

**CIRCULAR DATED 12 APRIL 2024**

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

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

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

This Circular has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

It has not been examined or approved by SGX-ST and 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, Registered Professional, RHT Capital Pte. Ltd., 36 Robinson Road, #10-06 City House, Singapore 068877, [sponsor@rhtgoc.com](mailto:sponsor@rhtgoc.com).



## **CIRCULAR TO SHAREHOLDERS**

**in relation to**

**THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS WITH THE RHC GROUP**

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## DEFINITIONS

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

<b>“ACRA”</b>	The Accounting and Corporate Regulatory Authority of Singapore
<b>“AGM”</b>	Annual general meeting of the Company
<b>“approved exchange”</b>	A stock exchange that has rules which safeguard the interests of shareholders against Interested Person Transactions according to similar principles to Chapter 9 of the Catalist Rules
<b>“April 2021 EGM”</b>	The extraordinary general meeting of the Company held on 27 April 2021 for the purposes of matters set out in the IPT Circular
<b>“Associate”</b>	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none"><li>(i) his immediate family;</li><li>(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and</li><li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and</li></ul> (b) in relation to a substantial shareholder or controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or other companies taken together (directly or indirectly) have an interest of 30% or more
<b>“associated company”</b>	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
<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”</b>	The board of directors of the Company as at the Latest Practicable Date
<b>“Catalist”</b>	The sponsor-supervised listing platform of the SGX-ST
<b>“Catalist Rules”</b>	The rules in Section B: Rules of Catalist of the listing manual of the SGX-ST, as amended, supplemented or modified from time to time
<b>“CEO”</b>	The chief executive officer of the Company
<b>“Circular”</b>	This circular to Shareholders dated 12 April 2024
<b>“Company”</b>	Vallianz Holdings Limited
<b>“Constitution”</b>	The constitution of the Company for the time being in force as originally framed, or as amended or modified from time to time

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## DEFINITIONS

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<b>“Controlling Shareholder”</b>	A person who: <ul style="list-style-type: none"><li>(a) in fact exercises control over the Company; or</li><li>(b) holds, directly or indirectly, 15% or more of the nominal amount of all voting shares, excluding treasury shares, in the Company, unless the SGX-ST determines otherwise</li></ul>
<b>“Directors”</b>	The directors of the Company
<b>“EGM”</b>	Extraordinary general meeting of the Company
<b>“entity at risk”</b>	For the purpose of this Circular, any of: <ul style="list-style-type: none"><li>(a) the Company;</li><li>(b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or</li><li>(c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Group, or the Group and its Interested Persons, has control over such associated company</li></ul>
<b>“Finance Director”</b>	The finance director of the Company or its equivalent
<b>“FP2023 Annual Report”</b>	The annual report of the Company for the financial period from 1 April 2023 to 31 December 2023
<b>“FY”</b>	Financial year ended or ending on 31 December of each calendar year, as the case may be
<b>“Group”</b>	The Company and its subsidiaries
<b>“Independent Director”</b>	An independent director of the Company
<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>	Transactions between an entity at risk and an Interested Person
<b>“IPT Circular”</b>	The circular to Shareholders dated 12 April 2021
<b>“IPT Circular (Additional)”</b>	The circular to Shareholders dated 12 July 2023
<b>“July 2023 AGM”</b>	The annual general meeting of the Company held on 31 July 2023
<b>“July 2023 EGM”</b>	The extraordinary general meeting of the Company held on 31 July 2023 for the purposes of matters set out in the IPT Circular (Additional)
<b>“Latest Practicable Date”</b>	5 April 2024, being the latest practicable date prior to the despatch of this Circular
<b>“Notice of AGM”</b>	The notice of AGM dated 12 April 2024 convening the upcoming AGM to be held on 29 April 2024

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## DEFINITIONS

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“ <b>Ordinary Resolution</b> ”	The ordinary resolution relating to the proposed renewals of the RHC IPT Mandate as set out in the Notice of AGM
“ <b>Proxy Form</b> ”	The proxy form in respect of the upcoming AGM as attached to the FP2023 Annual Report
“ <b>Register of Members</b> ”	The register of members of the Company
“ <b>RHC</b> ”	Rawabi Holding Company Limited
“ <b>RHC Group</b> ”	RHC and its subsidiaries
“ <b>RHC IPT Mandate</b> ”	The general mandate given by Shareholders for the RHC Mandated Transactions which was first approved at the April 2021 EGM and the July 2023 EGM. The general mandate approved at the April 2021 EGM was last renewed at the July 2023 AGM
“ <b>RHC Mandated Transactions</b> ”	Has the meaning given to it in Appendix 1 to this Circular
“ <b>SGX-ST</b> ”	Singapore Exchange Securities Trading Limited
“ <b>Shareholder</b> ”	Shareholder of the Company
“ <b>Sponsor</b> ”	RHT Capital Pte. Ltd.
“ <b>subsidiary</b> ”	Has the meaning given to it in Section 5 of the Companies Act
“ <b>Substantial Shareholder</b> ”	A Shareholder who has an interest in 5% or more of the voting shares of the Company
“ <b>SHL</b> ”	Swiber Holdings Limited (In Liquidation)
“ <b>SHL Group</b> ”	SHL and its subsidiaries
<b><u>Currencies and unit of measurement</u></b>	
“ <b>S\$</b> ”	Singapore dollars, the lawful currency of the Republic of Singapore
“ <b>US\$</b> ” and “ <b>US\$ cents</b> ”	United States dollars and cents respectively, the lawful currency of the United States of America
“ <b>%</b> ” or “ <b>per cent</b> ”	Per centum or percentage

The terms “**depositor**”, “**Depository Register**” and “**depository agent**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

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

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

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

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## LETTER TO SHAREHOLDERS

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### VALLIANZ HOLDINGS LIMITED

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

**Board of 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 Non-Executive Director)  
Mr. Kevin Wong Chee Fatt (Independent Non-Executive Director)

**Registered office:**

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

12 April 2024

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

**DEAR SIR/MADAM,**

#### **THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS WITH THE RHC GROUP**

##### **1. INTRODUCTION**

1.1 **AGM.** We refer to the notice of AGM dated 12 April 2024 convening the upcoming AGM to be held on 29 April 2024 and the Ordinary Resolutions.

1.2 **Circular.** The purpose of this Circular is to provide Shareholders with information relating to the following proposal to be tabled at the upcoming AGM:

(a) the proposed renewal of the RHC IPT Mandate,

as further explained in paragraphs 2, 3 and 4 of this Circular and to seek the necessary approvals in relation thereto at the upcoming AGM.

##### **2. THE PROPOSED RENEWAL OF THE RHC IPT MANDATE**

2.1 At the April 2021 EGM, Shareholders had approved the general mandate for the Group to enter into certain recurring IPTs with the RHC Group, i.e. the RHC IPT Mandate. The general mandate obtained during the April 2021 EGM was last renewed at the July 2023 AGM. At the July 2023 EGM, Shareholders approved the addition of provision of Shipbuilding Services (as defined below) to the RHC Group as an additional RHC Mandated Transaction under the RHC IPT Mandate. The RHC IPT Mandate will, unless renewed, expire on the date of the upcoming AGM which is scheduled to be held on 29 April 2024. As the Company expects the recurrent transactions with the RHC Group to continue in the ordinary course of business, the Company is seeking the renewal of the RHC IPT Mandate at the forthcoming AGM, which if approved, will enable the RHC IPT Mandate to continue to be in force until the conclusion of the next AGM of the Company.

2.2 Accordingly, the Directors propose that the Ordinary Resolution relating to the renewal of the RHC IPT Mandate ("**Ordinary Resolution 5**") be passed at the upcoming AGM. The scope and review procedures of the RHC Mandated Transactions in respect of the RHC IPT Mandate which is sought to be renewed remain unchanged.

2.3 **Audit Committee's statement.** The Audit Committee (comprising Mr. Kevin Wong Chee Fatt, Mr. Chong Chee Keong Chris and Mr Osman Ibrahim as at the Latest Practicable Date), confirms that:

2.3.1 the methods or procedures for determining transaction prices under the RHC IPT Mandate have not changed since the July 2023 AGM and the July 2023 EGM; and

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## LETTER TO SHAREHOLDERS

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2.3.2 the methods or procedures referred to in sub-paragraph 2.3.1 above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

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

3.1 **Directors' and Substantial Shareholders' Interests.** Based on the Register of Directors' shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the interests of the Directors and the Substantial Shareholders in the Shares are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
<b>Directors</b>				
Mr. Osman Ibrahim	1,033,333	0.09	–	–
Mr. Ling Yong Wah	1,526,146	0.13	–	–
Mr. Chong Chee Keong Chris	–	–	–	–
Mr. Kevin Wong Chee Fatt	–	–	–	–
<b>Substantial Shareholders</b>				
RHC	723,106,389	59.68	–	–
SHL <sup>(1)</sup>	353,439,725	29.17	8,382,620	0.69
Sheikh AlTurki Abdulaziz Ali A <sup>(2)</sup>	–	–	723,106,389	59.68

**Notes:**

- (1) By virtue of Section 4 of the Securities and Futures Act, 2001, SHL is deemed to have an interest in the Shares held by its wholly-owned subsidiary, Swiber Corporate Pte. Ltd. (In Creditors' Voluntary Liquidation).
- (2) By virtue of Section 4 of the Securities and Futures Act, 2001, Sheikh AlTurki Abdulaziz Ali A is deemed to have an interest in the Shares held by RHC.

### 4. ANNUAL GENERAL MEETING

The upcoming AGM, notice of which is set out in the FP2023 Annual Report, will be held at 1 HarbourFront Avenue #13-03 Keppel Bay Tower Singapore 098632 on 29 April 2024 at 10.00 a.m. for the purpose of, *inter alia*, considering and if thought fit, passing with or without modifications, Ordinary Resolution 5.

### 5. ABSTENTIONS FROM VOTING

In accordance with the requirements of Chapter 9 of the Catalist Rules, RHC, being a Controlling Shareholder, is regarded as an Interested Person in relation to the RHC IPT Mandate and will abstain, and has undertaken to ensure that its Associates will abstain, from voting on Ordinary Resolution 5 relating to the proposed renewal of the RHC IPT Mandate at the upcoming AGM.

Such persons will also decline to accept appointment as proxy to vote and attend at the upcoming AGM in respect of the said Ordinary Resolution unless such persons have been given specific instructions as to the manner in which their votes are to be cast.

### 6. DIRECTORS' RECOMMENDATIONS

All the Directors, save for Mr Osman Ibrahim, are deemed independent for the purposes of the renewal of the RHC IPT Mandate and are of the opinion that the proposed renewal of the RHC IPT Mandate is in the best interests of the Company and recommend that Shareholders vote in favour of Ordinary Resolution 5 to be proposed at the upcoming AGM.

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## LETTER TO SHAREHOLDERS

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### 7. 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 facts about the proposed renewal of the RHC IPT Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in 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.

### 8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the upcoming AGM may appoint a proxy/proxies to attend and vote at such AGM on their behalf by completing, signing and returning the Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the Share Registrar office of the Company at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619 not less than 48 hours before the time fixed for the upcoming AGM. The completion and return of a Proxy Form by a Shareholder will not preclude him from attending and voting in person at the AGM in place of his proxy if he wishes to do so.

A Depositor shall not be entitled to attend the upcoming AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP, not less than 72 hours before the time fixed for the AGM or any adjournment thereof.

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

Ling Yong Wah  
Executive Director and CEO

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## APPENDIX 1 – RHC IPT MANDATE

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### 1. CHAPTER 9 OF THE CATALIST RULES

Under Chapter 9 of the Catalist Rules, a listed company may seek a shareholders' mandate for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's Interested Persons but such mandate shall not be in respect of the purchase or sale of assets, undertakings or businesses. Due to the time-sensitive nature of commercial transactions, such a mandate will enable a listed company, in its ordinary course of business, to enter into certain categories of transactions with certain classes of Interested Persons, provided such Interested Person Transactions are made on normal commercial terms and are not prejudicial to the interests of the company and its minority shareholders.

At the April 2021 EGM, Shareholders approved the RHC IPT Mandate for the Group to enter into certain recurring IPTs with the RHC Group. The general mandate obtained during the April 2021 EGM was last renewed at the July 2023 AGM. At the July 2023 EGM, Shareholders approved the addition of provision of Shipbuilding Services (as defined below) to the RHC Group as an additional RHC Mandated Transaction under the RHC IPT Mandate. As the Company expects the recurrent transactions with the RHC Group to continue in the ordinary course of business, the Company is seeking the renewal of the RHC IPT Mandate at the forthcoming AGM, which if approved, will enable the RHC IPT Mandate to continue to be in force until the conclusion of the next AGM of the Company.

IPTs that do not fall within the ambit of the RHC IPT Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Catalist Rules.

### 2. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The categories of IPTs which will be covered under the RHC IPT Mandate shall include:

- (a) rental of premises from the RHC Group (the "**Rental of Premises**");
  - (b) obtaining corporate services from the RHC Group (the "**RHC Corporate Services**");
  - (c) other than paragraph (b) above, obtaining other goods and services from the RHC Group which include but are not limited to information technology equipment, stationery, air tickets and accommodation (the "**Other RHC Goods and Services**");
  - (d) chartering of vessels from the RHC Group ("**Vessel Charters from RHC Group**");
  - (e) chartering of vessels to the RHC Group ("**Vessel Charters to RHC Group**");
  - (f) provision of project management services to the RHC Group, including project management and consultancy services like feasibility studies, special investigations, technical advice and interface between various parties and the procurement and/or provision of vessels, equipment and materials for such projects ("**Project Management Services to RHC Group**"); and
  - (g) provision of shipbuilding and related services to the RHC Group ("**Shipbuilding Services**"),
- (collectively, "**RHC Mandated Transactions**").

The RHC IPT Mandate will not cover any IPT that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions.



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## APPENDIX 1 – RHC IPT MANDATE

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### 3. CLASSES OF INTERESTED PERSONS

RHC is a Controlling Shareholder holding 723,106,389 Shares as at the Latest Practicable Date, representing an interest of approximately 59.68% in the share capital of the Company. Accordingly, RHC is an Interested Person for the purpose of Chapter 9 of the Catalist Rules.

The RHC IPT Mandate will apply to the Group's RHC Mandated Transactions with the RHC Group.

### 4. RATIONALE FOR AND BENEFITS OF THE RHC IPT MANDATE

RHC is a company based in Al-Khobar (Eastern Province), Kingdom of Saudi Arabia and has been in business for around 40 years. Its core business is related to the oil and gas industry, specifically in the drilling and related oilfield services. RHC is also involved in the engineering and construction industry, owning and operating of several manufacturing facilities, and is involved heavily in the growing regional telecommunications and information technology industry. RHC has international partners from more than 12 countries and represents over 40 worldwide prominent companies.

In relation to the RHC Mandated Transactions, the Directors believe that such transactions are in the interest of the Group for the following reasons:

- (a) In relation to the Rental of Premises from the RHC Group and obtaining RHC Corporate Services, it will enable the Group to tap on the RHC Group's resources and personnel for administrative work which would enable the Group to have a more efficient administrative set-up;
- (b) In relation to obtaining Other RHC Goods and Services, it would enable the Group to tap on the RHC Group's existing network and enjoy economies of scale in the procurement of goods and services;
- (c) In relation to the procurement of Vessel Charters from RHC Group, it would enable the Group to tap on the RHC Group's existing resources and network to enjoy economies of scale in the procurement of vessel charters and to allow the Group to offer a wider range of vessels to its customers;
- (d) In relation to the provision of Vessel Charters to RHC Group and Project Management Services to RHC Group, it will enable the Group to gain greater access to a wider customer base and also allows the Group to tap on the RHC Group's goodwill, market share, expertise and resources in the offshore industry; and
- (e) In relation to the provision of Shipbuilding Services to RHC Group, it would enable the Group to widen and deepen its shipbuilding capabilities and technical knowledge, market share and network, and enjoy economies of scale in the shipbuilding industry.

The renewal of the RHC IPT Mandate will enable the Group to continue with the recurrent RHC Mandated Transactions which are necessary and in the ordinary course of business of the Group, subject to the procedures and processes as set out in Section 5 below to ensure that the RHC Mandated Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The renewal of the RHC IPT Mandate will eliminate the need to convene separate EGMs from time to time to seek minority Shareholders' approval as and when potential RHC Mandated Transactions arise or prior to implementing any RHC Mandated Transactions (which may be of a recurrent nature, premised on the underlying arrangements). This would substantially reduce the administrative time and expenses in convening such meetings (including the engagement of external advisers and preparation of documentation) on an ad hoc basis and improve administrative efficiency and efficacy considerably, by allowing manpower resources and time to be channelled towards attaining other business objectives of the Company without compromising the Company's corporate objectives or adversely affecting the business opportunities available to the Company. Consequently, the Company will be able to respond quickly to the dynamics of evolving commercial transactions which are generally time-sensitive.

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## APPENDIX 1 – RHC IPT MANDATE

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### 5. GUIDELINES AND REVIEW PROCEDURES FOR TRANSACTIONS UNDER THE RHC IPT MANDATE

The Group has implemented the following guidelines and review procedures pursuant to the RHC IPT Mandate to ensure that the RHC Mandated Transactions are undertaken on normal commercial terms consistent with its usual business practice and policies and are not prejudicial to the interests of the Company and its minority Shareholders. For the purposes of this section, the term “value” in relation to each of the RHC Mandated Transactions shall, in accordance with Rule 909 of the Catalist Rules, mean the amount at risk to the Group.

#### Methods and procedures for determining prices or value for the RHC Mandated Transactions under the RHC IPT Mandate

##### (a) Rental of Premises

The rates and terms of the lease with the RHC Group will be reviewed before entry into the lease or at the point of renewal (as the case may be).

The Group will compare the terms of the lease entered with the RHC Group with at least two leases between the RHC Group and their other unrelated third-party tenants in the same building(s). If there are no other unrelated third-party tenants in the same building(s), the Group will compare with at least two unrelated third-party lessors for similar spaces or buildings that are of similar or comparable standing within the same vicinity. The terms of the lease extended to the Group should not be more favourable to the RHC Group when compared to the rates and terms extended to such unrelated third parties or the rates and terms offered by unrelated third-party lessors, as the case may be.

In the event that quotations from unrelated third parties are not available in respect of a Rental of Premises, the Company will engage a property valuer to perform an independent rental valuation as a basis for comparison to determine whether the rates and terms offered by the RHC Group are fair and reasonable.

In the event of any variation to the terms of the Rental of Premises from the RHC Group, the Finance Director shall also provide the basis and justification for such variation. The Review Committee (as defined below) shall review any such variation to ensure that the RHC Mandated Transactions continue to be made on the Group’s normal commercial terms.

The “**Review Committee**” comprises two Directors (including at least one Executive Director), and the Head of Compliance of the Company, each of whom shall not have any direct or indirect interest in the RHC Mandated Transaction.

##### (b) Obtaining of RHC Corporate Services

The corporate services fees charged to the Group by the RHC Group will be derived on a cost-recovery basis, after taking into account the Group’s share of the costs as a proportion of the total actual costs incurred by the RHC Group for providing such services.

The Finance Director who does not have any interests, whether direct or deemed, in relation to the RHC Mandated Transactions will review the basis and computation of the share of costs charged by the RHC Group to the Group.

##### (c) Obtaining of Other RHC Goods and Services

When purchasing goods from or through the RHC Group or engaging services not included in the RHC Corporate Services from the RHC Group, the pricing and fees for services or products will be based on a cost reimbursement basis.

The Finance Director who does not have any interests, whether direct or deemed, in relation to the RHC Mandated Transactions will review the supporting documents to ensure that the costs charged by the RHC Group to the Group are on a cost reimbursement basis.

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## APPENDIX 1 – RHC IPT MANDATE

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(d) **Procurement of Vessel Charters from RHC Group**

To ensure that the RHC Mandated Transactions are carried out at arm's length on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Group will obtain at least two quotes (wherever possible or available) from independent shipbrokers or other ship owners for similar vessels before entering into or renewing a chartering agreement. The fees payable by the Group shall be on pricing and terms which are no less favourable than the usual commercial terms and prevailing market rates extended by unrelated third parties to the Group.

In addition, in assessing the charter hire rates for the Vessel Charters from RHC Group, the Finance Director who does not have any interests, whether direct or deemed, in relation to the RHC Mandated Transactions, will, based on his/her industry knowledge, experience and understanding of the general industry practice, determine whether the terms of the Vessel Charters from RHC Group are fair and reasonable after considering factors such as credit terms, reliability, exclusivity and long-term business relationship and maintain a record of the basis of such evaluations.

In the event of any variation to the terms of the Vessel Charters from RHC Group, the Finance Director shall also provide the basis and justification for approval of such variation. The Review Committee shall review any such variation to ensure that the RHC Mandated Transactions continue to be made on the Group's normal commercial terms.

In the event that quotes from independent shipbrokers or other ship owners are not available, the Review Committee will evaluate and weigh the benefits of, and rationale for, transacting with the RHC Group before submitting a written recommendation to the Audit Committee. In its recommendation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the RHC Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee and take into account prevailing industry norms (including the reasonableness of the terms) before deciding whether to approve or reject the RHC Mandated Transactions.

(e) **Provision of Vessel Charters to RHC Group**

When providing the Vessel Charters to RHC Group, the fees charged by the Group will be determined on a case-by-case basis after taking into account the Group's usual business practices and pricing policies and all other relevant factors, including but not limited to, valuations of the vessel, term of the charter, financing costs and the level of risks involved.

Taking into account preferential rates and discounts which may be accorded to long-term customers or customers with exclusive business relationships with the Group (each a "**Preferential Customer**"), the Group will endeavour to compare the terms of the Vessel Charter to RHC Group with at least two recent vessel charter contracts of a similar nature (if available) entered into by the Group with unrelated Preferential Customers. The terms offered to the RHC Group will not be more favourable than that offered to another unrelated Preferential Customer.

In addition, in assessing the charter hire fees for the Vessel Charters to RHC Group, the Finance Director, who does not have any interests, whether direct or deemed, in relation to the RHC Mandated Transactions will, based on his/her industry knowledge, experience and understanding of the general industry practice, determine whether the terms of the Vessel Charters to RHC Group are fair and reasonable after considering factors such as credit terms, reliability, exclusivity and long-term business relationship and maintain a record of the basis of such evaluations.

In the event of any variation to the terms of the Vessel Charters to RHC Group, the Finance Director shall also provide the basis and justification for such variation. The Review Committee shall review any such variation to ensure that the RHC Mandated Transactions continue to be made on the Group's normal commercial terms.

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## APPENDIX 1 – RHC IPT MANDATE

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In the event that it is not possible to compare the terms of the Vessel Charters to RHC Group with those quoted to unrelated third parties, the Review Committee will evaluate and weigh the benefits of, and rationale for, entering into the RHC Mandated Transactions before submitting a written recommendation to the Audit Committee. In its recommendation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the RHC Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee and take into account prevailing industry norms (including the reasonableness of the terms) before deciding whether to approve or reject the RHC Mandated Transaction.

(f) **Provision of Project Management Services to RHC Group**

When providing Project Management Services to RHC Group, the fees charged by the Group will be determined on a case-by-case basis after taking into account the Group's usual business practices and pricing policies and all other relevant factors, including but not limited to, nature of the services, complexity of the contracts or transactions, customer requirements and specifications, and strategic purpose of the transaction. Taking into account preferential rates and discounts which may be accorded to a preferential customer, the Group will endeavour to compare the terms of the Project Management Services to RHC Group with at least two recent contracts or agreements of a similar nature (if available) entered into by the Group with unrelated Preferential Customers. The terms offered to the RHC Group will not be more favourable than that offered to another unrelated Preferential Customer.

In addition, in assessing the fees for the provision of the Project Management Services to RHC Group, the Finance Director, who does not have any interests, whether direct or deemed, in relation to the RHC Mandated Transactions, will, based on his/her industry knowledge, experience and understanding of the general industry practice, determine whether the terms for the provision of the Project Management Services to RHC Group are fair and reasonable after considering factors such as credit terms, reliability, exclusivity and long-term business relationship and maintain a record of the basis of such evaluations.

In the event of any variation to the terms in relation to the provision of Project Management Services to RHC Group, the Finance Director shall also provide the basis and justification for approval of such variation. The Review Committee shall review any such variation to ensure that the RHC Mandated Transactions continue to be made on the Group's normal commercial terms.

In the event that it is not possible to compare the terms of the Project Management Services to RHC Group with those quoted to unrelated third parties, the Review Committee will evaluate and weigh the benefits of, and rationale for, entering into the RHC Mandated Transactions before submitting a written recommendation to the Audit Committee. In its recommendation, the Review Committee will include considerations of the efficiencies and flexibilities derived by the Group in transacting with the RHC Group compared with transacting with unrelated third parties. The Audit Committee will evaluate the recommendation of the Review Committee and take into account prevailing industry norms (including the reasonableness of the terms) before deciding whether to approve or reject the RHC Mandated Transactions.

(g) **Provision of Shipbuilding Services to RHC Group**

When providing Shipbuilding Services to the RHC Group, the fees charged by the Group shall be based on the Group's usual business practices and pricing policies, and on terms which are no more favourable to the RHC Group than commercial terms extended to unrelated third-party customers (including, where applicable, preferential rates, prices or discounts accorded to customers or for high volume or high value shipbuilding contracts).

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The Group will endeavour to compare the terms of the Shipbuilding Services to the RHC Group with at least two (2) recent contracts or agreements of a similar nature and vessel specifications (if available) entered into by the Group with unrelated third-party customers, to determine that the transaction price and terms offered to the RHC Group by the Group are fair and reasonable and comparable to those offered to the unrelated third parties. Other factors such as, but not limited to, delivery schedules to be met, vessel specifications, credit terms, reliability and credit worthiness of customer, shipbuilding and material costs, potential for future business and rebates or discounts accorded, will also be taken into consideration.

From time to time and due to resource limitations, the Group may outsource its Shipbuilding Services to unrelated third-party shipyards or shipbuilders. In such situation, the Group will compare the terms of the Shipbuilding Services provided to the RHC Group with such outsourcing contracts or agreements entered into by the Group with the unrelated third-party shipyards or shipbuilders.

The terms of the Shipbuilding Services offered to the RHC Group shall take into consideration such outsourcing costs and reasonable margins for value-add services provided by the Group to the RHC Group, to ensure that the terms of the Shipbuilding Services offered to the RHC Group shall be at normal commercial terms and not on more preferential terms to the RHC Group.

In the event of any variation to the terms of the Shipbuilding Services, the Finance Director shall provide the basis and justification for such variation. The Review Committee shall review any such variation to ensure that the Shipbuilding Services continue to be made on the Group's normal commercial terms.

In the event that it is not possible to compare the terms of the Shipbuilding Services with the RHC Group with those quoted to unrelated third-party customers, the Review Committee will evaluate and weigh the benefits of, and rationale for, entering into the transactions before submitting a written recommendation to the Audit Committee. In its recommendation, the Review Committee will include in its considerations the benefits derived by the Group in providing such Shipbuilding Services to the RHC Group as compared to transacting with unrelated third-party customers. Such considerations will include but are not limited to, existing shipyard capacity, order book, delivery schedule, resource availability, vessel specifications, credit terms, reliability and credit worthiness of customer, shipbuilding and material costs, potential for future business and rebates or discounts accorded. The Audit Committee will evaluate the recommendation of the Review Committee and take into account prevailing industry norms (including the reasonableness of the terms) before deciding whether to approve or reject the transactions.

### **Approval Thresholds**

#### **Approval process for the Rental of Premises**

The Group will monitor all Rental of Premises from the RHC Group and categorise them as follows:

- (i) Category 1 Transaction is one where the value thereof is less than US\$1 million;
- (ii) Category 2 Transaction is one where the value thereof is equal to or more than US\$1 million but less than US\$2 million; and
- (iii) Category 3 Transaction is one where the value thereof is equal to or more than US\$2 million.

Category 1 Transaction shall be approved by the Finance Director, together with a Director; and Category 2 Transaction shall be approved by the Finance Director, together with two Directors, all of whom, shall not have any interests, whether direct or deemed, in relation to the RHC Group or to the RHC Mandated Transaction. Category 3 Transaction shall be submitted by the Group for prior approval by majority members of the Audit Committee who shall not have any interest, whether direct or deemed, in relation to the RHC Group or to the RHC Mandated Transaction.

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The above threshold limits take into account, *inter alia*, the past rental experience and expected future lease tenure which are typically for a period of three years. It is not expected for the value of the RHC Mandated Transaction to reach the threshold of Category 3 Transaction based on past transactions with the RHC Group and the nature of the transactions.

### **Approval process for the obtaining of RHC Corporate Services**

The Group will monitor all transactions in relation to obtaining RHC Corporate Services and categorise them as follows:

- (i) Category 1 Transaction is one where the value thereof is less than US\$1 million;
- (ii) Category 2 Transaction is one where the value thereof is equal to or more than US\$1 million but less than US\$2 million; and
- (iii) Category 3 Transaction is one where the value thereof is equal to or more than US\$2 million.

Category 1 Transaction shall be approved by the Finance Director, together with a Director; and Category 2 Transaction shall be approved by the Finance Director, together with two Directors, all of whom, shall not have any interests, whether direct or deemed, in relation to the RHC Group or to the RHC Mandated Transaction. Category 3 Transaction shall be submitted by the Group for prior approval by majority members of the Audit Committee who shall not have any interest, whether direct or deemed, in relation to the RHC Group or to the RHC Mandated Transaction.

The above threshold limits take into account, *inter alia*, past corporate services obtained from the RHC Group and expected corporate services from the RHC Group which are typically for a period of three years. It is not expected for the value of the RHC Mandated Transaction to reach the threshold of Category 3 Transaction based on past transactions with the RHC Group and the nature of the transactions.

### **Approval process for the obtaining of Other RHC Goods and Services**

The Group will monitor all transactions in relation to obtaining Other RHC Goods and Services and categorise them as follows:

- (i) Category 1 Transaction is one where the value thereof is less than US\$1 million;
- (ii) Category 2 Transaction is one where the value thereof is equal to or more than US\$1 million but less than US\$2 million; and
- (iii) Category 3 Transaction is one where the value thereof is equal to or more than US\$2 million.

Category 1 Transaction shall be approved by the Finance Director, together with a Director; and Category 2 Transaction shall be approved by the Finance Director, together with two Directors, all of whom, shall not have any interests, whether direct or deemed, in relation to the RHC Group or to the RHC Mandated Transaction. Category 3 Transaction shall be submitted by the Group for prior approval by majority members of the Audit Committee who shall not have any interest, whether direct or deemed, in relation to the RHC Group or to the RHC Mandated Transaction.

The above threshold limits take into account, *inter alia*, similar transactions obtained in the past from the RHC Group and that these transactions are charged based on a cost reimbursement basis. It is not expected for the value of the RHC Mandated Transaction to reach the threshold of Category 3 Transaction based on past transactions with the RHC Group and the nature of the transactions.

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### **Approval process for Vessel Charters to/from RHC Group**

The Group will monitor all transactions for Vessel Charters to and from RHC Group and categorise them as follows:

- (i) Category 1 Transaction is one where the value thereof is less than US\$20 million; and
- (ii) Category 2 Transaction is one where the value thereof is equal to or more than US\$20 million.

Category 1 Transaction shall be approved by the Finance Director, together with two Directors all of whom shall not have any interests, whether direct or deemed, in relation to the RHC Group or to the RHC Mandated Transaction.

In addition to the required approvals for Category 1 Transaction, Category 2 Transaction shall also be pre-approved by majority members of the Audit Committee who shall not have any interests, whether direct or deemed, in relation to the RHC Group or to the RHC Mandated Transaction.

The above threshold limits take into account, *inter alia*, the past transactions with the RHC Group, expected frequency, size of the transactions, type of arrangements and duration which are typically for a period of five years or more.

### **Approval process for the provision of Project Management Services to RHC Group**

The Group will monitor all transactions for the provision of the Project Management Services to RHC Group and categorise them as follows:

- (i) Category 1 Transaction is one where the value thereof is less than US\$3 million;
- (ii) Category 2 Transaction is one where the value thereof is equal to or more than US\$3 million but less than US\$6 million; and
- (iii) Category 3 Transaction is one where the value thereof is equal to or more than US\$6 million.

Category 1 Transaction shall be approved by the Finance Director, together with a Director; and Category 2 Transaction shall be approved by the Finance Director, together with two Directors, all of whom, shall not have any interests, whether direct or deemed, in relation to the RHC Group or to the RHC Mandated Transaction. Category 3 Transaction shall be submitted by the Group for prior approval by majority members of the Audit Committee who shall not have any interest, whether direct or deemed, in relation to the RHC Group or to the RHC Mandated Transaction.

The above threshold limits take into account, *inter alia*, past transactions of similar nature with the RHC Group, expected volume, frequency, size of the transactions and type of arrangements. It is not expected for the value of the RHC Mandated Transaction to reach the threshold of Category 3 Transaction based on past transactions with the RHC Group and the nature of the transactions.

### **Approval process for the provision of Shipbuilding Services to RHC Group**

The Group will monitor all transactions for the provision of the Shipbuilding Services to RHC Group and categorise them as follows:

- (i) Category 1 Transaction is one where the value thereof is less than US\$20 million;
- (ii) Category 2 Transaction is one where the value thereof is equal to or more than US\$20 million but less than US\$40 million; and
- (iii) Category 3 Transaction is one where the value thereof is equal to or more than US\$40 million.

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Category 1 Transaction shall be approved by the Finance Director, together with a Director. Category 2 Transaction shall be approved by the Finance Director, together with two Directors, all of whom, shall not have any interests, whether direct or deemed, in relation to the RHC Group or to the RHC Mandated Transaction. Category 3 Transaction shall be submitted by the Group for prior approval by majority members of the Audit Committee who shall not have any interest, whether direct or deemed, in relation to the RHC Group or to the RHC Mandated Transaction.

The above approval threshold limits take into account, *inter alia*, past transactions of similar nature with the RHC Group and expected future volume, frequency and size of Shipbuilding Services with the RHC Group.

### 6. ADDITIONAL GUIDELINES AND REVIEW PROCEDURES

The additional guidelines and review procedures to supplement the above guidelines on the methods and procedures and approval thresholds for the RHC IPT Mandate are as follows:

- (a) The Head of Compliance shall maintain the register of Interested Persons (as defined in the Catalist Rules) which will include the Company's Directors, CEO and Controlling Shareholders, and their respective Associates (as defined in the Catalist Rules), and shall update the register immediately if there are any changes and review the register regularly, at least on a quarterly basis. In this regard, the Head of Compliance will proactively seek written confirmation from each of the Directors, CEO and Controlling Shareholders on a quarterly basis on their respective list of interested persons. The Directors, CEO and Controlling Shareholders are also required to inform the Head of Compliance as and when there is any change in the information with respect to their Associates that they had previously disclosed to the Company.
- (b) Subsidiaries and associated companies of the Group are required to inform the Finance Team of any upcoming RHC Mandated Transactions so that the relevant IPT procedures can be complied with and relevant prior approvals obtained in accordance with the RHC IPT Mandate.
- (c) All Interested Person Transactions entered into pursuant to the RHC IPT Mandate including the factors that have been taken into account in arriving at the terms, as well as any other quotations or evidence obtained to support such basis, shall be recorded and maintained in a register ("**IPT Register**") by the Finance Team.
- (d) The Finance Director shall review the Interested Person Transactions recorded in the IPT Register on a monthly basis to ensure that the IPTs are in compliance with the review procedures set out in the RHC IPT Mandate.
- (e) The Finance Director shall, on a quarterly basis, report to the Audit Committee on the Interested Person Transactions and the basis on which such transactions were entered into with the Interested Persons during the preceding quarter. The Audit Committee and Head of Compliance will review the IPT Register on a quarterly basis.
- (f) The Group's external auditors will review the Interested Person Transactions as part of the Group's annual audit. The external auditors will report any non-compliance issues noted from the audit to the Audit Committee.
- (g) The Group will incorporate a review of all Interested Person Transactions (excluding transaction that is below S\$100,000 in value) in its internal audit plan. The internal auditors will review the Interested Person Transactions to check that the relevant approvals have been obtained and the guidelines and review procedures have been adhered to, in the case of the RHC Mandated Transactions in accordance with the RHC IPT Mandate. The internal auditors will submit their review reports to the Audit Committee on a half yearly basis.



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- (h) Generally, the Audit Committee will only approve an Interested Person Transaction if the terms of the Interested Person Transaction are no more favourable than the terms extended to unrelated third parties, or are in accordance with published or prevailing rates/prices or are otherwise in accordance with prevailing industry norms. Any member of the Audit Committee may, as he deems fit, request for additional information pertaining to the Interested Person Transaction under review from independent sources or advisers.
- (i) For the purpose of the above review and approval process, any Director, who has an interest in the Interested Person Transaction under review and is not considered to be independent, will abstain from participating and voting on any resolution relating to the Interested Person Transaction.

### 7. DISCLOSURE TO SHAREHOLDERS

The Company will announce the aggregate value of RHC Mandated Transactions for each financial period on which the Company is required to report pursuant to the Catalist Rules and within the time required for the announcement of such reports in accordance with Rule 920(1) (a)(ii) of the Catalist Rules.

The Company will also disclose in the Company's annual report details of the aggregate value of all Interested Person Transactions and RHC Mandated Transactions during the current financial year, and in the annual reports for the subsequent financial years during which the RHC IPT Mandate is in force in accordance with Rule 920(1) (a)(i) of the Catalist Rules. The name of the Interested Person(s) and the corresponding aggregate value of the Interested Person Transactions will be presented in the following format:

Name of Interested Person	Nature of relationship	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the RHC IPT Mandate) pursuant to Rule 920 of the Catalist Rules	Aggregate value of all Mandated Transactions (excluding transactions less than S\$100,000) pursuant to Rule 920 of the Catalist Rules
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### 8. AUDIT COMMITTEE

The Audit Committee shall review such guidelines and procedures from time to time to determine if they continue to be adequate and/or commercially practicable in ensuring that transactions between the Company and Interested Persons are conducted on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee will also carry out periodic reviews (not less than four times in a financial year) to ensure that the guidelines and review procedures for the RHC Mandated Transactions have been complied with and the relevant approvals obtained. Further, if during these periodic reviews, the Audit Committee is of the view that the above guidelines and review procedures are not sufficient to ensure that the RHC Mandated Transactions will be on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to the Shareholders for a fresh mandate based on new guidelines and procedures for the RHC Mandated Transactions.

### 9. INTERESTED AUDIT COMMITTEE MEMBER TO ABSTAIN

If a member of the Audit Committee has an interest in an Interested Person Transaction to be reviewed by the Audit Committee, he will abstain from voting on any resolution relating to the Interested Person Transaction and abstain from any decision making in respect of that transaction, and the review of the established review procedures for the Interested Person Transaction and approval of that transaction will be undertaken by the remaining members of the Audit Committee.

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### 10. RENEWAL OF THE RHC IPT MANDATE

The renewal of the RHC IPT Mandate will take effect from the date of passing of the Ordinary Resolution relating thereto and will (unless revoked or varied by the Company in general meeting) continue in force until the date on which the next AGM is held or is required by law to be held.

Thereafter, approval from the Shareholders for subsequent renewals of the RHC IPT Mandate will be sought at each subsequent AGM. RHC and its Associates will abstain from voting on such resolutions for the renewals of the RHC IPT Mandate. Furthermore, RHC and its Associates shall not act as proxies in relation to the resolutions unless specific voting instructions have been given by the relevant Shareholder.

Pursuant to Rule 920(1)(c) of the Catalist Rules, an independent financial adviser's opinion will not be required for the renewal of the RHC IPT Mandate if the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices have not changed since the last approval of the Shareholders was obtained for the RHC IPT Mandate; and
- (b) the methods or procedures in sub-paragraph (a) above are sufficient to ensure that the transactions under the RHC IPT Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.