholders who do not receive an email by 4.30 p.m. on 28 July 2021, but who have registered by the Registration Deadline should contact the Company at the email address at sg.is.enquiry@sg.tricorglobal.com.
- (v) **Please note that Shareholders who have registered for the SOSA EGM will not be required to register again to watch or listen to the Live EGM Webcast proceedings.**

4. Submission of questions in advance

- (i) Please note that Shareholders will not be able to ask questions at the Live EGM Webcast, and therefore it is important for Shareholders to pre-register their participation in order to be able to submit their questions in advance of the EGM.
- (ii) Shareholders who have pre-registered to watch or listen to the Live EGM Webcast may also submit questions related to the Ordinary resolutions to be tabled for approval at the EGM. All questions must be submitted by 4.30 p.m. on 22 July 2021 via the URL <https://conveneagm.sg/vallianzegm2>.
- (iii) The Company will address substantial and relevant questions received from the Shareholders relating to the agenda of the EGM prior to the EGM via SGXNet and the Company’s website.
- (iv) The Company will publish the minutes of the EGM on SGXNet and on the Company’s website within one month from the date of EGM, and the minutes will include the responses to substantial and relevant questions from Shareholders which were addressed prior to the EGM.

5. Completion of the proxy form

- (i) Shareholders will not be able to vote online on the Ordinary resolutions to be tabled for approval at the EGM. Instead, if Shareholders (whether individual or corporate) wish to exercise their votes, they must submit a proxy form to appoint the Chairman of the EGM to vote on their behalf.
- (ii) Shareholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.
- (iii) The duly completed and signed proxy form appointing the Chairman of the EGM as proxy must be submitted to the Company by 4.30 p.m. on 27 July 2021 via either the following means:
 - (a) post to the Share Registrar’s office at 80 Robinson Road, #11-02, Singapore 068898; or
 - (b) electronic mail to sg.is.proxy@sg.tricorglobal.com.
- (iv) For CPFIS Members or SRS Investors who wish to exercise their votes by appointing the Chairman of

NOTICE OF EXTRAORDINARY GENERAL MEETING

the EGM as their proxy should approach their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Approved Banks) to submit their voting instructions at least seven (7) working days before the EGM (i.e. by 16 July 2021).

- (v) The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).
- (vi) In the case of Shareholder whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if such Shareholder, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 4.30 p.m. on 26 July 2021, as certified by The Central Depository (Pte) Limited to the Company.

6. Reminder

Shareholders who wish to attend the Live EGM Webcast are reminded that the EGM is private. Invitations to attend the EGM shall not be forwarded to anyone who is not a Shareholder of the Company or who is not authorised to attend the Live EGM Webcast. Recording of the Live EGM Webcast in whatever form is also strictly prohibited.

The Company asks for Shareholders' indulgence as the EGM progresses in the event of any technical disruptions. The Company may be required to change its EGM arrangements at short notice. Shareholders are advised to regularly check the Company's announcements on SGXNet or the Company's website for any changes or updates on the EGM.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder of the Company (a) consents to the collection, use and disclosure of the Shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

PROXY FORM

VALLIANZ HOLDINGS LIMITED

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

PROXY FORM

IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Extraordinary General Meeting are set out in Section 11 the Circular dated 9 July 2021.
2. This Proxy Form is not valid for use by CPFIS Members and/or SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPFIS Members and/or SRS Investors should contact their respective CPF Agent Banks and/or SRS Approved Banks if they have any queries regarding their appointment as proxies.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Extraordinary General Meeting as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 9 July 2021.

*I/We, _____ (name) _____ (NRIC/Passport/ Company Registration No.) of _____ (Address) being *a member/members of **VALLIANZ HOLDINGS LIMITED** (the "**Company**"), hereby appoint:

The Chairman of the Extraordinary General Meeting

as my/our* proxy to vote for me/us* on my/our* behalf at the Extraordinary General Meeting (the "**EGM**") of the Company to be held by way of electronic means at 29 July 2021 at 4.30 p.m. (or immediately after the conclusion of the SOSA EGM to be held by way of electronic means at 4.00 p.m. on the same day) and at any adjournment thereof.

(Voting will be conducted by poll. If you wish the Chairman of the EGM as your proxy to cast all your votes for or against a resolution to be proposed at the EGM, please indicate with a "√" in the space provided under "For" or "Against". If you wish the Chairman of the EGM as your proxy to abstain from voting on a resolution to be proposed at the EGM, please indicate with a "√" in the space provided under "Abstain". Alternatively, please indicate the number of shares that the Chairman of the EGM as your proxy is directed to vote "For" or "Against" or to abstain from voting. In the absence of specific directions, the appointment of the Chairman of the EGM as your proxy will be treated as invalid.)

No.	Ordinary Resolution	For	Against	Abstain
1.	Ratification of the Renunciation of Entitlement to the Rights Issue Undertaken by Rawabi Vallianz Offshore Services Company Limited as an interested person transaction			
2.	Ratification of the Cessation of Rawabi Vallianz Offshore Services Company Limited as a Principal Subsidiary			

Dated this _____ day of _____ 2021.

Total Number of Shares in:	
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s) or Common Seal
of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. To minimise physical interactions and COVID-19 transmission risks, shareholders will not be able to attend the EGM in person. Shareholders who wish to have their votes cast at the EGM must appoint the Chairman of the EGM as their proxy to do so.
2. This Proxy Form is not valid for use by shareholders who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)), including CPFIS Members and/or SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such shareholders (including CPFIS Members and SRS Investors), if they wish to vote, should contact their respective relevant intermediaries as soon as possible to specify voting instructions. **CPFIS Members and/or SRS Investors should approach their respective CPF Agent Banks and/or SRS Approved Banks at least seven (7) working days before the EGM to specify voting instructions.**
3. If the shareholder has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the shareholder has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the shareholder has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the shareholder of the Company.
4. The Chairman of the EGM, as proxy, need not be a shareholder of the Company.
5. The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
6. The instrument appointing proxy, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be submitted to the Company via either the following means:
 - (a) post to the Share Registrar's office at 80 Robinson Road, #11-02, Singapore 068898; or
 - (b) electronic mail to sg.is.proxy@sg.tricorglobal.com;by no later than 4.30 p.m. on 27 July 2021, and in default the instrument of proxy shall not be treated as valid.
7. The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy.
8. In the case of a shareholder whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if such shareholder, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 4.30 p.m. on 26 July 2021, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 9 July 2021.