
THE PROPOSED CHANGE OF AUDITORS

1. Introduction

- 1.1 The Board of Directors (“**the Board**”) of Vallianz Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company proposes to change the auditors of the Company (“**Auditors**”) from Deloitte & Touche LLP (“**Deloitte**”) to Nexia TS Public Accounting Corporation (“**Nexia**”) to audit the financial statements of the Company and the Group for the financial year ended 31 March 2020 (the “**Proposed Change of Auditors**”).
- 1.2 Deloitte, the outgoing Auditors, have been the Auditors of the Company and a number of the Group’s subsidiaries since 2011 and Nexia has also been the Auditors of a number of the Group’s subsidiaries since 2015. The Company is proposing to appoint Nexia to replace Deloitte as the Auditors for the Company and the entities previously audited by Deloitte with effect for the financial year ended 31 March 2020 (“**FY2020**”).
- 1.3 The Directors are of the view that a change of Auditors of the Company would enable the Company to enhance operating costs efficiencies. The Board had reviewed fee proposals from various audit firms, and in consultation with the Audit Committee, has determined that the fee proposal from Nexia is the most competitive. With the Proposed Change of Auditors, the Company expects savings of approximately 29% in audit fees for FY2020 based on the previous audit fees incurred for FY2019. The Company does not expect the reduction in cost to affect the quality and scope of the audit to be undertaken by Nexia.
- 1.4 With the Proposed Change of Auditors, Nexia will undertake additional audit scope, fees and details to be agreed with the Company and its Audit Committee, to include review of interested person transactions on an annual basis, including relevant disclosures in the annual report, as set out in the Company’s IPT General Mandates.
- 1.5 The Audit Committee had considered the Audit Quality Indicators Disclosure Framework issued by Accounting and Corporate Regulatory Authority (“**ACRA**”) in assessing the suitability of the appointment of Nexia and is of the opinion that Nexia is well-suited for the audit work.

2. The Proposed Change of Auditors

- 2.1 On 27 February 2020, Deloitte submitted its application to ACRA to seek their consent for its resignation as Auditors of the Company (“**Notice of Application**”). On 25 March 2020, Nexia provided the Company with its written consent to act as Auditors in connection with the Proposed Change of Auditors. On 18 May 2020, Deloitte received the relevant consent from ACRA (“**ACRA Consent**”). On the same day, Deloitte gave its notice of resignation as Auditors to the Company. In accordance with Section 205AB(5) of the Companies Act (Chapter 50) of Singapore (“**Companies**”

Act”), the resignation of Deloitte as Auditors of the Company is deemed to take effect on 18 May 2020.

- 2.2 Pursuant to Rule 712(3) of the Catalist Rule and Section 205AF of the Companies Act, the Proposed Change of Auditors is subject to the approval by Shareholders in a general meeting. Accordingly, the Company will be convening an extraordinary general meeting (“**EGM**”) to seek Shareholders’ approval for the Proposed Change of Auditors, whereupon the appointment of Nexia as Auditors of the Company and the Group for FY2020 will take effect on that day. Nexia will hold office until the conclusion of the next AGM of the Company scheduled to be held on or around 28 September 2020, when a new resolution will be proposed for the appointment of the Auditors of the Company for FY2021.
- 2.3 The Company intends to hold a virtual EGM for the Proposed Change of Auditors. The Circular to Shareholders on the Proposed Change of Auditors and details of the virtual EGM will be released by the Company on the SGXNET in due course.

BY ORDER OF THE BOARD

Ling Yong Wah
Chief Executive Officer
20 May 2020

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Provenance Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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