

## CIRCULAR DATED 14 APRIL 2025

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings as defined in this Circular.

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.**

If you have sold or transferred all your ordinary shares (the “**Shares**”) in the capital of Vallianz Holdings Limited (the “**Company**”) held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular, the Notice of EGM, the accompanying Proxy Form and the Request Form to the purchaser or transferee as arrangements will be made by CDP for a separate Notice of EGM, accompanying Proxy Form, and Request 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 the Notice of EGM, accompanying Proxy Form, and Request Form to the purchaser or transferee, or the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. You should also inform the purchaser or transferee, or bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser, that this Circular, together with the Notice of EGM, accompanying Proxy Form, and Request Form are available for download from the Company’s website at (<https://www.vallianzhholdings.com/investor-relations/#announcements>) and the SGX website (<https://www.sgx.com/securities/company-announcements>). An internet browser and PDF viewer are required to view these documents. In accordance with the Company’s constitution, a printed copy of this Circular will NOT be despatched to Shareholders.

The Circular has been reviewed by the Company’s sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by Singapore Exchange Securities Trading Limited (“**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 Mr. Khong Choun Mun at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: [sponsor@rhtgoc.com](mailto:sponsor@rhtgoc.com).



### CIRCULAR TO SHAREHOLDERS

in relation to:

- (I) **THE PROPOSED RATIFICATION OF THE ENTRY INTO THE 2023 RHC LOAN AGREEMENT; AND**
- (II) **THE PROPOSED RATIFICATION OF THE ENTRY INTO THE LOAN FACILITY NOVATION AGREEMENT**

*Independent Financial Adviser in relation to the above-mentioned interested person transactions*



### IMPORTANT DATES AND TIMES

- Last date and time for lodgement of Proxy Form : 26 April 2025 at 11.00 a.m.
- Date and time of Extraordinary General Meeting : 29 April 2025 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
- Place of Extraordinary General Meeting : 438 Alexandra Road, Connect @ Alexandra Point, Level 2, Singapore 119958

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## DEFINITIONS

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In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

<b>“2021 RHC Loan Agreement”</b>	:	The loan agreement dated 19 June 2020 entered into between the Company and RHC
<b>“2023 RHC Loan Agreement”</b>	:	The loan agreement dated 1 January 2023 entered into between the Company and RHC
<b>“Audit Committee”</b>	:	The audit committee of the Company comprising Mr. Chong Chee Keong Chris (Lead Independent Non-Executive Director), Mr. Kevin Wong Chee Fatt (Independent Non-Executive Director) and Mr Osman Ibrahim (Non-Executive and Non-Independent Chairman) as at the Latest Practicable Date
<b>“Board” or “Board of Directors”</b>	:	The board of directors of the Company for the time being
<b>“By-Laws”</b>	:	Has the meaning ascribed to it in paragraph 2.2.2 of this Circular
<b>“Catalist Rules”</b>	:	The SGX-ST Listing Manual (Section B: Rules of Catalist), as amended, modified or supplemented from time to time
<b>“Circular”</b>	:	This Circular to Shareholders dated 14 April 2025
<b>“Companies Act”</b>	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
<b>“Company”</b>	:	Vallianz Holdings Limited
<b>“Controlling Shareholder”</b>	:	A person who (a) holds directly or indirectly 15% or more of the total voting rights in the Company (provided that the SGX-ST may determine that a person who satisfies the foregoing is not a Controlling Shareholder); or (b) who in fact exercises control over the Company
<b>“Director”</b>	:	A director of the Company for the time being
<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be held on 29 April 2025 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
<b>“Group”</b>	:	The Company and its subsidiaries, collectively, for the time being
<b>“Independent Shareholders”</b>	:	Shareholders who are deemed independent for each of the Proposed IPT Resolutions
<b>“Interested Person”</b>	:	A director, chief executive officer or Controlling Shareholder of the Company, or an associate of any such director, chief executive officer or Controlling Shareholder
<b>“Interested Person Transaction” or “IPT”</b>	:	An interested person transaction (within the meaning of Chapter 9 of the Catalist Rules) entered or to be entered between the Group with Interested Persons, and <b>“Interested Person Transactions”</b> or <b>“IPTs”</b> shall be construed accordingly
<b>“Initial Facility Limit”</b>	:	Has the meaning ascribed to it in paragraph 2.4.1 of this Circular

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## DEFINITIONS

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<b>“Latest Date”</b>	<b>Practicable</b>	:	7 April 2025, being the latest practicable date prior to the despatch of this Circular
<b>“Loan Facility Novation Agreement”</b>		:	The loan facility novation agreement dated 16 July 2023 entered into between the Company, RHC and RENG
<b>“Notice of EGM”</b>		:	Has the meaning ascribed to it in paragraph 1.1 of this Circular
<b>“NTA”</b>		:	Net tangible assets
<b>“Ordinary Resolution”</b>		:	Has the meaning ascribed to it in the Companies Act
<b>“Proposed Resolution(s)”</b>	<b>IPT</b>	:	Has the meaning ascribed to it in paragraph 1.1 of this Circular
<b>“RENG”</b>		:	Rawabi Energy Company Limited
<b>“RHC”</b>		:	Rawabi Holding Company Limited
<b>“RHC Advances”</b>		:	Shareholder advances to the Company pursuant to the 2023 RHC Loan Agreement
<b>“RHC Group”</b>		:	RHC and its subsidiaries
<b>“SFA”</b>		:	The Securities and Futures Act 2001 of Singapore as amended, supplemented or modified from time to time
<b>“SGX-ST”</b>		:	Singapore Exchange Securities Trading Limited
<b>“SGXNET”</b>		:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<b>“Shareholder”</b>		:	Registered holder of Shares
<b>“Shares”</b>		:	Ordinary shares in the capital of the Company
<b>“SHL”</b>		:	Swiber Holdings Limited (In Liquidation)
<b>“Specified Period”</b>		:	Has the meaning ascribed to it in paragraph 2.2.5(a) of this Circular
<b>“Substantial Shareholder”</b>		:	A Shareholder who has an interest in 5% or more of the Shares
<b>“%” or “per cent.”</b>		:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA. The terms **“treasury shares”**, **“subsidiary”** and **“related corporations”** shall have the meanings ascribed to them 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, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted.

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## DEFINITIONS

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

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Catalist Rules for the time being, unless otherwise stated. Any word defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be.

Where any word or expression is defined in this Circular, such definition shall extend to the grammatical variations and cognate expressions of such word or expression.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

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## LETTER TO SHAREHOLDERS

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**VALLIANZ HOLDINGS LIMITED**  
(Incorporated in Republic of Singapore)  
(Company Registration Number: 199206945E)

**Directors:**

Mr. Osman Ibrahim (*Non-Executive and Non-Independent Chairman*)  
Mr. Ling Yong Wah (*Executive Director and Chief Executive Officer*)  
Mr. Chong Chee Keong Chris (*Lead Independent Director*)  
Mr. Kevin Wong Chee Fatt (*Independent Director*)

**Registered Office:**

1 Pasir Panjang Road  
#28-02, Labrador Tower,  
Singapore 118479

14 April 2025

To: **The Shareholders of Vallianz Holdings Limited**

Dear Sir/Madam

- (I) **THE PROPOSED RATIFICATION OF THE ENTRY INTO THE 2023 RHC LOAN AGREEMENT; AND**
- (II) **THE PROPOSED RATIFICATION OF THE ENTRY INTO THE LOAN FACILITY NOVATION AGREEMENT**

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### 1. INTRODUCTION

- 1.1 The Board refers to the notice of the EGM of the Company dated 14 April 2025 (the “**Notice of EGM**”) convening the EGM to be held on 29 April 2025 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) to seek Independent Shareholders’ approval for the following transactions:
  - (a) the proposed ratification of the entry into the 2023 RHC Loan Agreement; and
  - (b) the proposed ratification of the entry into the Loan Facility Novation Agreement,(each a “**Proposed IPT Resolution**” and collectively, the “**Proposed IPT Resolutions**”).
- 1.2 The purpose of this Circular is to provide Shareholders with all necessary information relating to, and to seek Independent Shareholders’ approval for, the Proposed IPT Resolutions to be tabled at the EGM. Information regarding the interested persons and IPTs entered into with RHC and RENG respectively during the financial year ended 31 December 2024 are set out in Appendix A to this Circular.
- 1.3 For the avoidance of doubt, neither of the Proposed IPT Resolution is conditional upon the passing of the other Proposed IPT Resolution.
- 1.4 The SGX-ST takes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.
- 1.5 The legal adviser appointed by the Company for the purpose of the corporate actions set out in this Circular is Aquinas Law Alliance LLP.

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## LETTER TO SHAREHOLDERS

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### 2. PROPOSED RATIFICATION OF THE 2023 RHC LOAN AGREEMENT

#### 2.1 Overview

- 2.1.1 The Company had, at an extraordinary general meeting held on 27 April 2021 (the “**2021 EGM**”), obtained shareholders’ approval for entry into the 2021 RHC Loan Agreement. For details on the 2021 RHC Loan Agreement, Shareholders may refer to the Company’s circular dated 12 April 2021.
- 2.1.2 RHC is a company based in Al-Khobar (Eastern Province), Kingdom of Saudi Arabia and has been in business for around 40 years. It is a diversified group with operations spanning across the energy, industrial services, contracting, and real estate sectors. Through its subsidiaries and joint ventures, the company has established a presence in more than 10 countries, working in collaboration with international partners.
- 2.1.3 As at the Latest Practicable Date, RHC is a Controlling Shareholder of the Company, holding 723,106,389 Shares representing approximately 59.68% in the issued share capital of the Company. Accordingly, RHC and its associates are regarded as Interested Persons of the Company within the meaning defined in Rule 904 of the Catalist Rules, and transactions between the Company and the RHC Group are deemed IPTs within the meaning of Chapter 9 of the Catalist Rules.

#### 2.2 2023 RHC Loan Agreement

- 2.2.1 On 1 January 2023, the Company entered into the 2023 RHC Loan Agreement with RHC. The 2023 RHC Loan Agreement was intended to supersede the 2021 RHC Loan Agreement and accordingly, was substantially on the same terms as the 2021 RHC Loan Agreement except that the limit on the RHC Advances had been increased to US\$132,572,058 under the 2023 RHC Loan Agreement.
- 2.2.2 Under the 2023 RHC Loan Agreement, the RHC Advances will continue to be unsecured, with no fixed repayment term but will bear interest, as it is required that such RHC Advances bear interest for compliance with the transfer pricing by-laws in the Kingdom of Saudi Arabia formally released on 15 February 2019 (the “**By-Laws**”). Based on the approval granted by shareholders at the 2021 EGM, it is agreed the RHC Advances will bear interest fixed at 5.00% until 31 March 2025.
- 2.2.3 Pursuant to the By-Laws, any related party transactions must be conducted on terms that are similar to comparable transactions between independent persons and be consistent with the arms’ length principle. The By-Laws are applicable from the reporting year ended 31 December 2018 onwards. The By-Laws enable the General Authority of Zakat and Tax of the Kingdom of Saudi Arabia to disregard the result of a controlled transaction where the terms, conditions or remunerations are not consistent with the arms’ length principle, such as where the shareholder advance is interest-free.
- 2.2.4 Under Rule 909(3) of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. As the RHC Advances have no fixed repayment term, the aggregate value at risk to the Group for the purpose of the IPT is not determinable.
- 2.2.5 Hence, for the purpose of determining the value at risk in relation to the RHC Advances, the Company is proposing to seek Shareholders’ ratification of the 2023 RHC Loan Agreement at the EGM on the following basis:
- (a) interest rate on the RHC Advances to be set at 8.00% per annum for a period of approximately 3 years commencing from 1 April 2025 to 30 April 2028 (the “**Specified Period**”);

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- (b) for the amount of RHC Advances of up to US\$132,572,058; and
  - (c) before the expiry of the Specified Period, to seek fresh approval from the Independent Shareholders on the determination of the applicable interest rate to charge on the RHC Advances for a subsequent 3-year period (or such period as may be proposed by the Company and approved by the Independent Shareholders).
- 2.2.6 The interest rate of 8.00% per annum over the Specified Period was arrived at pursuant to arm's length negotiation between the Company and RHC, taking into consideration the cost of funds by RHC and its subsidiaries. The Company had also appointed an IFA (as defined in paragraph 6.1 below) pursuant to Rule 921(4)(a) of the Catalist Rules to opine on, *inter alia*, whether the interest rate of 8.00% per annum over the Specified Period was on normal commercial terms and were not prejudicial to the interests of the Company and its Independent Shareholders.
- 2.2.7 The Company and RHC are of the view that fixing the interest rate over the Specified Period will give certainty of the interest expense for the Company for the duration and provides the opportunity at an appropriate juncture to review and adjust the interest rate to prevailing market rates. Furthermore, in light of the current geopolitical climate and trade policy changes, the Company is of the view that fixing the interest rate on the basis of a 3-year period (as opposed to the 5-year period previously sought) would be preferable to provide the Company with additional flexibility to react to the prevailing global conditions and market rates after the expiry of the Specified Period.
- 2.2.8 Based on the above, the value at risk of the RHC Advances as an IPT is determined to be approximately US\$32.7 million.
- 2.3 Proposed Shareholders' ratification of the 2023 RHC Loan Agreement**
  - 2.3.1 The Company proposes to seek Shareholders' ratification for the 2023 RHC Loan Agreement by way of the passing of Ordinary Resolution 1. If passed, the ratification will allow the Group to continue tapping on the facilities available as RHC Advances under the 2023 RHC Loan Agreement.
  - 2.3.2 Upon the passing of Ordinary Resolution 1, the Company will commence to accrue interest at the rate of 8.00% per annum on the outstanding RHC Advances over the Specified Period with effect from 1 April 2025.
  - 2.3.3 Before the expiry of the Specified Period, the Company will seek fresh approval from the Independent Shareholders on the determination of the applicable interest rate to charge on the RHC Advances for a subsequent 3-year period (or such period as may be proposed by the Company and approved by the Independent Shareholders).
  - 2.3.4 Based on the latest audited NTA for the financial year ended 31 December 2024 of US\$106.6 million, the amount of the value at risk of RHC Advances represents 30.7% of the latest audited NTA.
- 2.4 Rationale for the ratification**
  - 2.4.1 Following the 2021 RHC Loan Agreement, the management of the Company had made the prudent decision to increase the facility limit on the RHC Advances from US\$125 million (the "**Initial Facility Limit**") to US\$132,572,058 to bolster the Company's existing financial support for its operations. However, based on the financial and cash flow projections of the Company, management made the assessment that the Company would not need to utilise the RHC Advances beyond the Initial Facility Limit approved by Shareholders at the 2021 EGM, and had therefore not sought Shareholders' approval for the increased limit on the RHC Advances. As



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## LETTER TO SHAREHOLDERS

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at the date of this Circular, the aggregate amount of RHC Advances utilised amounted to approximately US\$113.6 million, which is below the Initial Facility Limit.

- 2.4.2 Additionally, as there had not been any deviation from the original nature and obligations of the 2021 RHC Loan Agreement as approved by Shareholders, management determined that it was not necessary to enter into an amendment deed to the 2021 RHC Loan Agreement and hence elected to enter into the 2023 RHC Loan Agreement on substantially the same terms as the 2021 RHC Loan Agreement instead.
- 2.4.3 However, even though the Company does not have immediate plans to fully exhaust the increased limit of the RHC Advances available under the 2023 RHC Loan Agreement, as the Company is now seeking approval of the Independent Shareholders on the determination of the applicable interest rate as proposed on the RHC Advances for the Specified Period, the Board was thus of the view that it is prudent to concurrently seek Shareholders' approval for a ratification of the 2023 RHC Loan Agreement.
- 2.4.4 Furthermore, the 2023 RHC Loan Agreement is necessary in order for RHC to comply with the applicable laws and to ensure that the existing shareholder's advances from RHC will be deemed as valid, existing and binding obligations and not be disregarded by the Saudi Arabian authorities.
- 2.4.5 In the event that Shareholders' approval is not obtained, (a) RHC will not be in compliance with the applicable laws and may face legal or tax consequences such as monetary penalties, tax audits and investigations; and (b) RHC may not be able to extend further advances to the Company.
- 2.4.6 The RHC Advances had been beneficial to the Group and had provided the necessary financial support for the continuing operations of the Group in view of the challenging environment that the Group was operating in. Ratification of the 2023 RHC Loan Agreement will enable RHC to continue to provide the necessary financial support to the Group, if required.

### 3. PROPOSED RATIFICATION OF LOAN FACILITY NOVATION AGREEMENT

#### 3.1 Overview

- 3.1.1 Subsequent to the entry into the 2023 RHC Loan Agreement, RHC had informed the Company of its intention to novate the 2023 RHC Loan Agreement to its subsidiary, RENG (the "**Novation**"), for RHC's corporate restructuring purposes. Pursuant to the 2023 RHC Loan Agreement, RHC has the sole right to novate the indebtedness to any party without the consent of the Company, with all terms, conditions and covenants to remain intact (including but not limited to approvals of management decision and control situations, pledge of shares and other movable assets and assignment of rights and other matters as stipulated in the 2023 RHC Loan Agreement).
- 3.1.2 RENG is a subsidiary of RHC, and RHC exercises full control over RENG. As at the date of this Circular, the shareholding in RENG held by RHC is approximately 99.998%. RENG offers services for the energy sector, especially in onshore marine, oilfield and safety and field risk management globally.
- 3.1.3 As at the Latest Practicable Date, RHC is a Controlling Shareholder of the Company, holding 723,106,389 Shares representing approximately 59.68% in the issued share capital of the Company. Accordingly, RHC and its associates (including RENG) are regarded as Interested Persons of the Company within the meaning defined in Rule 904 of the Catalist Rules, and transactions between the Company and the RHC Group are deemed IPTs within the meaning of Chapter 9 of the Catalist Rules.

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## LETTER TO SHAREHOLDERS

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### 3.2 Loan Facility Novation Agreement

- 3.2.1 On 16 July 2023, the Company entered into the Loan Facility Novation Agreement with RHC and RENG.
- 3.2.2 Under the Loan Facility Novation Agreement, RHC had novated the 2023 RHC Loan Agreement to RENG along with its entire economic rights, but RHC's pre-consent shall be obtained by RENG to exercise the economic rights attached to the 2023 RHC Loan Agreement.
- 3.2.3 There are no material changes to the 2023 RHC Loan Agreement as a result of the Novation, except that: (a) the Company shall be liable to repay the novated facility (i.e. the RHC Advances outstanding) to RENG; and (b) commencing from 1 January 2024, all interest under the 2023 RHC Loan Agreement shall be paid to RENG.
- 3.2.4 As disclosed in Paragraph 2.2.4 above, under Rule 909(3) of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. As the RHC Advances have no fixed repayment term, the aggregate value at risk to the Group for the purpose of the IPT is not determinable.
- 3.2.5 Shareholders should note that there is no change to the value of the financial obligations of the Company arising from the Company's entry into the Loan Facility Novation Agreement, as there is only a change to the lender of RHC Advances from RHC to RENG commencing from 16 July 2023 onwards. Accordingly, there is correspondingly no change to the value at risk of the RHC Advances as an IPT, which is determined to be approximately US\$32.7 million as disclosed in Paragraph 2.2.5 above.

### 3.3 Proposed Shareholders' ratification of the Loan Facility Novation Agreement

- 3.3.1 The Company proposes to seek Shareholders' ratification for the Loan Facility Novation Agreement by way of the passing of Ordinary Resolution 2. If passed, the ratification will allow the Company to continue fulfilling its obligations under the 2023 RHC Loan Agreement and Loan Facility Novation Agreement respectively.
- 3.3.2 Based on the latest audited NTA for financial year ended 31 December 2024 of US\$106.6 million, the amount of the value at risk of RHC Advances represents 30.7% of the latest audited NTA.

### 3.4 Rationale for the ratification

- 3.4.1 As the Loan Facility Novation Agreement is required by RHC for its corporate restructuring, and RHC has the sole right under the 2023 RHC Loan Agreement to novate the indebtedness to any party without the consent of the Company, with all terms, conditions and covenants to remain intact (including but not limited to approvals of management decision and control situations, pledge of shares and other movable assets and assignment of rights and other matters as stipulated in the 2023 RHC Loan Agreement), the Company cannot refuse the Novation without breaching the terms of the 2023 RHC Loan Agreement.
- 3.4.2 Notwithstanding the Novation, as the financial obligations on the Company remains the same and there had not been any substantial departure from the nature and terms of the 2021 RHC Loan Agreement which had been approved by the Shareholders at the 2021 EGM, the Company had therefore not earlier sought approval or ratification on the Loan Facility Novation Agreement. However, the Board is of the view that it is prudent to seek Shareholders' approval for a ratification of the Loan Facility Novation Agreement as the Company is also concurrently seeking Shareholders' approval for a ratification of the 2023 RHC Loan Agreement.
- 3.4.3 In the event that Shareholders' approval is not obtained for ratification of the Loan Facility Novation Agreement, the Company would not be able to continue discharging its obligations in

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connection with the Loan Facility Novation Agreement without breaching Chapter 9 of the Catalist Rules.

### 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

#### 4.1 Interest in Shares

The interests of the Directors and Substantial Shareholders in the issued share capital of the Company as at the Latest Practicable Date, as recorded in the register of Directors' shareholdings and the register of Substantial Shareholders kept by the Company, were as follows:

	Direct Interest		Deemed Interest		Total Interest	
Directors	No. of Shares	% <sup>(1)</sup>	No. of Shares	%	No. of Shares	%
Osman Ibrahim	1,033,333	0.09	-	-	1,033,333	0.09
Ling Yong Wah	1,526,146	0.13	-	-	1,526,146	0.13
Chong Chee Keong Chris	-	-	-	-	-	-
Kevin Wong Chee Fatt	-	-	-	-	-	-
<b>Substantial Shareholders</b>						
RHC	723,106,389	59.68	-	-	723,106,389	59.68
SHL <sup>(2)</sup>	353,439,725	29.17	8,382,620	0.69	361,822,345	29.86
Sheikh AlTurki Abdulaziz Ali A <sup>(3)</sup>	-	-	723,106,389	59.68	723,106,389	59.68

**Notes:**

<sup>(1)</sup> The shareholding percentages are calculated based on a total number of 1,211,620,433 Shares.

<sup>(2)</sup> By virtue of Section 4 of the SFA, SHL is deemed to have an interest in the Shares held by its wholly-owned subsidiary, Swiber Corporate Pte. Ltd. (In Creditors' Voluntary Liquidation).

<sup>(3)</sup> By virtue of Section 4 of the SFA, Sheikh AlTurki Abdulaziz Ali A is deemed to have an interest in the Shares held by RHC.

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## LETTER TO SHAREHOLDERS

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

### 5. ABSTENTION FROM VOTING

#### 5.1 RHC

RHC holds an interest in 723,106,389 Shares, representing 59.68% of the voting Shares of the Company.

In accordance with Rule 919 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 and Ordinary Resolution 2 for the proposed ratification of the entry into the 2023 RHC Loan Agreement and proposed ratification of the entry into the Loan Facility Novation Agreement respectively, and shall decline to accept appointment as proxy to attend and vote at the forthcoming EGM for other Shareholders in respect of these Ordinary Resolutions in each case, unless the Shareholders concerned have given specific instructions as to the manner in which their votes are to be cast.

#### 5.2 Mr. Osman Ibrahim

Mr. Osman Ibrahim holds an interest in 1,033,333 Shares, representing 0.09% of the voting Shares of the Company.

In accordance with Rule 919 of the Catalist Rules, as an associate of RHC in light of his concurrent position as Vice Chairman and Group CEO of RHC, Mr. Osman Ibrahim shall abstain from voting at the EGM, whether by representative or proxy, in respect of Ordinary Resolution 1 and Ordinary Resolution 2 for the proposed ratification of the entry into the 2023 RHC Loan Agreement and proposed ratification of the entry into the Loan Facility Novation Agreement respectively, and shall decline to accept appointment as proxy to attend and vote at the forthcoming EGM for other Shareholders in respect of these Ordinary Resolutions in each case, unless the Shareholders concerned have given specific instructions as to the manner in which their votes are to be cast.

### 6. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

6.1 The Company has appointed ZICO Capital Pte. Ltd. as the Independent Financial Adviser (“IFA”) pursuant to Rule 921(4)(a) of the Catalist Rules to opine on whether the terms of the past IPTs that are to be ratified (i.e. the entry into 2023 RHC Loan Agreement and the entry into Loan Facility Novation Agreement respectively) had been carried out on normal commercial terms and were not prejudicial to the interests of the Company and its Independent Shareholders.

6.2 The following is an extract from Section 5 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 Appendix B to this Circular. Shareholders are advised to read the IFA Letter in its entirety and carefully consider it in the context of this Circular before deciding on whether to vote in favour of the IPTs.

#### **“OUR OPINION**

*In arriving at our opinion, we have taken into account the following factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed IPTs:*

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## LETTER TO SHAREHOLDERS

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- (a) *the rationale for the Proposed IPTs, specifically the fact that the RHC Advances have been beneficial to the Group and had provided the necessary financial support for the continuing operations of the Group. The Ratified 2023 RHC Loan Agreement would enable RHC to continue to provide the necessary financial support to the Group. Further, the Loan Facility Novation Agreement would enable the Group to be in compliance with the Ratified 2023 RHC Loan Agreement;*
- (b) *while the interest rate of 8.00% per annum applicable to the RHC Advances during the Specified Period is higher than the interest rates or distribution rates charged on the Group's existing borrowings and previous debt securities, the RHC Advances are unsecured, while the Group's existing debt facilities are secured against certain assets of the Group which will impact the applicable interest rates on these facilities;*
- (c) *while the RHC Advances do not have a fixed repayment term, the interest rate of 8.00% per annum is applicable to the RHC Advances during the Specified Period of approximately 3 years, commencing from 1 April 2025. Before the expiry of the Specified Period, the Company will seek fresh approval from the Independent Shareholders on the determination of the applicable interest rate to charge on the RHC Advances for the next 3-year period (or such period as may be proposed by the Company and approved by the Independent Shareholders). The Specified Period of approximately 3 years applicable to the interest rate of 8.00% per annum is applicable is shorter than the range of loan tenures of the Group's current outstanding fixed and floating interest rate loan facilities of between 5 to 8 years;*
- (d) *the interest rate of the RHC Advances of 8.00% per annum for the Specified Period is within range of the interest rates applicable to the Broadly Comparable Companies across various debt financing arrangements;*
- (e) *the effective interest rate of the Company of 6.58% per annum (assuming that the interest rate for the RHC Advances is 8.00% per annum with effect from FY2024) is within range of, and below the average and median effective interest rates of the Broadly Comparable Companies;*
- (f) *the interest rate for the RHC Advances of 8.00% per annum pursuant to the Ratified 2023 RHC Loan Agreement during the Specified Period is within the range of interest rates charged for recent loans or advances granted as IPTs to Precedent Borrowers;*
- (g) *the interest rate of 8.00% per annum for the RHC Advances during the Specified Period falls within the range of coupon rates for RHC's outstanding sukuk bonds; and*
- (h) *the refinancing alternatives available to the Group, as well as the current challenging borrowing environment, to which the Management had represented that the Ratified 2023 RHC Loan Agreement is the most efficient refinancing option which will allow the Group to achieve an optimal capital structure at minimal cost and time delay, without adversely impacting the Group's financial position and its flexibility in managing its working capital position.*

*We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.*

***Having carefully considered the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders."***

- 6.3 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

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## LETTER TO SHAREHOLDERS

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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 FROM THE AUDIT COMMITTEE

The Audit Committee having considered and reviewed, *inter alia*, the terms and the rationale of the IPTs, the reasons stated in Sections 2 and 3 of this Circular, the opinion and advice of the IFA, as set out in Appendix B to this Circular, and after discussion with the management of the Company, is of the view that these IPTs are not prejudicial to the interests of the Company and its Independent Shareholders.

### 8. DIRECTORS' RECOMMENDATIONS

All the Directors, save for Mr. Osman Ibrahim, are deemed independent for the purposes of Ordinary Resolutions 1 and 2. Mr. Osman Ibrahim will abstain from making a recommendation in respect of Ordinary Resolutions 1 and 2 in light of his concurrent position as Vice Chairman and Group CEO of RHC. Having considered, *inter alia*, the rationale and circumstances of these Ordinary Resolutions, and the opinion of the IFA, as set out in Appendix B to this Circular, the Directors (save for Mr. Osman Ibrahim) are of the opinion that the proposed ratifications of the entry into the 2023 RHC Loan Agreement and the entry into the Loan Facility Novation Agreement are in the interest of the Company. Accordingly, the Directors (save for Mr. Osman Ibrahim) recommend that Shareholders vote in favour of Ordinary Resolutions 1 and 2 to be proposed at the EGM.

### 9. CONSENT

The IFA, ZICO Capital Pte. Ltd., has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, and a copy of the IFA Letter as set out in Appendix B to this Circular, in the form and context in which they appear in this Circular.

### 10. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders should refer to the Notice of EGM for further details of the EGM, including instructions on how to participate in the EGM and/or cast their votes at the EGM, including in particular, in respect of the Ordinary Resolutions as set out in the Notice of EGM.

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619 not less than seventy-two (72) hours before the date and time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM should he/she subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance. A Depositor shall not be regarded as a Shareholder of the Company and shall not be entitled to attend the EGM and to speak and vote thereat unless his/her name appears on the Depository Register at least seventy-two (72) hours before the EGM.

### 11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular 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

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## LETTER TO SHAREHOLDERS

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facts about the IPTs, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement herein misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, 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 this Circular in its proper form and context.

### 12. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 1 Pasir Panjang Road, #28-02, Labrador Tower, Singapore 118479 during normal business hours on any weekday (public holidays excepted) from the date of this Circular up to and including the date of the EGM:

- (a) the 2021 RHC Loan Agreement;
- (b) the 2023 RHC Loan Agreement;
- (c) the Loan Facility Novation Agreement;
- (d) the IFA Letter; and
- (e) the IFA's letter of consent.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to [enquiries@vallianzholdings.com](mailto:enquiries@vallianzholdings.com) at least three (3) working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the documents. Shareholders will need to identify themselves by submitting his/her/its full name as it appears on his/her/its CDP share records, contact number and NRIC/Passport/UEN number and state the manner in which he/she/it holds his/her/its Shares in the Company. Upon confirmation of the identity of the Shareholder, the Company will arrange a date when each Shareholder can come to the registered office to inspect accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time.

Yours faithfully

For and on behalf of the Board of Directors of

**VALLIANZ HOLDINGS LIMITED**

**Ling Yong Wah**

**Executive Director and Chief Executive Officer**

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## APPENDIX A

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### REQUIREMENTS UNDER CHAPTER 9 OF THE CATALIST RULES AND DETAILS REGARDING THE INTERESTED PERSONS

#### 1. REQUIREMENTS UNDER CHAPTER 9 OF THE CATALIST RULES AS TO INTERESTED PERSONS TRANSACTIONS

Chapter 9 of the Catalyst 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 Rules 905 and 906 of the Catalyst Rules, 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 Rule 906 of the Catalyst Rules, 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.

Rule 920 of the Catalyst Rules also permits a listed company to seek a mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, that may be carried out with the interested person. Transactions conducted under such a mandate are not subject to Rules 905 and 906 of the Catalyst Rules. Such a general mandate is subject to annual renewal.

#### 2. INTERESTED PERSONS

##### 2.1 DETAILS OF INTERESTED PERSONS

###### Rawabi Holding Company Limited ("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 723,106,389 Shares as at the Latest Practicable Date, representing an interest of approximately 59.68% of the share capital of the Company. Accordingly, RHC is an interested person under Chapter 9 of the Catalyst Rules.

###### Rawabi Energy Company Limited ("RENG")

RENG is a subsidiary of RHC, and RHC exercises full control over RENG. As at the date of this Circular, the shareholding in RENG held by RHC is approximately 99.998%. RENG is considered an associate of RHC and is therefore an interested person under Chapter 9 of the Catalyst Rules. RENG offers services for the energy sector, especially in onshore marine, oilfield and safety and field risk management globally.

#### 3. INTERESTED PERSON TRANSACTIONS ENTERED INTO WITH RHC AND RENG RESPECTIVELY DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

###### RHC

In the interest of full disclosure, the table below sets out information on the IPTs with RHC during the financial year ended 31 December 2024. Shareholders should note that the items marked with an asterisk indicates IPTs with RHC which were carried out pursuant to the general



## APPENDIX A

mandate for IPTs with the RHC Group granted by Shareholders at the last annual general meeting of the Company held on 29 April 2024, and **which do not fall within the subject of the IPTs mentioned this Circular.**

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (including transactions less than S\$100,000 and excluding transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
<b>*Other goods and services provided to the Group</b>			
RHC	Controlling shareholder of the Company	Not applicable	US\$702,711
<b>*Other goods and services provided by the Group</b>			
RHC	Controlling shareholder of the Company	Not applicable	US\$6,962

### RENG

In the interest of full disclosure, the table below sets out information on the IPTs with RENG during the financial year ended 31 December 2024. Shareholders should note that the items marked with an asterisk indicates IPTs with RENG which were carried out pursuant to the general mandate for IPTs with the RHC Group granted by Shareholders at the last annual general meeting of the Company held on 29 April 2024, and **which do not fall within the subject of the IPTs mentioned this Circular.**

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (including transactions less than S\$100,000 and excluding transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
<b>Interest on shareholder's advances provided to the Group</b>			
RENG	Subsidiary of a Controlling shareholder of the Company	US\$5,548,860	Not applicable
<b>*Other goods and services provided by the Group</b>			
RENG	Subsidiary of a Controlling shareholder of the Company	Not applicable	US\$311,089

Shareholders can refer to the Corporate Governance Report contained in the Company's annual report for the financial year ended 31 December 2024 for more information on the IPTs of the Company during the financial year ended 31 December 2024.

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## APPENDIX B

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14 April 2025

To: The Directors of Vallianz Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) who are considered independent for the purposes of the Proposed IPTs (as defined herein)

Mr. Ling Yong Wah  
Mr. Chong Chee Keong Chris  
Mr. Kevin Wong Chee Fatt

(collectively, the “**Independent Directors**”)

Dear Sirs,

- (I) **THE PROPOSED RATIFICATION OF THE ENTRY INTO THE LOAN AGREEMENT DATED 1 JANUARY 2023 (“2023 RHC LOAN AGREEMENT”) ENTERED INTO BETWEEN THE COMPANY AND RAWABI HOLDING COMPANY LIMITED (“RHC” AND TOGETHER WITH ITS SUBSIDIARIES THE “RHC GROUP”) AS AN INTERESTED PERSON TRANSACTION; AND**
- (II) **THE PROPOSED RATIFICATION OF THE ENTRY INTO THE LOAN FACILITY NOVATION AGREEMENT DATED 16 JULY 2023 (“LOAN FACILITY NOVATION AGREEMENT”) ENTERED INTO BETWEEN THE COMPANY, RHC AND RAWABI ENERGY COMPANY LIMITED (“RENG”) AS AN INTERESTED PERSON TRANSACTION**

**(THE 2023 RHC LOAN AGREEMENT AND LOAN FACILITY NOVATION AGREEMENT ARE COLLECTIVELY REFERRED TO AS THE “PROPOSED IPTS”)**

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as defined in the circular to shareholders of the Company (“**Shareholders**”) dated 14 April 2025 (the “**Circular**”).*

### 1. INTRODUCTION

- 1.1 The Company had, at an extraordinary general meeting held on 27 April 2021 (the “**2021 EGM**”), obtained Shareholders’ approval for entry into the loan agreement dated 19 June 2020 between the Company and RHC (“**2021 RHC Loan Agreement**”), for the provision of shareholder advances to the Group for working capital needs and to support the Group’s operations (“**RHC Advances**”), on the following terms:
  - (a) the interest rate on the RHC Advances will be initially set at 5.00% per annum for a period of 5 years, commencing from 1 April 2020, being the beginning of the Company’s financial year for the financial year ended 31 March 2021;
  - (b) the RHC Advances will amount to up to US\$125 million; and
  - (c) before the expiry of the 5-year period (i.e. by 31 March 2025), the Company will seek approval from its independent Shareholders (“**Independent Shareholders**”) on the determination of the applicable interest rate to charge on the RHC Advances for the next 5-year period.

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## APPENDIX B

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- 1.2 On 1 January 2023, the Company entered into the 2023 RHC Loan Agreement with RHC. The 2023 RHC Loan Agreement was intended to supersede the 2021 RHC Loan Agreement and accordingly, was substantially on the same terms as the 2021 RHC Loan Agreement except that the limit on the RHC Advances had been increased to US\$132,572,058. Under the 2023 RHC Loan Agreement, the RHC Advances will continue to be unsecured, with no fixed repayment term but will bear interest, as it is required that such RHC Advances bear interest for compliance with the transfer pricing by-laws in the Kingdom of Saudi Arabia formally released on 15 February 2019 (the “**By-Laws**”). Based on the approval granted by Shareholders at the 2021 EGM, it was agreed the RHC Advances will bear interest fixed at 5.00% until 31 March 2025.
- 1.3 Subsequent to the entry into the 2023 RHC Loan Agreement, the Company had, on 16 July 2023, entered into the Loan Facility Novation Agreement with RHC and its subsidiary, RENG. As at the date of this letter, the shareholding in RENG held by RHC is approximately 99.998%. Under the Loan Facility Novation Agreement, RHC has novated the 2023 RHC Loan Agreement to RENG along with its entire economic rights, but RHC's pre-consent shall be obtained by RENG to exercise the economic rights attached to the 2023 RHC Loan Agreement.
- 1.4 RHC and its associates are regarded as interested persons of the Company (“**Interested Persons**”) within the meaning defined in Rule 904 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of the Catalist (“**Catalist Rules**”), and transactions between the Company and the RHC Group are deemed interested person transactions within the meaning of Chapter 9 of the Catalist Rules. Please refer to Section 3.1 below for further details on RHC.
- 1.5 Under Rule 909(3) of the Catalist Rules, in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. As the RHC Advances have no fixed repayment term, the aggregate value at risk to the Group for the purpose of the interested person transaction is not determinable. Hence, for the purpose of determining the value at risk in relation to the RHC Advances, the Company is proposing to seek Shareholders’ ratification of the 2023 RHC Loan Agreement (“**Ratified 2023 RHC Loan Agreement**”) at its extraordinary general meeting to be held on 29 April 2025 (“**EGM**”) on the following basis:
- (a) interest rate on the RHC Advances to be set at 8.00% per annum for a period of approximately 3 years, commencing from 1 April 2025 to 30 April 2028 (the “Specified Period”);
  - (b) for the amount of RHC Advances of up to US\$132,572,058; and
  - (c) before the expiry of the Specified Period, to seek fresh approval from the Independent Shareholders on the determination of the applicable interest rate to charge on the RHC Advances for a subsequent 3-year period (or such period as may be proposed by the Company and approved by the Independent Shareholders).
- The Company is also proposing to seek Shareholders’ ratification for the Loan Facility Novation Agreement at the upcoming EGM. If passed, the ratification will allow the Company to continue fulfilling its obligations under the 2023 RHC Loan Agreement and Loan Facility Novation Agreement respectively.
- Further details on the Ratified 2023 RHC Loan Agreement and Loan Facility Novation Agreement are set out in the Circular and the ensuing sections of this letter (“**IFA Letter**”).
- 1.6 ZICO Capital Pte. Ltd. (“**ZICO Capital**”) has been appointed by the Company as the independent financial adviser (“**IFA**”) pursuant to Rule 921(4)(a) of the Catalist Rules to advise the Independent Directors on whether the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

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## APPENDIX B

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This IFA Letter has been prepared pursuant to Rule 921(4)(a) of the Catalist Rules, as well as for the use of the Independent Directors to provide an opinion on whether the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. Our opinion in relation to the Proposed IPTs should be considered in the context of the entirety of this IFA Letter and the Circular.

### 2 TERMS OF REFERENCE

ZICO Capital has been appointed as the IFA pursuant to Rule 921(4)(a) of the Catalist Rules, as well as to advise Independent Directors on whether the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

We were not involved in or responsible for, any aspect in the negotiations pertaining to the Proposed IPTs, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed IPTs. We do not, by this IFA Letter or otherwise, advise or form any judgement on the strategic, commercial or financial merits or risks of the Proposed IPTs, other than to express an opinion on whether the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. All such evaluations, advice, judgements or comments remain the sole responsibility of the Directors and their advisers. We have, however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion. The scope of our appointment does not require us to express, nor do we express, a view on the future growth prospects, earnings potential or value of the Company. We do not express any view as to the price at which the ordinary shares in the Company ("**VHL Shares**" or "**Shares**") may trade upon completion of the Proposed IPTs nor on the future value, financial performance or condition of the Company after the completion of the Proposed IPTs. It is also not within our terms of reference to compare the merits of the Proposed IPTs to any alternative transactions that were or may have been available to the Company. Such comparison and consideration remain the responsibility of the Directors and their advisers.

In the course of our evaluation of the Proposed IPTs, we have held discussions with the Directors and the management of the Company ("**Management**"). We have also examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors and the Management, including information contained in the Circular. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information or representations provided by the Company. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the reliability and accuracy of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, the real properties) of the Company, its subsidiaries and associated companies.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated detailed supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are fair and accurate in all material aspects. The Directors have confirmed to us that, to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed IPTs and the Group, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading.

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Our opinion is based upon market, economic, industry, monetary and other conditions (where applicable) prevailing on, as well as our analysis of the information made available to us (including the Group's audited financial results for the year ended 31 December 2024 ("FY2024") and as at 7 April 2025 (the "**Latest Practicable Date**"). Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent developments after the Latest Practicable Date that may affect our opinion or factors or assumptions contained therein. Shareholders should take note of any announcements relevant to their consideration of the Proposed IPTs, which may be released by the Company after the Latest Practicable Date.

In rendering our opinion, we did not have regard to the general or specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any Shareholder. We recommend that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

The Company has been advised by its own legal advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter).

We have prepared this IFA Letter pursuant to Rule 921(4)(a) of the Catalist Rules, and for the use by the Independent Directors in connection with their consideration of the Proposed IPTs, but any recommendations made by the Independent Directors in respect of the Proposed IPTs shall remain their sole responsibility. 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 purposes (other than for the consideration of the Proposed IPTs) at any time and in any manner without the prior written consent of ZICO Capital. Our opinion in relation to the Proposed IPTs should be considered in the context of the entirety of this IFA Letter and the Circular.

### 3 THE PROPOSED IPTS

#### 3.1 Information on RHC

Information on RHC have been extracted from Section 2.1 of the Circular and are set out in italics below.

*"RHC is a company based in Al-Khobar (Eastern Province), Kingdom of Saudi Arabia and has been in business for around 40 years. It is a diversified group with operations spanning across the energy, industrial services, contracting, and real estate sectors. Through its subsidiaries and joint ventures, the company has established a presence in more than 10 countries, working in collaboration with international partners.*

*As at the Latest Practicable Date, RHC is a Controlling Shareholder of the Company, holding 723,106,389 Shares representing approximately 59.68% in the issued share capital of the Company. Accordingly, RHC and its associates are regarded as Interested Persons of the Company within the meaning defined in Rule 904 of the Catalist Rules, and transactions between the Company and the RHC Group are deemed IPTs within the meaning of Chapter 9 of the Catalist Rules."*

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### 3.2 Information on RENG

Information on RENG have been extracted from Section 3.1 of the Circular and are set out in italics below.

*“RENG is a subsidiary of RHC, and RHC exercises full control over RENG. As at the date of this Circular, the shareholding in RENG held by RHC is approximately 99.998%. RENG offers services for the energy sector, especially in onshore marine, oilfield and safety and field risk management globally.*

*As at the Latest Practicable Date, RHC is a Controlling Shareholder of the Company, holding 723,106,389 Shares representing approximately 59.68% in the issued share capital of the Company. Accordingly, RHC and its associates (including RENG) are regarded as Interested Persons of the Company within the meaning defined in Rule 904 of the Catalist Rules, and transactions between the Company and the RHC Group are deemed IPTs within the meaning of Chapter 9 of the Catalist Rules.”*

### 3.3 Salient terms of the Ratified 2023 RHC Loan Agreement

Salient terms of the RHC Advances, as extracted from the Ratified 2023 RHC Loan Agreement, are set below.

<b>Lender</b>	:	RENG
<b>Borrower</b>	:	The Company
<b>Tenure</b>	:	No fixed tenure
<b>Loan facilities</b>	:	Up to US\$132,572,058, comprising <ul style="list-style-type: none"><li>• US\$32,572,058 under Tranche A (“<b>Tranche A Facility</b>”); and</li><li>• US\$100,000,000 under Tranche B (“<b>Tranche B Facility</b>”)</li></ul>
<b>Purpose</b>	:	The Company shall utilise all amounts borrowed under: <ul style="list-style-type: none"><li>• Tranche A Facility towards the repayment of existing loans as designated under the 2023 RHC Loan Agreement, and any other loan as designated by the Lender; and</li><li>• Tranche B Facility for the purposes of financing general corporate requirements</li></ul>
<b>Interest rate</b>	:	The applicable interest rate stated in the utilisation request for the loan facilities and accepted by the Lender.

Based on the approval granted by Shareholders at the 2021 EGM, it was agreed the RHC Advances will bear interest fixed at 5.00% per annum until 31 March 2025.

Upon Shareholders’ approval to be obtained at the EGM for the Ratified 2023 RHC Loan Agreement, the RHC Advances will bear interest fixed at 8.00% per annum from 1 April 2025 until 30 April 2028

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## APPENDIX B

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- Repayment** : No fixed repayment terms. Notwithstanding, RENG may at any time<sup>(1)</sup>:
- (a) by notice to the Company terminate the availability of the RHC Advances with immediate effect;
  - (b) declare that all or part of any or all RHC Advances, together with accrued interest, and all other amounts accrued or outstanding be immediately due and payable, whereupon they shall become immediately due and payable;
  - (c) declare that all or part of any or all RHC Advances be payable on demand; and/or
  - (d) exercise any or all of its rights, remedies and powers under any of the 2023 RHC Loan Agreement and the related documents

**Note:**

- (1) Notwithstanding the above, the Group has obtained an undertaking for RHC to provide continuing financial support and other support as necessary to the Group so as to enable it to continue its operations for the next 15 months from the date of the Group's FY2024 financial statements and to continue to trade and meet its financial obligations and commitments. As part of the financial support, RHC and RENG will not demand the repayment of the RHC Advances.

As at the Latest Practicable Date, the total outstanding amount due by the Company to RHC Group in respect of the 2023 RHC Loan Agreement and outstanding interest on such principal drawn down amounted to approximately US\$113.6 million, representing 106.6% of the Group's latest audited net tangible assets ("**NTA**") as at 31 December 2024.

Assuming that the Company draws down the RHC Advances under the Ratified 2023 RHC Loan Agreement in full from the first available date, the maximum interest for the RHC Advances would be approximately US\$10.6 million per annum, representing approximately 10.0% of the Group's latest audited NTA as at 31 December 2024.

### 3.4 Interest rate

Upon Shareholders' approval to be obtained at the EGM for the Ratified 2023 RHC Loan Agreement, the RHC Advances will bear interest fixed at the rate of 8.00% per annum for the Specified Period, as it is required that such RHC Advances bear interest for compliance with the transfer pricing By-Laws in the Kingdom of Saudi Arabia.

Pursuant to the By-Laws, any related party transactions must be conducted on terms that are similar to comparable transactions between independent persons and be consistent with the arms' length principle. The By-Laws are applicable from the reporting year ended 31 December 2018 onwards. The By-Laws enable the General Authority of Zakat and Tax of the Kingdom of Saudi Arabia to disregard the result of a controlled transaction where the terms, conditions or remunerations are not consistent with the arms' length principle, such as where the shareholder advance is interest-free.

The interest rate of 8.00% per annum over the Specified Period was arrived at pursuant to an arm's length negotiation between the Company and RHC, taking into consideration the cost of funds by RHC and its subsidiaries.

Before the expiry of the Specified Period, the Company will seek fresh approval from the Independent Shareholders on the determination of the applicable interest rate on the RHC Advances for the next 3-year period (or such period as may be proposed by the Company and approved by the Independent Shareholders).

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### 3.5 Ratification of the Loan Facility Novation Agreement

On 16 July 2023, the Company entered into the Loan Facility Novation Agreement with RHC and RENG, pursuant to which RHC had novated the 2023 RHC Loan Agreement to RENG along with its entire economic rights, but RHC's pre-consent shall be obtained by RENG to exercise the economic rights attached to the 2023 RHC Loan Agreement ("**Novation**").

There are no material changes to the 2023 RHC Loan Agreement as a result of the Novation, except that: (a) the Company shall be liable to repay the novated facility (i.e. the RHC Advances outstanding) to RENG; and (b) commencing from 1 January 2024, all interest under the 2023 RHC Loan Agreement shall be paid to RENG. However, the Board is of the view that it is prudent to seek Shareholders' approval for a ratification of the Loan Facility Novation Agreement as the Company is also concurrently seeking Shareholders' approval for the Ratified 2023 RHC Loan Agreement. Furthermore, if the entry into the Loan Facility Novation Agreement is not ratified, it would mean that the Company would not be able to continue discharging its obligations in connection with the Loan Facility Novation Agreement without breaching Chapter 9 of the Catalist Rules.

## 4 EVALUATION OF THE PROPOSED IPTS

In our evaluation of the Proposed IPTs, we have given due consideration to the following factors:

- (a) the rationale for the Proposed IPTs;
- (b) the financial performance and position of the Group;
- (c) comparison with existing borrowings and previous debt securities of the Group;
- (d) comparison with effective interest rates applicable to Broadly Comparable Companies;
- (e) comparison with recent IPTs involving loans or advances granted to companies listed on SGX-ST;
- (f) comparison with prevailing interest rates; and
- (g) other relevant considerations.

### 4.1 Rationale for the Proposed IPTs

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed IPTs. Nevertheless, we have reviewed the Company's rationale for the Proposed IPTs set out in Sections 2.2, 2.4 and 3.4 of the Circular, which has been extracted and set out in *italics* below.

#### **Rationale for the Ratified 2023 RHC Loan Agreement**

*"Following the 2021 RHC Loan Agreement, the management of the Company had made the prudent decision to increase the facility limit on the RHC Advances from US\$125 million (the "Initial Facility Limit") to US\$132,572,058 to bolster the Company's existing financial support for its operations. However, based on the financial and cash flow projections of the Company, management made the assessment that the Company would not need to utilise the RHC Advances beyond the Initial Facility Limit approved by Shareholders at the 2021 EGM, and had therefore not sought Shareholders' approval for the increased limit on the RHC Advances. As at the date of this Circular, the aggregate amount of RHC Advances utilised amounted to approximately US\$113.6 million, which is below the Initial Facility Limit."*



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*Additionally, as there had not been any deviation from the original nature and obligations of the 2021 RHC Loan Agreement as approved by Shareholders, management determined that it was not necessary to enter into an amendment deed to the 2021 RHC Loan Agreement and hence elected to enter into the 2023 RHC Loan Agreement on substantially the same terms as the 2021 RHC Loan Agreement instead.*

*However, even though the Company does not have immediate plans to fully exhaust the increased limit of the RHC Advances available under the 2023 RHC Loan Agreement, as the Company is now seeking approval of the Independent Shareholders on the determination of the applicable interest rate as proposed on the RHC Advances for the Specified Period, the Board was thus of the view that it is prudent to concurrently seek Shareholders' approval for a ratification of the 2023 RHC Loan Agreement.*

*Furthermore, the 2023 RHC Loan Agreement is necessary in order for RHC to comply with the applicable laws and to ensure that the existing shareholder's advances from RHC will be deemed as valid, existing and binding obligations and not be disregarded by the Saudi Arabian authorities.*

*In the event that Shareholders' approval is not obtained, (a) RHC will not be in compliance with the applicable laws and may face legal or tax consequences such as monetary penalties, tax audits and investigations; and (b) RHC may not be able to extend further advances to the Company.*

*The RHC Advances had been beneficial to the Group and had provided the necessary financial support for the continuing operations of the Group in view of the challenging environment that the Group was operating in. Ratification of the 2023 RHC Loan Agreement will enable RHC to continue to provide the necessary financial support to the Group, if required."*

*It was further disclosed under Section 2.2.7 of the Circular that "The Company and RHC are of the view that fixing the interest rate over the Specified Period will give certainty of the interest expense for the Company for the duration, and provides the opportunity at an appropriate juncture to review and adjust the interest rate to prevailing market rates. Furthermore, in light of the current geopolitical climate and trade policy changes, the Company is of the view that fixing the interest rate on the basis of a 3-year period (as opposed to the 5-year period previously sought) would be preferable to provide the Company with additional flexibility to react to the prevailing global conditions and market rates after the expiry of the Specified Period."*

### **Rationale for the ratification of the Loan Facility Novation Agreement**

*"As the Loan Facility Novation Agreement is required by RHC for its corporate restructuring, and RHC has the sole right under the 2023 RHC Loan Agreement to novate the indebtedness to any party without the consent of the Company, with all terms, conditions and covenants to remain intact (including but not limited to approvals of management decision and control situations, pledge of shares and other movable assets and assignment of rights and other matters as stipulated in the 2023 RHC Loan Agreement), the Company cannot refuse the Novation without breaching the terms of the 2023 RHC Loan Agreement.*

*Notwithstanding the Novation, as the financial obligations on the Company remains the same and there had not been any substantial departure from the nature and terms of the 2021 RHC Loan Agreement which had been approved by the Shareholders at the 2021 EGM, the Company had therefore not earlier sought approval or ratification on the 2023 RHC Loan Agreement. However, the Board is of the view that it is prudent to seek Shareholders' approval for a ratification of the Loan Facility Novation Agreement as the Company is also concurrently seeking Shareholders' approval for a ratification of the 2023 RHC Loan Agreement.*

*In the event that Shareholders' approval is not obtained for ratification of the Loan Facility Novation Agreement, the Company would not be able to continue discharging its obligations in connection with the Loan Facility Novation Agreement without breaching Chapter 9 of the Catalyst Rules."*

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### 4.2 Financial performance and position of the Group

#### Financial performance

A summary of the selected items of the audited consolidated financial statements of the Group for the 12-months financial year ended 31 March 2023 (“**12M2023**”), the 9-months financial period from 1 April 2023 to 31 December 2023 (“**FP2023**”), and the 12-months financial year ended 31 December 2024 is set out below.

Pursuant to the Company’s change of financial year end from 31 March to 31 December as announced by the Company on 21 November 2023, the comparative period for the Company’s financial results set out below for (i) FP2023 (being the 9 months financial period from 1 April 2023 to 31 December 2023) will be 12M2023 (being the 12 months financial period from 1 April 2022 to 31 March 2023); and (ii) FY2024 will be FP2023.

	Audited		
	12M2023 (12 months from 1 April 2022 to 31 March 2023)	FP2023 (9 months from 1 April 2023 to 31 December 2023)	FY2024 (12 months from 1 January 2024 to 31 December 2024)
<b>(US\$’000)</b>			
Revenue	149,174	214,673	497,858
Cost of sales	(136,833)	(196,280)	(468,230)
<b>Gross profit</b>	<b>12,341</b>	<b>18,393</b>	<b>29,628</b>
Other income/(loss), net	(2,164)	(3,997)	114
Administrative expenses	(7,972)	(7,250)	(10,227)
Finance costs	(8,936)	(9,262)	(17,635)
Share of results of joint venture	-	-	160
<b>Operating profit/(loss)</b>	<b>(6,731)</b>	<b>(2,116)</b>	<b>2,040</b>
Exceptional items	(3,195)	2,031	19,150
<b>Profit/(Loss) before tax</b>	<b>(9,926)</b>	<b>(85)</b>	<b>21,190</b>
Income tax (expense)/ credit	(1,350)	130	(3,360)
<b>Profit/(Loss) for the year</b>	<b>(11,276)</b>	<b>45</b>	<b>17,830</b>
<b>Profit/(Loss) attributable to owners of the Company</b>	<b>(9,388)</b>	<b>1,726</b>	<b>20,398</b>

#### **FY2024 vs FP2023**

The Group recorded revenue of approximately US\$497.9 million in FY2024, representing an increase of 132% from US\$214.7 million in FP2023. The growth in revenue was primarily driven by the shipyard and newbuild management services segment, largely due to the progress of newbuild projects in FY2024. Additionally, the expansion of the fleet in FY2024 enhanced revenue in the vessel chartering and management segment, supported by higher charter rates and improved vessel utilisation. Furthermore, there was a rise in regional demand for submersible barges. The vessel chartering and management segment and the shipyard and newbuild management services segment accounted for approximately 9% and 91% respectively of the Group’s revenue in FY2024, as compared to approximately 13% and 87% respectively in FP2023.

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The Group registered a gross profit of US\$29.6 million in FY2024 which was US\$11.2 million or 61% higher than that of US\$18.4 million in FP2023. Both the vessel chartering and management segment and shipyard and newbuild management services segment recorded increases in gross profit, with the latter segment being the major contributor. The Group's vessel chartering and management segment registered a 24.9% gross margin in FY2024 as compared to a 31.1% gross margin in FP2023, of which the decline was primarily attributable to higher vessel operating costs and repair and maintenance expenses. Additionally, the shipyard and newbuild management services segment registered a decline in gross margin from 5.2% in FP2023 to 4.1% in FY2024, mainly due to higher project costs which were recognised based on actual costs incurred.

The Group recorded other income of US\$0.1 million in FY2024 as compared to a loss of US\$4.0 million in FP2023. The change was primarily driven by lower bad debts of US\$1.3 million written off and higher creditors written back of US\$1.3 million, which was partially offset by an impairment loss on remeasurement of asset held for sale of US\$0.6 million, lower interest income of US\$0.2 million and a higher net foreign exchange loss of US\$0.6 million in FY2024. In addition, the loss in FP2023 included a write-off of US\$2.9 million for a vessel under construction due to a change in design, which did not recur in FY2024.

The increase in administrative expenses by US\$3.0 million or 41% from US\$7.2 million in FP2023 to US\$10.2 million in FY2024 was mainly attributable to higher staff costs and professional fees. This is aligned with the increased volume of the Group's businesses.

Finance costs in FY2024 rose to US\$17.6 million, compared to US\$9.3 million in FP2023. This increase was primarily due to higher interest expenses resulting from the drawdown of advances from shareholders and lease liabilities, as new right-of-use assets were recognised. Additionally, a rise in bank interest rates during FY2024 further contributed to the overall increase in finance costs.

The exceptional gain of US\$19.2 million in FY2024 was primarily attributable to the gain on settlement of Series A convertible bonds and perpetual capital securities, amounting to US\$15.3 million and US\$5.6 million respectively. This was partially offset by a loss on the deconsolidation of subsidiaries amounting to US\$1.8 million. In contrast, the exceptional gain of US\$2.0 million in FP2023 comprised the gain of settlement of Series B convertible bonds.

As a result of the above, the Group registered a higher profit attributable to owners of the Company of US\$20.4 million in FY2024 as compared to US\$1.7 million in FP2023.

### **FP2023 vs 12M2023**

The Group recorded revenue of approximately US\$214.7 million in FP2023, representing an increase of 44% from US\$149.2 million in 12M2023. The increase was mainly attributable to increase in number of newbuild projects in the shipyard and newbuild management services segment. The increase was partially offset by the decrease in the vessel chartering and management segment, as there was a lower volume of vessel management work. In addition, there was a lower number of projects in the region requiring submersible barges. The vessel chartering and management segment and the shipyard and newbuild management services segment accounted for approximately 13% and 87% respectively of the Group's revenue in FP2023, as compared to approximately 43% and 57% respectively in 12M2023.

The Group registered a gross profit of US\$18.4 million in FP2023 which was US\$6.1 million or 49% higher than that of US\$12.3 million in 12M2023, primarily contributed by the shipyard and newbuild management services segment. The Group's vessel chartering and management segment registered a 31.1% gross margin in FPM2023 as compared to a 12.3% gross margin in 12M2023, due mainly to higher average daily charter rates and tight control over costs in FP2023. The shipyard and newbuild management services segment recorded 5.2% gross margin in FP2023, which was consistent with its 5.2% gross margin in 12M2023.

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Other losses, net, increased by approximately US\$1.8 million to US\$4.0 million in FP2023 from US\$2.2 million in 12M2023. This was mainly due to a US\$2.9 million write-off of a vessel under construction due to a change in design, partially offset by lower net foreign exchange loss of US\$0.6 million and higher miscellaneous other income of US\$0.3 million in FP2023.

The exceptional gain of US\$2.0 million in FP2023 pertained to partial redemption of convertible bonds, while the exceptional loss of US\$3.2 million in 12M2023 pertained to the disposal of a vessel during 12M2023.

As a result of the above, the Group registered a profit attributable to owners of the Company of US\$1.7 million in FP2023 as compared to a loss of US\$9.4 million in 12M2023.

### Financial Position

(US\$'000)	Audited		
	31 March 2023	31 December 2023	31 December 2024
Non-current assets	151,265	164,699	227,011
Current assets	116,464	282,907	240,101
<b>Total assets</b>	<b>267,729</b>	<b>447,606</b>	<b>467,112</b>
Non-current liabilities	135,795	48,788	124,711
Current liabilities	132,552	392,410	258,967
<b>Total liabilities</b>	<b>268,347</b>	<b>441,198</b>	<b>383,678</b>
<b>Total equity</b>	<b>(618)</b>	<b>6,408</b>	<b>83,434</b>
<b>Equity attributable to owners of the Company and capital securities holders</b>	<b>21,777</b>	<b>30,479</b>	<b>106,557</b>

### As at 31 December 2024

The Group's total assets of US\$467.1 million as at 31 December 2024 was US\$19.5 million higher as compared to 31 December 2023. This was mainly attributable to the increase in right-of-use assets, from US\$5.6 million as at 31 December 2023 to US\$62.4 million as at 31 December 2024 due to addition of leased vessels, partially offset by depreciation expenses. Such increase was partially offset by a decrease in other receivables from US\$163.5 million as at 31 December 2023 to US\$125.6 million as at 31 December 2024, mainly due to the utilisation of down-payments and prepayments made to third-party suppliers for the construction of new vessels that is aligned with the progress of the newbuild projects and revenue recognised.

The Group's total liabilities of US\$383.7 million as at 31 December 2024 was US\$57.5 million lower as compared to 31 December 2023. This was mainly attributable to the decrease in total current and non-current borrowings from US\$125.4 million as at 31 December 2023 to US\$116.7 million as at 31 December 2024 due to the repayment of term loans, the full settlement of convertible bonds during FY2024, and the decrease in contract liabilities from US\$202.2 million as at 31 December 2023 to US\$91.4 million as at 31 December 2024 that is aligned with the progress of the newbuild projects and revenue recognised. Such decrease was partially offset by an increase in current and non-current lease liabilities from US\$5.6 million as at 31 December 2023 to US\$50.2 million as at 31 December 2024 due to new liabilities incurred in relation to acquisition of right-of-use assets.

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### **As at 31 December 2023**

The Group's total assets of US\$447.6 million as at 31 December 2023 was US\$179.9 million higher as compared to 31 March 2023. This was mainly attributable to the increase in other receivables, from US\$56.4 million as at 31 March 2023 to US\$163.5 million as at 31 December 2023 due to higher down-payments and prepayments made to third-party suppliers for the construction of new vessels, and the increase in property, plant and equipment from US\$74.7 million as at 31 March 2023 to US\$83.8 million as at 31 December 2023 due to the purchase of new vessel and equipment, drydock for certain vessels and leasehold improvements, partially offset by depreciation expense and write-off of a vessel under construction.

The Group's total liabilities of US\$441.2 million as at 31 December 2023 was US\$172.9 million higher as compared to 31 March 2023. This was mainly attributable to an increase in contract liabilities from US\$51.6 million as at 31 March 2023 to US\$202.2 million as at 31 December 2023 due to higher amounts of deposits received in advance for construction of new vessels, and an increase in other payables from US\$38.5 million as at 31 March 2023 to US\$51.1 million as at 31 December 2023, mainly due to accrued costs for newbuild vessels.

### **4.3 Comparison with existing borrowings and previous debt securities of the Group**

For the purpose of our analysis, we have benchmarked salient terms of the Ratified 2023 RHC Loan Agreement with (i) the existing borrowings of the Group and (ii) the previous debt securities issued by the Group, namely the Convertible Bonds and Perpetual Securities (as defined below). In our analysis, we note that the timing, nature and structure of such borrowings and debt securities, as well as the then prevailing benchmark interest rates are inherently different. In addition, we noted that the Convertible Bonds and Perpetual Securities have been fully settled during FY2024. Accordingly, such comparisons are limited and are presented for general benchmarking and illustrative purposes only.

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Debt facilities	Date of issuance/ drawdown	Initial Principal amount	Outstanding amount at Latest Practicable Date	Interest rate (%)	Guarantee/ Collateral	Penalty for non-payment	Tenure
Restructuring Agreement with DBS Bank Ltd and Malayan Banking Berhad, Singapore Branch <sup>(1)</sup>	Original agreement was dated 19 February 2021, amended and restated on 3 April 2024	US\$145.1 million	US\$88.2 million	Annualised cumulative compounded daily Secured Overnight Financing Rate ("SOFR"), plus credit adjustment spread and margin. For comparative purposes, the interest rate charged amounted to 5.74% as at 31 December 2024	The Company as corporate guarantor  Refer to note 1 for more details	Cross Default on underlying facility agreements	96 months
Investment Credit Facility Agreement with PT. Bank Mandiri (Persero) Tbk	23 February 2022	Up to US\$2.9 million credit limit	US\$1.4 million	5.60% until 30 November 2022  6.00% from 1 December 2022 to 22 September 2024  6.25% from 23 September 2024	Non-fixed assets collaterals including inventories as much as Indonesian Rupiah ("Rp") 3.5 billion and receivable account as much as Rp 3.58 billion  Fixed assets collaterals including lands	2% above the facility interest rate which applies to any delay on principal amount payment and/or outstanding interests	60 months
Working Capital Credit Facility Agreement with PT. Bank Mandiri (Persero) Tbk	23 February 2022	Up to US\$0.5 million	US\$0.5 million	5.60% until 30 November 2022  6.00% from 1 December 2022 to 22 September 2024  6.25% from 23 September 2024	Non-fixed assets collaterals including inventories as much as Rp 3.5 billion and receivable account as much as Rp 3.58 billion  Fixed assets collaterals including lands	2% above the facility interest rate which applies to any delay on principal amount payment and/or outstanding interests	60 months

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Debt securities	Date of issuance	Amount issued	Outstanding amount at Latest Practicable Date	Interest/Distribution rate (%)	Other terms	Tenure
Series A and Series B Convertible Bonds – unsecured	12 August 2021	US\$50.0 million to 2 financial institutions	Not applicable <sup>(2)</sup>	Annualised cumulative compounded daily SOFR, plus credit adjustment spread.  During the tenure of the convertible bonds, the actual interest rates ranged from 5.2% to 5.8%	If such cashflow is insufficient to pay such interest in cash, any interest not paid in cash will be capitalised and be paid in the form of additional Series A and B Convertible Bonds.	96 months
Perpetual Securities – unsecured	5 January 2014	US\$22.5 million	Not applicable <sup>(3)</sup>	7.0% per annum (after the step-up date of 4 January 2018)	The perpetual securities have no fixed maturity and are redeemable in whole, or in part, at the Company's option on or after 30 December 2017 at their principal amount together with any accrued, unpaid or deferred distributions.	No fixed maturity
<b>RHC Advances – Unsecured</b>	<b>1 April 2025<sup>(4)</sup></b>	<b>Up to US\$132.6 million</b>	<b>US\$113.6 million</b>	<b>8.00% per annum<sup>(4)</sup></b>	<b>Please refer to Section 3.3 of this IFA Letter</b>	<b>No fixed repayment terms</b>

### Notes:

- (1) The abovementioned term loans under the restructuring agreement are secured by (i) mortgage of the property, vessels and equipment of the Group; (ii) assignment of marine insurances in respect of some of the vessels mentioned in (i); (iii) assignment of earnings/charter proceeds in respect of certain vessels mentioned in (i); (iv) corporate guarantees from the Company; and (v) shares in subsidiary corporations incorporated in Singapore.
- (2) On 31 October 2023, the Company had entered into a settlement agreement with one bondholder to fully settle the Series B floating Convertible Bonds due 2029. Pursuant to the settlement agreement and in consideration of the payment of the settlement amount of US\$3,957,749 by the Company, the bondholder shall waive any and all claims and rights and title that it may have in respect of the Series B Convertible Bonds. The aforementioned settlement amount was fully paid by the Company on 31 October 2023.
- On 14 June 2024, the Company entered into a deed of settlement for the Series A floating Convertible Bonds due 2029, which was subsequently amended on 8 August 2024 and terminated with effect on and from 6 September 2024. On 27 September 2024, the Company entered into a deed of settlement on the replacement arrangements to fully settle the Series A Convertible Bonds (“**Replacement Deed**”). Pursuant to the terms of the Replacement Deed, the Company made full payment of the settlement amount of US\$30,040,051.69. The full settlement of Series A Convertible Bonds was completed on 5 December 2024 and the Series A Convertible Bonds have been irrevocably cancelled and are void, and with no further effect thereafter.
- (3) On 14 June 2024, the Company entered into a deed of settlement to fully settle the Perpetual Securities. The settlement was completed on 8 August 2024, pursuant to which the Company made payment of the settlement amount of US\$18.4 million, and all the rights, benefits, title and interests to the Perpetual Securities were discharged, reassigned and released.
- (4) Being the date on which the interest rate of 8.00% per annum on the RHC Advances will take effect. Pursuant to the Ratified 2023 RHC Loan Agreement, before the expiry of the Specified Period, the Company shall seek fresh approval from the independent Shareholders on the determination of the applicable interest rate to charge on the RHC Advances for the next 3-year period (or such period as may be proposed by the Company and approved by the Independent Shareholders).

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Based on the table above, the interest rate of 8.00% per annum applicable to the RHC Advances during the Specified Period is higher than the interest rates or distribution rates charged on the Group's existing borrowings and previous debt securities.

It should also be noted that the abovementioned debt facilities were granted to the Group during 2021 to 2022, where the interest rate environment then may have differed significantly from current interest levels. Furthermore, the existing debt facilities of the Group set out above (other than the RHC Advances) are secured against certain assets of the Group, which will impact the applicable interest rates on these facilities.

We note that before the expiry of the Specified Period during which the interest rate of 8.00% per annum is applicable to the RHC Advances, the Company will seek fresh approval from the Independent Shareholders on the determination of the applicable interest rate to charge on the RHC Advances for the next 3-year period (or such period as may be proposed by the Company and approved by the Independent Shareholders). In this regard, we consider this to be reasonable taking into account that the Specified Period of approximately 3 years is shorter than the range of loan tenures of the Group's current outstanding fixed and floating interest rate loan facilities of between 5 to 8 years.

### 4.4 Comparison with effective interest rates applicable to Broadly Comparable Companies

For the purpose of our analysis, we have also benchmarked the interest rate of the RHC Advances during the Specified Period under the Ratified 2023 RHC Loan Agreement against publicly available information on similar rates charged to public companies listed on the SGX-ST operating within the integrated offshore marine solutions sector in Singapore (the "**Broadly Comparable Companies**").

We wish to highlight that the Broadly Comparable Companies are not exhaustive and may differ from the Company in terms of, *inter alia*, business activities, scale and size of operations, asset base, geographical spread, their exposure to benchmark interest rates, track record, financial performance, operating and financial leverage, creditworthiness, risk profile, future prospects, existing capital structure, assets available for securitisation and other relevant factors. External factors, such as the state of the economies and the conditions, including borrowing conditions of the markets in which the Broadly Comparable Companies operate in, during the point in time when loans are granted will also have significant impact on the terms of the loans. Further, none of the Broadly Comparable Companies are exactly comparable to the Company and the loans or debt financing arrangements available the Broadly Comparable Companies may require certain level of securitisation or collaterals. Accordingly, the Independent Directors should note that the below comparisons are necessarily limited and are intended to serve only as an illustrative guide.



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Company Name	Financial year end	Market capitalisation <sup>(1)</sup> (S\$'million)	Total debt <sup>(1)</sup> (S\$'million)	Total debt / total shareholders' equity <sup>(1)</sup> (times)	Interest rate range across various debt financing arrangements <sup>(1)</sup>	Effective interest rate <sup>(2)</sup> (%)
Marco Polo Marine Ltd	30-Sep-24	135.13	33.0	0.18	Temporary bridging loans: 2.75% to 3.00% Secured term loans: 8.50% to 15.60%	6.68
ASL Marine Holdings Limited	30-Jun-24	55.32	198.6	1.99	Trust receipts: 6.86% Interest-bearing loans and borrowings: 2.10% to 8.38%	10.44
Kim Heng Ltd	31-Dec-24	48.64	57.6	1.14	Term loans and trust receipts – fixed rate: 3.00% to 7.69% Term loans – floating rate: COF + 2.25 and 3 months COF Shareholder loans: 8.50%	6.14
Atlantic Navigation Holdings (Singapore) Limited	31-Dec-24	26.70	0.1 <sup>(3)</sup>	n.m. <sup>(5)</sup>	Term loans: SOFR + 3.15% to SOFR + 5.11% Shareholder loan: 3.00%	20.74 <sup>(6)</sup>
Nam Cheong Limited	31-Dec-24	174.55	139.5 <sup>(4)</sup>	0.36	Bilateral facilities: 3.53% to 5.45% Term loan: 3.00% to 7.30%	2.45
COSCO Shipping International (Singapore) Co., Ltd	31-Dec-24	268.71	161.5	0.36	Not disclosed	5.81
Mermaid Maritime Public Company Limited	31-Dec-24	131.44	139.3 <sup>(3)</sup>	0.56	Term loans: 4.60% to 8.67% Shareholder loan: 7.00%	7.98
Beng Kuang Marine Limited	31-Dec-24	33.87	6.6	0.31	Bonds: 9.00%	8.46
<b>High</b>				<b>1.99</b>	<b>Range: 2.10% to 9.00% (excluding outlier of 15.6%)</b>	10.44
<b>Low</b>				<b>0.18</b>		2.45
<b>Median</b>				<b>0.36</b>		6.68
<b>Average</b>				<b>0.70</b>		6.85
<b>The Company</b>	<b>31-Dec-24</b>	<b>47.25</b>	<b>158.9<sup>(3)</sup></b>	<b>1.09</b>	<b>8.00%<sup>(7)</sup></b>	<b>6.58%<sup>(8)</sup></b>

Source: Bloomberg L.P. and announcements, financial statements and annual reports publicly released by the respective Broadly Comparable Companies.

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### Notes:

- (1) The market capitalisation of the Broadly Comparable Companies is presented as at close of trading on the Latest Practicable Date. Total debt and total debt/total shareholders' equity are based on the respective issuers' published financial statements and annual reports (where applicable), and excludes lease liabilities. Interest rate range across various debt financing arrangements are based on the respective issuers' annual reports for their latest audited financial year end.
- (2) Effective interest rate is extracted from Bloomberg L.P. based on the respective issuers' latest full year financial statements. Based on the computation extracted from Bloomberg L.P., effective interest rate is calculated based on the total interest incurred (including capitalised interest expenses) divided by the average short and long term debt of the respective Broadly Comparable Companies.
- (3) As the reporting currency of Atlantic Navigation Holdings (Singapore) Limited, Mermaid Maritime Public Company Limited and the Company is US\$, the total debt (excluding lease liabilities) has been translated into S\$ based on the exchange rate of US\$1: S\$1.362 as at 31 December 2024, as extracted from Bloomberg L.P.
- (4) As the reporting currency of Nam Cheong Limited is Ringgit Malaysia ("RM"), the total debt (excluding lease liabilities) has been translated into S\$ based on the exchange rate of RM1: S\$0.3045 as at 31 December 2024, as extracted from Bloomberg L.P.
- (5) Not meaningful as the amount is less than 0.01, and regarded as an outlier for the purposes of computing the high, low, median and average total debt/total shareholders' equity.
- (6) Regarded as an outlier for the purpose of computing the high, low, median and average effective interest rates.
- (7) Being the interest rate per annum for the RHC Advances which will take effect on 1 April 2025.
- (8) The effective interest rate of the Company is computed based on the weighted average interest rates of the Group's debt facilities for FY2024 (assuming that the interest rate for the RHC Advances is 8.00% per annum with effect from FY2024) divided by the average short and long term debt of the Company for FY2024 (excluding lease liabilities).

Based on the above, we note the following:

- (a) the total debt (excluding lease liabilities)/total shareholders' equity of the Company is within the range of, and higher than the average and median of the Broadly Comparable Companies;
- (b) the interest rate of the RHC Advances of 8.00% per annum for the Specified Period is within range of the interest rates applicable to the Broadly Comparable Companies across various debt financing arrangements; and
- (c) the effective interest rate of the Company of 6.58% per annum (assuming that the interest rate for the RHC Advances is 8.00% per annum with effect from FY2024) is within the range of, and below the average and median effective interest rates of the Broadly Comparable Companies.

#### 4.5 Comparison with recent IPTs involving loans or advances granted to companies listed on SGX-ST

For the purpose of our analysis, we have also benchmarked the interest rate of the RHC Advances under the Ratified 2023 RHC Loan Agreement against publicly available information on selected IPTs involving loans or advances granted to public companies listed on the SGX-ST within the last 2 years (the "**Precedent Borrowers**").

We wish to highlight that the Precedent Borrowers are not exhaustive and may differ from the Company in terms of, *inter alia*, business activities, scale and size of operations, asset base, geographical spread, their exposure to benchmark interest rates, specific borrowing or lending terms and conditions, track record, financial performance, operating and financial leverage,

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## APPENDIX B

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creditworthiness, risk profile, future prospects, existing capital structure and other relevant factors. External factors, such as the state of the economies and the conditions, including borrowing conditions of the markets in which the Precedent Borrowers operate in, during the point in time when loans are granted will also have significant impact on the terms of the loans. Further, none of the Precedent Borrowers are exactly comparable to the Company. Accordingly, the Independent Directors should note that the below comparisons are necessarily limited and are intended to serve only as an illustrative guide.

## APPENDIX B

Company Name	Announcement date	Details	Interest rate (%)	Term	Security
Kim Heng Ltd	18 Sep 23	Shareholder loan of up to S\$7,000,000	8.5% per annum	2 years from disbursement date	The loan and any interest accrued thereon shall be secured by the security created or expressed to be created over certain vessels and a barge in favour of the lender
JEP Holdings Ltd	24 May 24	Shareholder loan of S\$13,000,000	3.7% (subject to annual renewal of interest rate)	72 months from drawdown date	None – unsecured
Ying Li International Real Estate Limited	11 Mar 24	Shareholder loans of up to: (a) RMB80 million; (b) US\$54 million	(a) 6.0% (b) 6.5%	36 months from the issuance date	(a) The loan is secured by a mortgage in respect of immovable properties of the company (b) The lender may require the borrower to provide security in the form of assets (theirs or a related party's) as may be deemed by the lender, and register the security interest
Bromat Holdings Limited	16 Nov 24	Up to S\$600,000 extended by a proposed director	15.0%	6 months	Unsecured
Autagco Ltd (formerly known as LifeBrandz Limited)	7 May 24	Shareholder loan of S\$250,000	7.0%	9 months	Not stated
	25 Oct 24	Shareholder loan S\$750,000	5.0% (revised to 2.8% on 6 January 2025)	24 months	Not stated
	6 Jan 25	Shareholder loan of up to S\$1,000,000	2.8%	24 months	Not stated

## APPENDIX B

Company Name	Announcement date	Details	Interest rate (%)	Term	Security
Oxpay Financial Limited	18 Jan 25 <sup>(1)</sup>	Convertible shareholder loan of up to S\$2,000,000	6.9%	24 months from the disbursement date of each tranche	Not stated
Luminor Financial Holdings Limited	1 Mar 25	Shareholder loan of up to S\$1,500,000	7.5%	24 months	The loan is unsecured but is made with full recourse against the company and its successors.
<b>The Company</b>	<b>1 April 25<sup>(2)</sup></b>	<b>Up to US\$132,572,058</b>	<b>8.0%</b>	<b>No fixed terms of repayment</b>	<b>Unsecured</b>

*Source: Announcements publicly released by the Precedent Borrowers on SGXNET.*

**Notes:**

- (1) Being the date of entry into the revised convertible loan agreement by Oxpay Financial Limited.
- (2) Being the date on which the interest rate of 8.00% per annum on the RHC Advances will take effect.

Based on the above, we noted that the interest rate for the RHC Advances of 8.00% per annum pursuant to the Ratified 2023 RHC Loan Agreement during the Specified Period is within the range of interest rates charged for recent loans or advances granted as IPTs to the Precedent Borrowers.

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## APPENDIX B

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### 4.6 Comparison with prevailing interest rates

We have also considered the prevailing interest rate environment as at the Latest Practicable Date, which may have an impact to the Group's potential borrowing rates:

- (a) In view that the RHC Advances are denominated in USD, we have benchmarked and considered that the interest rate of the RHC Advances of 8.00% per annum is above the United States banks prime lending rates of 7.50% per annum as at the Latest Practicable Date; and
- (b) as RHC and RENG have significant operations and business activities in the Kingdom of Saudi Arabia, and the interest rate of the RHC Advances have taken into consideration the cost of funds by RHC and RENG, we have benchmarked and considered that the interest rate of the RHC Advances of 8.00% per annum is above the Saudi Arabia Repo Rate, which has been fixed by the Saudi Central Bank at 5.00% per annum since December 2024.

### 4.7 Other relevant considerations

#### 4.7.1 Refinancing alternatives and current borrowing environment

We understand that the Management had considered other financing alternatives *vis-à-vis* the current 2023 RHC Loan Agreement, and had represented that the Ratified 2023 RHC Loan Agreement remains the most efficient method of securing necessary financial support for the Group's continued operations. We also noted that the Group had, as at 31 December 2024, breached certain financial covenants imposed by two lenders of term loans, and have obtained waivers from these lenders for the breach until 31 December 2025. As at the Latest Practicable Date, the Group has not been served with any notices of events of default for any of its loans.

The Group has also, in the past, undertaken debt restructuring exercises in relation to the settlement of outstanding amounts owed to its lenders comprising financial institutions, interested parties and other third party lenders, pursuant to a proposed restructuring undertaken to extend the Group's debt maturity profile and provide sufficient operational and financial flexibility, and allow the Group to service its debts based on its expected future cash flows. In addition to the novation and conversion of outstanding principal amounts due under the Group's debt facilities into Convertible Bonds, the Group had also entered into settlement arrangements for its debt securities, particularly its Convertible Bonds and Perpetual Securities, which were completed as at FY2024.

The abovementioned breaches and prior debt restructuring exercises may hence limit the Group's availability to obtain refinancing alternatives, including loans and borrowings, within reasonable timeframes and with meaningful comparable features, such as security interest and repayment terms, as with the Ratified 2023 RHC Loan Agreement. Accordingly, any comparison by the Company across such refinancing alternatives with favourable terms are inherently limited. The Company had nonetheless assessed and concluded that the Ratified 2023 RHC Loan Agreement is the most efficient refinancing option which will allow the Group to achieve an optimal capital structure at minimal cost and time delay, without adversely impacting the Group's financial position and its flexibility in managing its working capital position.

The Management also represented that it expects the interest rate environment to remain volatile, clouded by various macroeconomic and geopolitical headwinds, including the imposition of trade tariffs and protectionist trade measures by various governments, weakened consumer sentiment, volatile oil prices, and heightened inflation expectations. Accordingly, the Group expects to continue operating within a difficult borrowing and volatile interest rate environment.

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## APPENDIX B

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### 4.7.2 RHC's cost of funds

As set out in Section 3.4 of this IFA Letter, the interest rate of 8.00% per annum for the Specified Period was arrived at pursuant to an arm's length negotiation between the Company and RHC, taking into consideration the cost of funds of RHC Group.

In assessing RHC Group's cost of funds, we relied on and had considered information available to us as at the Latest Practicable Date being the domestic sukuk bonds issued by RHC during the past 3 years, and extracted from Bloomberg L.P.. As at the Latest Practicable Date, the outstanding sukuk bonds issued by RHC carry coupon rates ranging from 6.40% to 8.75% per annum, with maturity terms ranging from 2 to 4 years. We note that the interest rate of 8.00% per annum for the RHC Advances during the Specified Period falls within the range of coupon rates for RHC's outstanding sukuk bonds.

The Independent Directors should note that the above assessment may not include all of RHC's debt and borrowings, given that information on certain debt and/or borrowing facilities of RHC may not be disclosed or made publicly available for our use. Accordingly, the above assessment serves to facilitate general benchmarking of RHC's cost of funds, and may be inherently limited.

## 5 OUR OPINION

In arriving at our opinion, we have taken into account the following factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed IPTs:

- (a) the rationale for the Proposed IPTs, specifically the fact that the RHC Advances have been beneficial to the Group and had provided the necessary financial support for the continuing operations of the Group. The Ratified 2023 RHC Loan Agreement would enable RHC to continue to provide the necessary financial support to the Group. Further, the Loan Facility Novation Agreement would enable the Group to be in compliance with the Ratified 2023 RHC Loan Agreement;
- (b) while the interest rate of 8.00% per annum applicable to the RHC Advances during the Specified Period is higher than the interest rates or distribution rates charged on the Group's existing borrowings and previous debt securities, the RHC Advances are unsecured, while the Group's existing debt facilities are secured against certain assets of the Group, which will impact the applicable interest rates on these facilities;
- (c) while the RHC Advances do not have a fixed repayment term, the interest rate of 8.00% per annum is applicable to the RHC Advances during the Specified Period of approximately 3 years, commencing from 1 April 2025. Before the expiry of the Specified Period, the Company will seek fresh approval from the Independent Shareholders on the determination of the applicable interest rate to charge on the RHC Advances for the next 3-year period (or such period as may be proposed by the Company and approved by the Independent Shareholders). The Specified Period of approximately 3 years to which the interest rate of 8.00% per annum is applicable is shorter than the range of loan tenures of the Group's current outstanding fixed and floating interest rate loan facilities of between 5 to 8 years;
- (d) the interest rate of the RHC Advances of 8.00% per annum for the Specified Period is within range of the interest rates applicable to the Broadly Comparable Companies across various debt financing arrangements;
- (e) the effective interest rate of the Company of 6.58% per annum (assuming that the interest rate for the RHC Advances is 8.00% per annum with effect from FY2024) is within range of, and below the average and median effective interest rates of the Broadly Comparable Companies;

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## APPENDIX B

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- (f) the interest rate for the RHC Advances of 8.00% per annum pursuant to the Ratified 2023 RHC Loan Agreement during the Specified Period is within the range of interest rates charged for recent loans or advances granted as IPTs to Precedent Borrowers;
- (g) the interest rate of 8.00% per annum for the RHC Advances during the Specified Period falls within the range of coupon rates for RHC's outstanding sukuk bonds; and
- (h) the refinancing alternatives available to the Group, as well as the current challenging borrowing environment, to which the Management had represented that the Ratified 2023 RHC Loan Agreement is the most efficient refinancing option which will allow the Group to achieve an optimal capital structure at minimal cost and time delay, without adversely impacting the Group's financial position and its flexibility in managing its working capital position.

We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

**Having carefully considered the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.**

The Independent Directors should note that we have arrived at our recommendation based on information made available to us prior to and including the Latest Practicable Date. We assume no responsibility to update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date, unless otherwise stated.

We have prepared this IFA Letter pursuant to Rule 921(4)(a) of the Catalist Rules as well as for the use by the Independent Directors in connection with their consideration of the Proposed IPTs, but any recommendations made by the Independent Directors in respect of the Proposed IPTs shall remain their sole responsibility. 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 purposes (other than for the consideration of the Proposed IPTs) at any time and in any manner without the prior written consent of ZICO Capital.

This opinion 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.

Yours faithfully  
For and on behalf of  
**ZICO Capital Pte. Ltd.**

Nathaniel Tan Jing Sheng  
Chief Executive Officer



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### **VALLIANZ HOLDINGS LIMITED**

(Incorporated in Republic of Singapore)  
(Company Registration Number: 199206945E)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting (“**EGM**”) of **Vallianz Holdings Limited** (the “**Company**”) will be held at 438 Alexandra Road, Level 2, Connect @Alexandra Point, Singapore 119958 on Tuesday, 29 April 2025 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing (with or without any 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 14 April 2025 (the “**Circular**”).*

#### **ORDINARY RESOLUTION 1:**

##### **THE PROPOSED RATIFICATION OF THE ENTRY INTO 2023 RHC LOAN AGREEMENT**

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 (“**SGX-ST**”), for the Group or any of them to ratify the Company’s entry into the 2023 RHC Loan Agreement, 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:**

##### **THE PROPOSED RATIFICATION OF THE ENTRY INTO LOAN FACILITY NOVATION AGREEMENT**

THAT:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST, for the Group or any of them to ratify the Company’s entry into the Loan Facility Novation Agreement, 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.

**BY ORDER OF THE BOARD**

**Ling Yong Wah**  
Executive Director and Chief Executive Officer  
14 April 2025

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### IMPORTANT NOTES:

- (1) The EGM will be held, in a wholly physical format, at 438 Alexandra Road, Level 2, Connect @ Alexandra Point, Singapore 119958 on Tuesday, 29 April 2025 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place). Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the EGM by attending the EGM in person. **There will be no option for shareholders to participate virtually.**
- (2)
  - (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such Shareholder's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
  - (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such Shareholder's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

**"Relevant intermediary"** has the meaning as ascribed to it in Section 181(6) of the Companies Act 1967.
- (3) A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the EGM as his/her/its proxy.
- (4) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
- (5) The instrument appointing a proxy must be deposited to the Company by 11.00 a.m. on 26 April 2025 (before not less than 72 hours before the time appointed for holding the EGM) in the following manner:
  - (a) by post or submitted personally to the Share Registrar's office at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or
  - (b) by electronic mail to [vallianz-egm@complete-corp.com](mailto:vallianz-egm@complete-corp.com).
- (6) CPF and SRS investors:
  - (a) may vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
  - (b) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operates to submit their votes by 5.00 p.m. on 17 April 2025.
- (7) Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the EGM in advance of the EGM:
  - (a) by post to the Company's registered office address, 1 Pasir Panjang Road, Labrador Tower, #28-02, Singapore 118479; or
  - (b) via email to the Company at [enquiries@vallianholdings.com](mailto:enquiries@vallianholdings.com).

When submitting questions by post or via email, shareholders should also provide the following details: (i) the Shareholder's full name; (ii) the Shareholder's address; and (iii) the manner in which the Shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes. **All questions submitted in advance must be received on or before 11.00 a.m. on 21 April 2025 ("Questions Deadline").**
- (8) The Company will endeavour to address all substantial and relevant questions received from shareholders before the Questions Deadline by publishing its responses to such questions on its corporate website (<https://www.vallianzholdings.com/investor-relations/#announcements>) and the SGX website (<https://www.sgx.com/securities/company-announcements>) at least 48 hours prior to the closing date and time for the lodgement/receipt of instruments appointing proxy(ies). Any subsequent clarifications sought, or follow-up questions, or substantial and relevant questions received after the Questions Deadline will

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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be consolidated and addressed at the EGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

- (9) Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives may also ask questions related to the resolutions to be tabled for approval at the EGM, at the EGM itself.

### **Access to Documents of Information relating to the EGM:**

- (10) In line with the Company's sustainability efforts, the Company has discontinued the practice of mailing the Company's circulars to shareholders. Documents and information relating to the EGM, including this Notice of EGM, Proxy Form and the Circular are available for viewing and download from the SGXNET (<https://www.sgx.com/securities/company-announcements>) and the Company's corporate website (<https://www.vallianzhholdings.com/investor-relations/#announcements>).
- (11) For shareholders' convenience, printed copies of this Notice of EGM, Proxy Form and a request form (to request for printed copy of the Circular) ("**Request Form**") have been despatched to shareholders.
- (12) Shareholders who wish to receive a printed copy of the Circular should complete the Request Form and return it to the Company by 18 April 2025 by depositing the Request Form at the Company's registered office address at 1 Pasir Panjang Road, Labrador Tower, #28-02, Singapore 118479. The printed copy will be mailed to shareholders within five (5) working days upon receiving the Request Form. Incomplete or incorrectly completed Request Forms will not be processed.

### **PERSONAL DATA PRIVACY**

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a shareholder of the Company: (i) 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 Meeting 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 (collectively, the "Purposes"); (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a shareholder of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

## PROXY FORM

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

### PROXY FORM EXTRORDINARY GENERAL MEETING

**IMPORTANT:**

1. The Extraordinary General Meeting ("EGM") of the Company will be held, in a wholly physical format, at 438 Alexandra Road, Connect @ Alexandra, Level 2, Singapore 119958 on Tuesday, 29 April 2025 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place). There will be no option for shareholders to participate virtually.
2. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of a proxy(ies).
3. This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") investors. CPF and SRS investors (1) may vote at the EGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (2) may appoint the Chairman of the EGM as proxy to vote on their behalf at the EGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the date of the EGM.

**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 14 April 2025.

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

Name	Address	NRIC/ Passport No	Proportion of shareholdings represented by proxy (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No	Proportion of shareholdings represented by proxy (%)

or failing which, the Chairman of the EGM of the Company, as \*my/our \*proxy/proxies to attend and vote for \*me/us on \*my/our behalf, at the EGM to be held at 438 Alexandra Road, Connect @ Alexandra Point, Level 2, Singapore 119958 on Tuesday, 29 April 2025 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against or abstain the Ordinary Resolutions to be proposed at the EGM as indicated hereunder. If no specific directions as to voting are given, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion, as \*he/she/they will on any other matter arising at the EGM and at any adjournment thereof.

All resolutions put to the vote at the EGM shall be conducted by poll.

No.	Ordinary Resolution:	**For	**Against	**Abstain
1.	The Proposed Ratification of the Entry into the 2023 RHC Loan Agreement			
2.	The Proposed Ratification of the Entry into the Loan Facility Novation Agreement			

**Notes:**

\* Please delete accordingly

\*\* Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" the above resolution, please indicate with a (✓) in the "For" or "Against" box provided. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided. If you wish your proxy/proxies to abstain from voting on the resolution, please indicate with a (✓) in the "Abstain" box provided. Alternatively, please indicate the number of shares your proxy/proxies is directed to abstain from voting in the "Abstain" box provided. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on the above resolution if no voting instruction is specified, and on any other matter arising at the EGM.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

Total number of shares in:	
(a) CDP Register	
(b) Register of Members	

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

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## PROXY FORM

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### IMPORTANT: PLEASE READ NOTES OVERLEAF

#### NOTES:

- (1) The EGM will be held, in a wholly physical format, at 438 Alexandra Road, Connect @ Alexandra Point, Level 2, Singapore 119958 on Tuesday, 29 April 2025 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place). Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the EGM by attending the EGM in person. **There will be no option for shareholders to participate virtually.**
- (2) If the shareholder has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), 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, 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.
- (3)
  - (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. Where such Shareholder's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
  - (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning as ascribed to it in Section 181(6) of the Companies Act 1967.
- (4) This Proxy Form is not valid for use by investor who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act 1967), including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such Shareholder (including CPF and SRS investors), if they wish to vote, should contact their respective relevant intermediaries as soon as possible to specify voting instructions. **CPF and SRS investors should approach their respective CPF Agent Bank or SRS Operators at least seven (7) working days before the date of the EGM to specify voting instructions.**

A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.
- (5) A proxy need not be a member of the Company. A member may choose to appoint the Chairman of the EGM as his/her/its proxy.
- (6) The instrument appointing a proxy(ies) must be deposited to the Company not less than seventy-two (72) hours before the time appointed for holding the EGM in the following manner:
  - (a) by post or submitted personally to the Share Registrar's office at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or
  - (b) by electronic mail to [vallianz-egm@complete-corp.com](mailto:vallianz-egm@complete-corp.com).
- (7) The instrument appointing a proxy(ies) must be signed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
- (8) A corporation which is a shareholder of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with its Constitution and Section 179 of the Companies Act 1967.
- (9) Completion and return of an instrument appointing a proxy(ies) shall not preclude a member from attending, speaking and voting in person at the EGM. Any appointment of a proxy(ies) shall be deemed to be revoked if a shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument of proxy(ies) to the EGM.
- (10) The Company shall be entitled to reject the proxy form appointing proxy or proxies 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 proxy form.
- (11) 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 member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, 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 member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 14 April 2025.