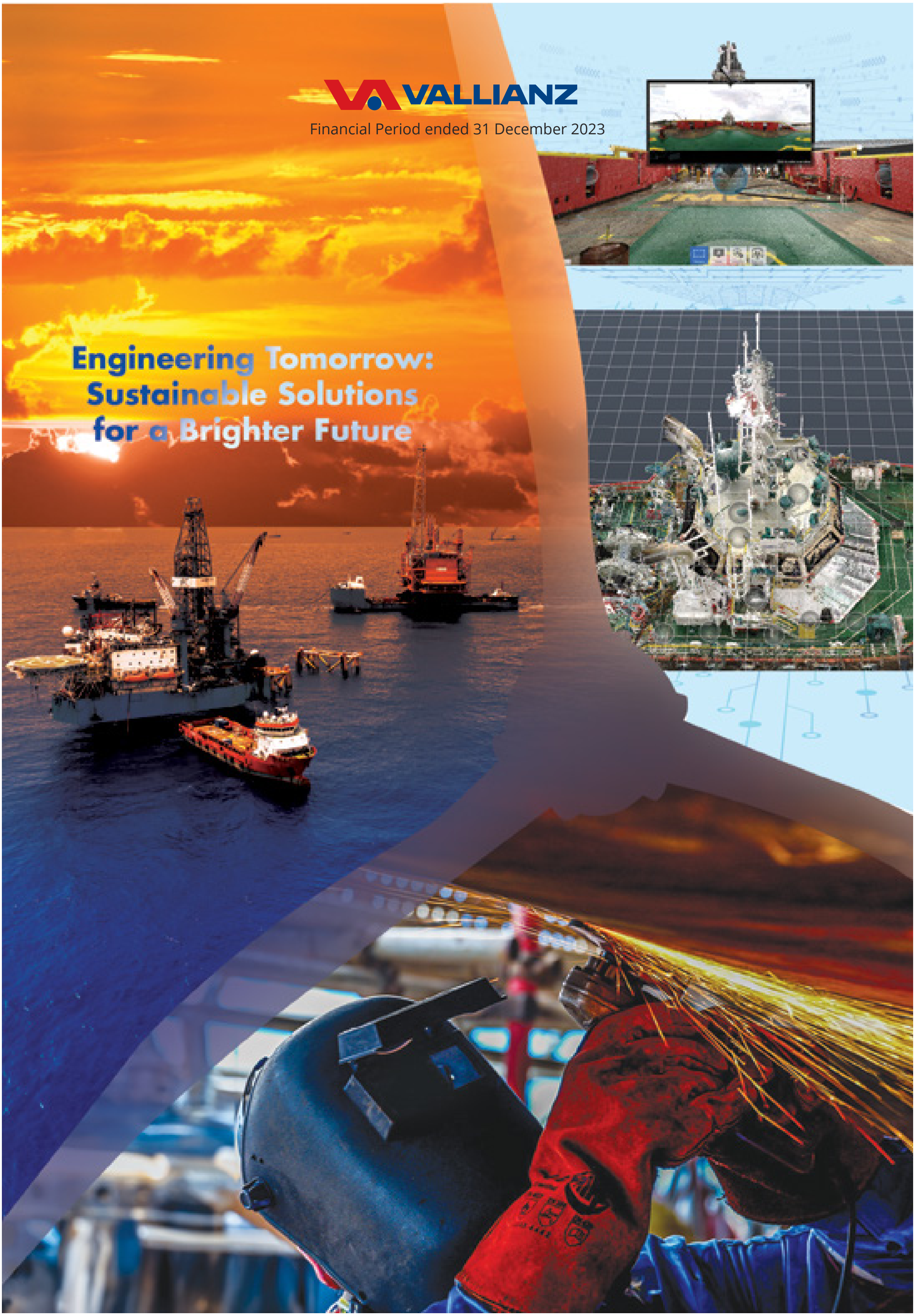
VALLIANZ

Financial Period ended 31 December 2023

Engineering Tomorrow: Sustainable Solutions for a Brighter Future



OUR VALUES

INSPIRING TRUST:
Constructing Solid Partnerships Of Collaboration

SYSTEMATIC VIGOUR:
Every Meticulous Detail Grounded in Executional Excellence

ADAPTIVE SOLUTIONS:
Meeting Evolving Challenges With Dynamic Solutions

CONTENTS

This annual report 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 the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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WE ARE VALLIANZ

Engineering Tomorrow: Sustainable Solutions for a Brighter Future

Vallianz Holdings Limited ("**Vallianz**" and together with its subsidiaries, the "**Group**") is a well-established provider of offshore support vessels ("**OSVs**") and integrated offshore marine solutions to serve the ever-changing needs of the global energy industry.

For close to 30 years, the Group has answered the needs of the global energy industry through well-implemented integrated offshore marine solutions with a progressive yet pragmatic vision and a team of highly motivated industry experts working in close collaboration with its customers.

We are a publicly listed enterprise registered in Singapore with an international footprint, spanning across markets in the Middle East and Asia Pacific. To provide adaptive solutions in an environment of rapidly evolving needs, Vallianz has a fleet of 14 OSVs which comprise anchor handling tugs with supply capabilities, submersible launch barges and flat top cargo barges.

The Group also owns a shipyard in Batam, Indonesia, which serves as a marine base for vessel docking, repairs and maintenance works. Our shipyard possesses strong in-house fabrication and engineering capabilities such as shipbuilding and fabrication works, which are part of the downstream services that are fully dedicated to supporting our subsidiaries, partners and customers. This further enhances our value proposition by broadening the spectrum of our marine services and takes us closer to our core focus on delivering operational and service excellence.

CORE BUSINESS

SPECIALISED OFFSHORE SUPPORT

Vallianz currently owns and operates 14 OSVs, which are available for charter to fulfil the growing demand of the global offshore energy market. The Group's vessels are deployed for offshore projects in the Middle East and Asia Pacific. To enhance our market competitiveness, we are focused on forging trusting partnerships with our customers, instilling systematic vigour to deliver executional excellence, and creating adaptive solutions to respond to our customers' evolving needs. The Group is continually assessing plans to expand our range of vessels and modernise our fleet to the latest standards.

HEAVY TRANSPORT VESSELS

Vallianz provides a fleet of two Submersible Heavy Lift Transport, Float-over & Launch Barges with Overall Length ranging from 140 to 160 Metres, Deadweight Capacity from 19,000 Tonnes up to 42,000 Tonnes, Advanced Ballast System up to 12,500 m^3/hr and Deck Immersion of up to 11 Meters.

These barges are capable of performing a wide range of Offshore Operations, including Float-over Method Topside Installation up to 25,000 Tonnes, Jacket Launch up to 15,000 Tonnes, Submersible Heavy Lift and Transport of Floating Cargo up to 42,000 Tonnes.

The multi-functional architecture makes it simple and quick to configure for any unique project requirement, allowing for rapid mobilization and deployment.

SHIPBUILDING, ENGINEERING & FABRICATION

The Group's subsidiary, PT. United Sindo Perkasa, operates a shipyard located in the Kabil Industry Zone of Batam, Indonesia, which provides full end to end solutions for all aspects of shipbuilding, ship conversions and ship repairs, with vessels ranging from OSVs like Anchor Handling Tug Boats ("**AHTS**") and Multi-Purpose Support Vessels ("**MPSV**") to Research Vessels and even Offshore Floating Fish Farms. The shipyard is supported by a specialised in-house engineering division which allows the Group to provide turnkey engineering solutions and services to our clients. Leveraging on our expertise in shipbuilding and engineering, we provide fabrication services for offshore and onshore structures such as pipe and pipe spool fabrication and installation as well as structure steel fabrication for our customers in the marine and renewable sectors.

MARINE TECHNOLOGY

Vallianz believes that in this ever-changing marine climate, vessel digitalisation and alternative marine technology are the pillars of a sustainable marine future. As such, the Group works with our customers and partners to provide advanced solutions such as marine electrification using battery systems, alternative fuel and green design turnkey engineering solutions, as well as vessel digitalisation using digital remote monitoring systems.

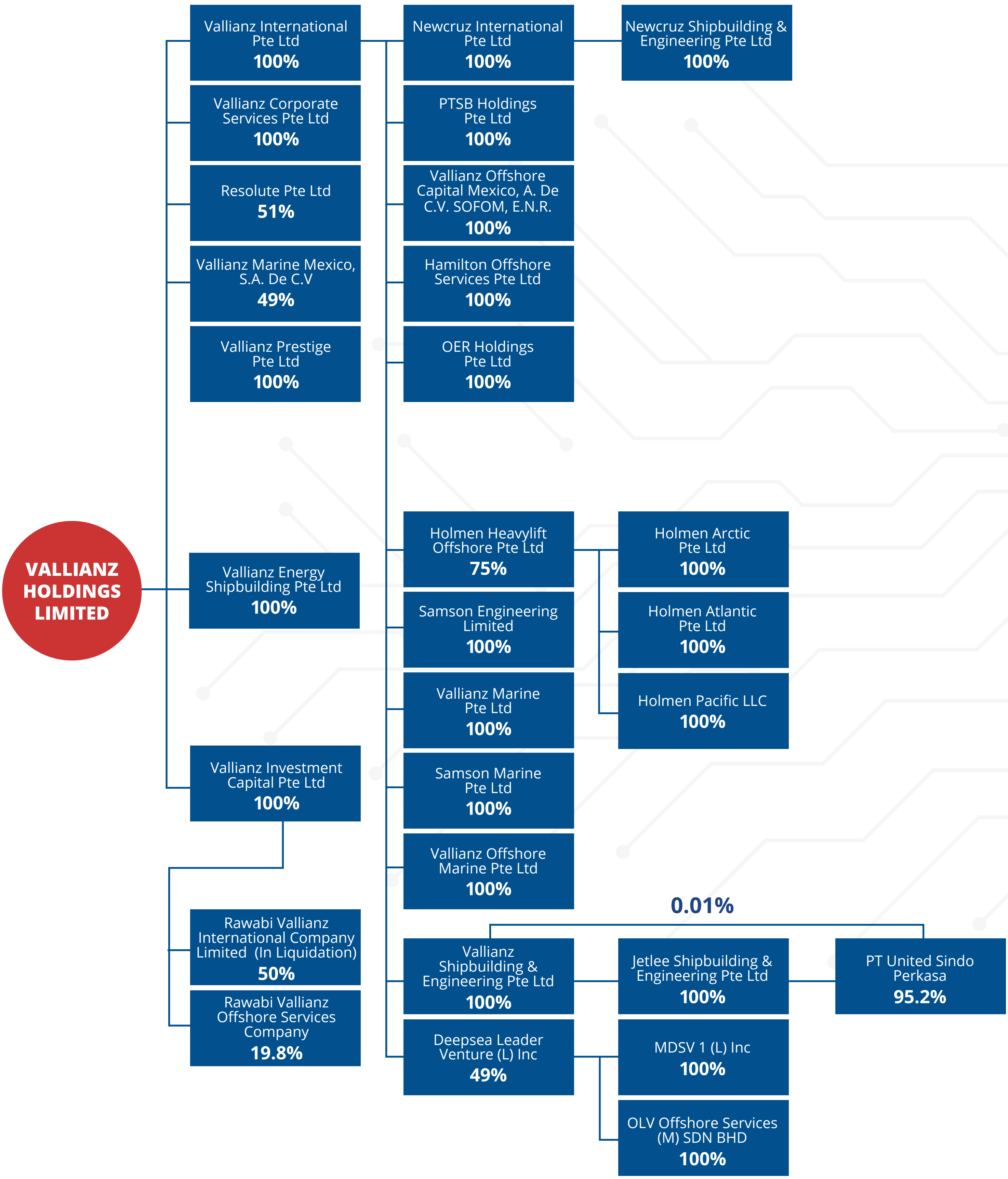
RENEWABLES & SUSTAINABLE ENERGY

Vallianz supports decarbonization by embracing industry-leading advancements within our existing business lines and infrastructure to work positively for more efficient, reliable, and sustainable operations. We are aligned with various progressive energy and solution partners to bring about a sustainable future.

Vallianz has embarked on harnessing the power of renewables to support our energy transformation journey through the alignment with various portfolios in the wind and alternative energy sectors, designing our vessels with zero emission or net-zero emission capabilities in mind, through the incorporation of battery solutions and alternative fuels integration.

Vallianz is also broadening its services in offshore renewables by the provision of Service Operations Vessels ("**SOV**"), Crew Transfer Vessels ("**CTV**"), DP2 Heavy Transport Vessels ("**HTV**") and light fabrication for offshore wind structures such as monopiles and jackets.

CORPORATE STRUCTURE

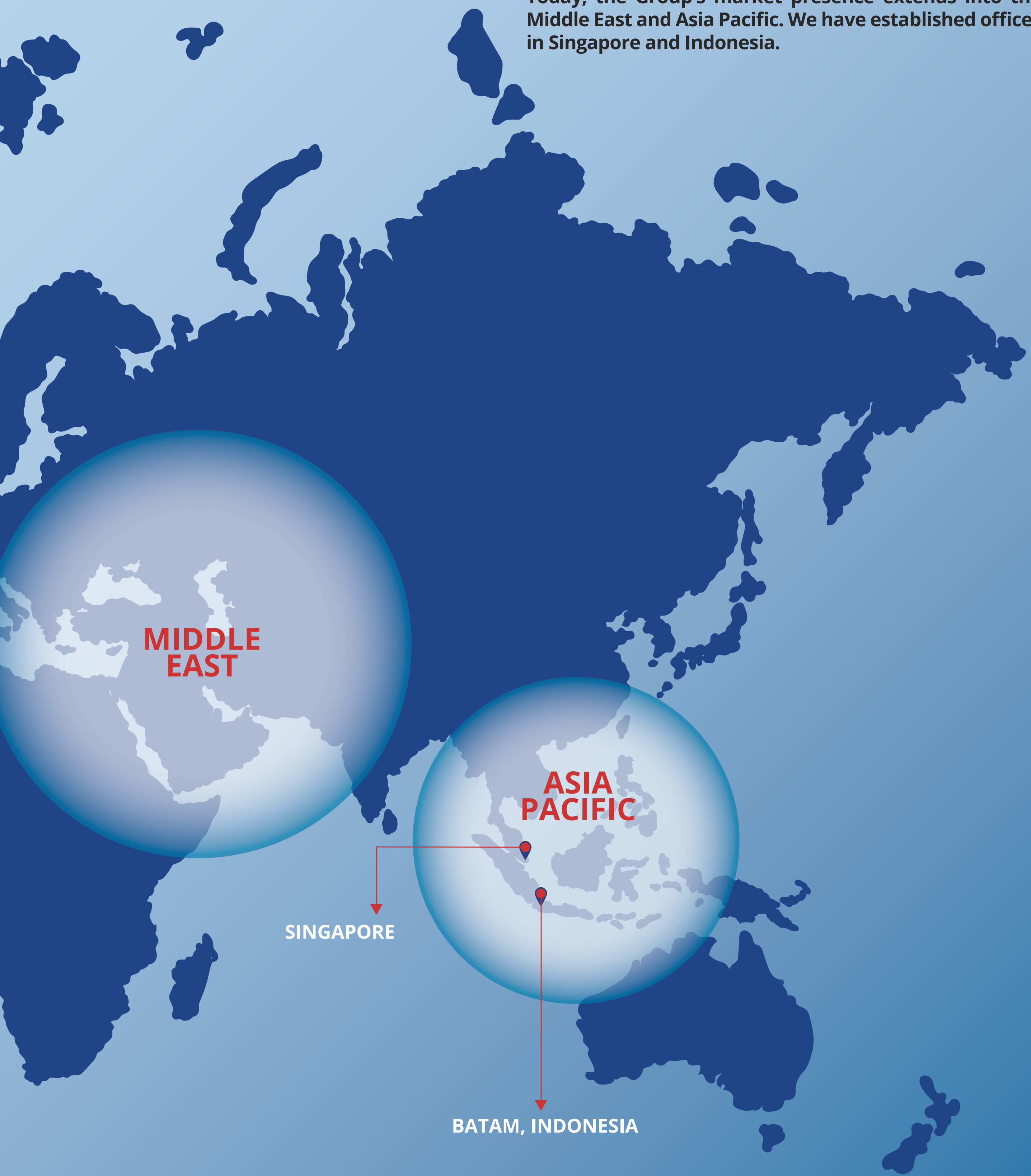


GEOGRAPHICAL PRESENCE

SERVING MAJOR ENERGY AND NATIONAL OIL COMPANIES WORLDWIDE.

From our headquarters in Singapore, Vallianz has developed local presence in key geographical markets to provide fast, effective support and adaptive solutions to our customers to better capture business opportunities in the global energy industry.

Today, the Group's market presence extends into the Middle East and Asia Pacific. We have established offices in Singapore and Indonesia.



CHAIRMAN'S MESSAGE

To build long-term sustainability, we are revitalising our core businesses in vessel ownership and chartering as well as fabrication and shipyard services to expand market share and tap into the transformation of the energy industry.

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present Vallianz's annual report for the nine months ended 31 December 2023 ("**FP2023**"). This FP2023 report follows a change of the Company's financial year-end from 31 March to 31 December.

For the year 2023, the global economy plodded along as it remained shrouded in a fog of ambiguity caused by geopolitical tensions in Eastern Europe and Middle East, persistent inflationary woes, elevated interest rates and tight credit conditions.

Notwithstanding the uncertain economic backdrop, the global demand for energy remained firm. Project activities in the conventional offshore oil and gas ("**O&G**") industry and offshore renewable energy sector continued to be brisk, which buoyed the market demand for offshore service providers across the supply chain. As the offshore marine industry continues to recover after a prolonged downturn, Vallianz is working to shape and revitalise our core businesses in offshore support vessel ("**OSV**") chartering services and shipbuilding to tap opportunities in both the conventional offshore O&G and burgeoning offshore renewable energy markets. At the same time, the Group is constantly looking at modernising our fleet, advancing our technologies and solutions to capitalise on emerging market trends that are arising from the decarbonisation and digitalisation trajectory for the global marine industry. Indeed, we have in recent years formed various strategic partnerships that will push the Group to new frontiers and strengthen our platform for long term growth.

FINANCIAL PERFORMANCE FOR FP2023

During FP2023, the Group's revenue increased by 44% to US$214.7 million compared to US$149.2 million for the 12 months ended 31 March 2023 ("**FY2023**"). This was driven mainly by the Shipyard and Newbuild Management Services segment ("**Shipyard business**"), which offset a decrease in revenue from our Vessel Chartering and Management segment ("**Vessel Chartering business**").

In line with increased revenue, the Group's gross profit improved by 49% to US$18.4 million in FP2023 compared to FY2023. This was attributed mainly to better gross profit contributions from our Shipyard business as well as our Vessel Chartering business which benefited from higher average daily charter rates and tight cost control.

As a result, the Group reduced its operating loss significantly to US$2.1 million in FP2023 compared to US$6.7 million in FY2023. Excluding a one-time write-off of US$2.9 milllion for a vessel under construction, the Group would have recorded an operating profit in FP2023. At the bottomline, the Group registered net profit attributable to owners of the Company of US$1.7 million in FP2023. Despite the shorter reporting period, this marked a turnaround from the net loss attributable to owners of the Company of US$9.4 million posted in FY2023.

A GLOBAL ECONOMIC AND ENERGY OUTLOOK

In its latest World Economic Outlook released in January 2024, the International Monetary Fund ("**IMF**") said the risks to the global economy are now broadly balanced and the likelihood of a hard landing has receded.

While IMF is projecting the global economy to grow 3.1% in 2024 and 3.2 % in 2025, these forecasts are below the historical average of 3.8% for the years between 2000 and 2019.

For the global oil market, the Organisation of the Petroleum Exporting Countries ("**OPEC**") indicated in its February 2024 Monthly Oil Market Report that oil demand grew by a considerable 2.5 million barrels per day (mb/d) to 102.1 mb/d in 2023, driven mainly by economic activity in non-OECD countries and led by a strong rebound from COVID-19-related lockdowns in China. OPEC is forecasting world oil demand in 2024 to grow by 2.3 mb/d to 104.4 mb/d compared to 2023.

The OSV market continued improving during 2023 on the back of demand growth and tight supply of available vessels. According to Clarksons Research, its proprietary OSV Rate Index, which tracks OSV day rates, rose by 30% to reach a 15-year high of 180 points at the end of 2023 and projected to climb even higher in 2024. Clarksons Research also found that OSV utilisation rates have risen above 70%.

To be sure, offshore energy capital expenditures ("**capex**") are expected to remain elevated in 2024 according to Rystad Energy. With crude oil prices projected to stay above $80 in 2024, Rystad Energy believes that oil and gas capex will grow marginally. Together with the expansion of offshore wind installations, the total offshore investments are estimated to increase by 17% in 2024 compared to 2023. Rystad Energy also said that offshore wind and floating solar will contribute almost 19% of the offshore capex in 2024 as wind and solar installation's share of the power generation mix continues to expand.

The flow of investments into the offshore O&G and wind energy sectors will undoubtedly augur well for the offshore rig and OSV markets. Notwithstanding these positive indicators, the Group intends to adopt a measured approach and cautiously optimistic stance as global economic uncertainties, higher interest rates and tighter access to financing could impede the offshore industry's recovery.

Like other OSV operators and shipbuilders, the Group has also experienced an escalation in operating costs for crew and manpower, fuel and equipment. To mitigate these challenges, we will continually evaluate and implement initiatives that help to raise our operational efficiency and enable effective cost control.

RIDING ON THE OFFSHORE ENERGY INDUSTRY'S GROWTH

To be in a prime position to benefit from growth opportunities, the Group is staying the course to strengthen its core businesses and expand market share while positioning itself for the transformation of the global energy industry.

Vessel Chartering Business

Our OSV fleet is actively utilised at various offshore engineering, procurement, construction and installation projects across Asia and the Middle East regions. To address the market demand for OSVs to support activities in the offshore O&G sector, the Group added three new vessels to its fleet during FP2023 and plans to further expand its fleet in FY2024.

Besides increasing capacity, Vallianz is accelerating digitalisation and adoption of innovative marine technologies to deliver cutting-edge solutions and stay ahead of the curve.

A case in point is the implementation of a real-time monitoring solution on our newly acquired vessel, Vallianz Prestige in 2022. This digital solution revolutionises the Group's operations as it enhances the safety and efficiency of our vessel by supporting our crew and monitoring operations remotely, thus saving time, energy, and resources.

The complete digital solution also comprises integrated remote monitoring for vessel performance which includes equipment navigation, communication and fuel monitoring. These information are relayed back to our centralized V-Hub at the Group's headquarters in Singapore. Following the successful implementation on Vallianz Prestige, the Group intends to gradually roll out this complete digital solution on other vessels in our fleet.

Shipyard Business

The Shipyard Business has seen a significant uptick in newbuild projects that led to a doubling of revenue in FP2023. Backed by strong in-house fabrication and engineering capabilities, we believe our shipyard in Batam, Indonesia is well positioned to ride on the increased demand for new vessels. Our expertise covers high value end-to-end services in all aspects of shipbuilding, ship conversions and ship repairs, for vessels ranging from OSVs to Research Vessels and Offshore Floating Fish Farms. The shipyard's impressive track record in the construction of Multi-Purpose and Accommodation Vessels, and Harbour, Mooring and Docking Tugs has attracted inquiries from international customers across Asia, the Middle East and Europe for potential projects.

During the years 2022 and 2023, we completed deliveries of a Multi-Purpose and Accommodation Vessel, Crane Boat and Docking Tugs that have been deployed for projects of national oil companies in the Middle East ("**NOC**"). The Group is also building additional OSVs, including Service Accommodation Vessel, jack-up liftboats and various Anchor Handling Supply Tugs, as well as an aluminium security boat for one of the NOC's projects. Among the shipbuilding projects are also three research vessels for the Fisheries Research Institute of Taiwan. To-date, the Group has substantially completed two research vessels.

Tapping offshore Wind Market and Emerging Trends to Grow Core Businesses

To facilitate future development of our core businesses, the Group has set out on a path to extend our solutions and market reach beyond the conventional offshore O&G industry to the renewable offshore wind energy arena. In recent years, Vallianz has formed strategic partnerships with leading international marine companies to build specialised vessels that are poised to make an impact in the global offshore wind industry.

Firstly, the Group sealed an alliance with Ulstein Design & Solutions B.V., Shift Clean Energy and Bureau Veritas to develop a heavy transport vessel ("**HTV**") that will be capable of transporting monopiles, jackets, transition pieces and turbine blades to support offshore wind farm projects, as well as heavy structure modules for LNG and carry out floatover operations of offshore structures. We are continuing our discussions with international partners and end-users for potential collaborations regarding further enhancements to the HTV with the aim of securing long-term charters. Depending on the outcome of these discussions, construction of the HTV is planned for completion in 2027.

Secondly, the Group is also working on a design of a next-generation Construction Service Operation Vessel ("**CSOV**") that will support the operations and maintenance of offshore wind farms. Besides utilising state-of-the-art technology to ensure high levels of safety, reliability and workability, the CSOV is designed to be ready for true zero emission operations by using full battery offshore charging system and alternative fuels for propulsion.

We believe this work on HTV and CSOV will help to pave the way for Vallianz's entry and raise our profie in the offshore wind farm industry. At the same time, the Group is also venturing into the market for electric, energy-efficient and zero / low carbon emissions vessels.

In line with our strategy to embrace the global marine industry's trajectory of sustainability and decarbonisation, the Group has also begun the construction of an all-electric, zero carbon emissions harbour tug ("**E-Volt Tug**") in partnership with SeaTech Solutions International Pte Ltd, Shift Clean Energy and the American Bureau of Shipping. The E-Volt Tug is expected to lead to a transformation in the way port operations are carried out.

To progress in tandem with the transformation of the global energy and marine industry, the Group has worked diligently to scale up our assets, capabilities and network. We believe our strategic thrusts will enable Vallianz to cater to a wider spectrum of the global energy industry in future, and also ensure the Group remains market-relevant and competitive in the marine industry for long term growth and sustainability.

APPRECIATION

On behalf of the Board, I would like to express our appreciation to our valued shareholders, customers, suppliers, business partners and associates for their continued support and patronage. I also wish to thank my fellow Directors for their contributions and counsel. Last but not least, I would like to extend my gratitude to our management and staff for their hard work, dedication and valuable contributions to the Group.

Osman Ibrahim
Non-Executive Chairman

FINANCIAL REVIEW

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period from 1 April 2023 to 31 December 2023 ("FP2023"), the Group recorded revenue of approximately US$214.7 million, representing an increase of 44% compared to US$149.2 million in the 12 months ended 31 March 2023 ("FY2023").

The Group's better topline performance in FP2023 was driven by the Shipyard and Newbuild Management Services segment which saw revenue more than doubling to US$187.0 million due to an increase in the number of newbuild projects. This was partially offset by the decrease in revenue from the Vessel Chartering and Management segment to US$27.8 million in FP2023, compared to US$64.8 million in FY2023, as there was lower volume of vessel management work as well as lesser projects in the region that required the use of the Group's submersible barges.

As a result, the Shipyard and Newbuild Management Services segment's revenue contribution expanded to approximately 87% in FP2023 from 57% in FY2023. The Vessel Chartering and Management segment contributed approximately 13% to Group revenue in FP2023 as compared to 43% in FY2023.

In tandem with higher revenue, the Group registered a gross profit of US$18.4 million in FP2023, an increase of 49% from US$12.3 million in FY2023. The improvement was due mainly to the contribution from the Shipyard and Newbuild Management Services segment which maintained its gross profit margin at 5.2% in FP2023 (FY2023: 5.2%). The Vessel Chartering and Management segment registered a gross profit margin of 31.1% in FP2023 (FY2023: 12.3%) due mainly to higher average daily charter rates for our vessel fleet and tight control over costs.

Other losses (net), increased to US$4.0 million in FP2023 from US$2.2 million in FY2023. This was attributed mainly to a write-off of US$2.9 million for a vessel under construction due to a change in design, which was 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.

Administrative expenses of US$7.3 million in FP2023 were slightly lower compared to US$8.0 million in FY2023, in line with the shorter period of 9 months in the current financial period versus 12 months in FY2023.

Finance costs in FP2023 increased to US$9.3 million compared to US$8.9 million in FY2023, due mainly to higher interest rates on term loans and convertible bonds.

The Group had an exceptional gain of US$2.0 million in FP2023 which arose from the partial redemption of convertible bonds. In FY2023, the Group recorded an exceptional loss of US$3.2 million due to the disposal of a vessel.

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 FY2023.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023, trade receivables increased to US$47.8 million from US$6.6 million as at 31 March 2023 which was generally in line with the increase in revenue. Similarly, the increase in contract assets to US$18.3 million as at 31 December 2023 was in line with the higher activity of the Shipyard and Newbuild Management Services segment.

Other receivables (current) also increased to US$163.5 million as at 31 December 2023 from US$56.4 million as at 31 March 2023. This was attributed mainly to the increase in down-payments and prepayments made to third-party suppliers for the construction of new vessels.

Property, plant and equipment increased to US$83.8 million as at 31 December 2023 from US$74.7 million as at 31 March 2023, due mainly to the purchase of a new vessel and equipment, drydock for certain vessels and leasehold improvements. These were partially offset by depreciation expenses and the write-off of a vessel under construction.

Total current and non-current borrowings increased slightly to US$125.4 million as at 31 December 2023 as compared to US$121.6 million as at 31 March 2023. The increase was due to drawdown of new loans, partially offset by repayment of term loans.

As at 31 December 2023, the Group's trade payables increased to US$13.2 million from US$8.1 million as at 31 March 2023, mainly due to increased purchases of equipment for construction of new vessels. Other payables increased to US$51.1 million as at 31 December 2023 from US$38.5 million as at 31 March 2023, due mainly to the accrued costs for newbuild vessels.

The Group's contract liabilities increased to US$202.2 million as at 31 December 2023 from US$51.6 million as at 31 March 2023, due to higher amount of deposits received in advance for construction of new vessels.

Total current and non-current lease liabilities increased to US$5.6 million as at 31 December 2023 as compared to US$0.5 million as at 31 March 2023 due to new right-of-use assets acquired.

The Group's convertible bonds decreased to US$41.8 million as at 31 December 2023 compared to US$45.9 million as at 31 March 2023, due to partial redemption of convertible bonds.

CONSOLIDATED STATEMENT OF CASH FLOWS

In FP2023, the Group generated net cash from operating activities of US$14.4 million. Net cash used in investing activities of US$18.5 million for FP2023 was attributable mainly to purchases of property, plant and equipment. Net cash generated from financing activities in FP2023 amounted to US$4.6 million, which was attributable mainly to advances from shareholder of US$10.8 million and drawdown of new loans of US$4.5 million, which were partially offset by payments for loan, interest, lease liabilities and partial redemption of convertible bonds.

As a result, the Group's cash and cash equivalents increased to US$21.3 million as at 31 December 2023 from US$20.8 million as at 31 March 2023.

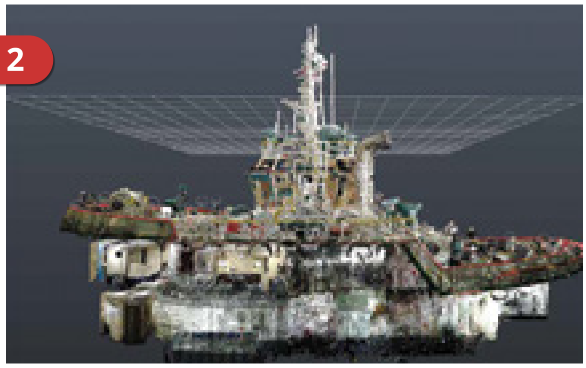
DEVELOPMENTS IN SUSTAINABLE SOLUTIONS

1

DEVELOPMENT OF E-VOLT ELECTRIC TUG

a. Design in progress
b. Class confirmed
c. Battery Solution Integration being finalized

2

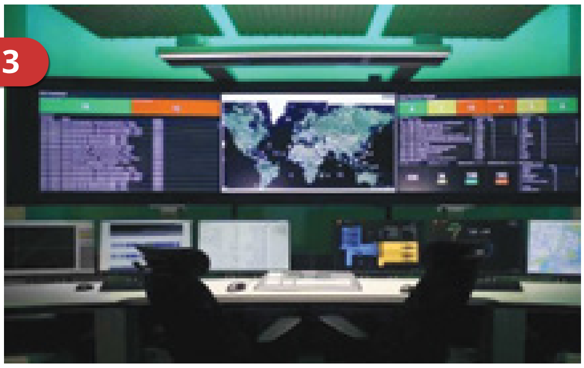


V-HUB (DIGITALIZATION)

Remote monitoring of vessel's key equipment through sensors by data consolidation and monitoring through a central system, using analytics to optimize the vessels' efficiency.

As of 2023, more newbuild vessels and existing fleet are progressively added to the V-Hub control centre.

3

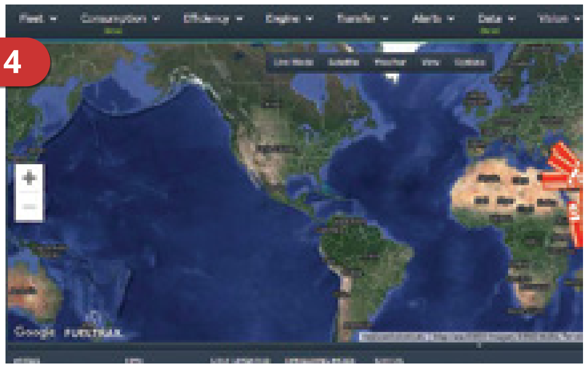


DIGITAL TWINNING (DIGITALIZATION)

Vessel walkthrough using 3D scanning technology to produce a 3D digital twin model for technical/operational support, and also marketing purposes. Links and embedded documents on key components in the 3D model allow viewers to navigate and monitor the important components of the vessel.

As of 2023, all newbuilds (prior to delivery) are digitally twinned and stored in the V-Hub control centre.

4

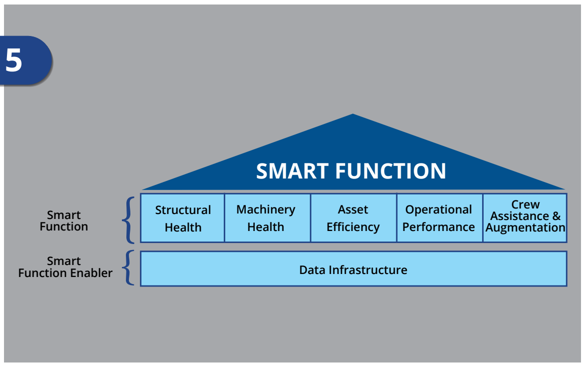


REMOTE FUEL OIL AND BUNKER MONITORING

Outfitting vessels with FuelTrax's Electronic Fuel Management System (EFMS) to ensure accurate fuel usage transparency and emissions tracking, to enable better fuel consumption and OPEX savings.

As of 2023, more newbuild vessels and existing fleet are progressively outfitted with EFMS.

5



SMART NOTATIONS (HULL / MACHINERY / INF)

Digitalization of Sensors for shipboard equipment and marine systems to increase efficiency, reduce cost by allowing the crew to troubleshoot virtually with the shore staff and virtual 3rd party (vendor or class) inspections.

As of end 2023, all vessel newbuilds have this capability and functionality embedded.

6

DEVELOPMENT OF CONSTRUCTION SERVICE OPERATION VESSEL (CSOV) FOR WINDFARMS

a. Designed to meet the evolving needs of the offshore windfarms.
b. CSOV designed to be ready for net zero emission operations from battery storage system and alternative fuel engines.

7

DEVELOPMENT OF HEAVY TRANSPORT VESSEL FOR THE WINDFARM SECTOR

a. Engagement of Ulstein Design and Solutions and BV Class for the design of the DP2 Heavy Transport Vessel.
b. Equipped with green/ renewable initiatives including Battery Energy Storage Systems.
c. Large deck area with a draft allowing entry to most world-wide ports.

As of 2023, basic design and collaborations with wind-related ccompanies are being finalized.

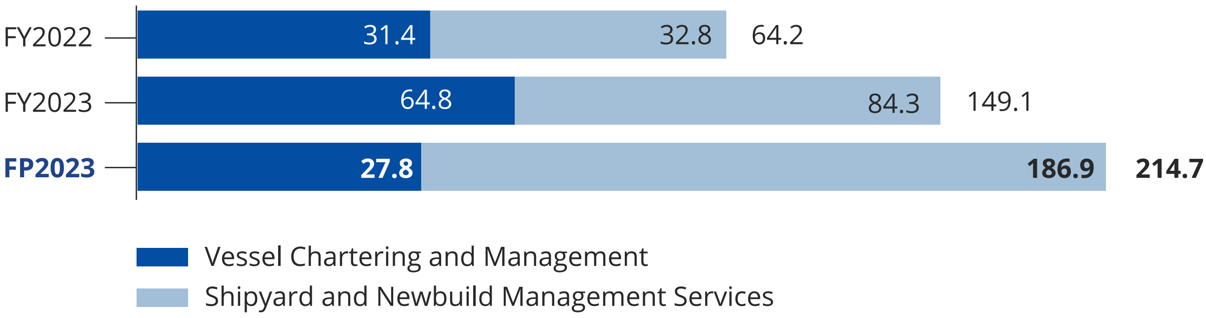
VALLIANZ FLEET

SUBMERSIBLE LAUNCH BARGE				
Name	DWT	Topside	Jacket Launch	Year Build
Holmen Atlantic (D-2 Compliance)	10,000 MT	16,000 MT	≥10,000 MT	2012
Holmen Pacific (D-2 Compliance)	25,945 MT	35,000 MT	≥15,000 MT	2012

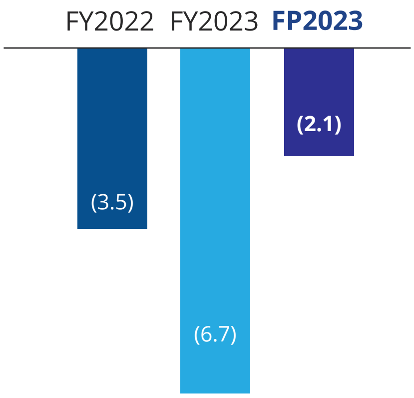
ANCHOR HANDLING TUG SUPPLY (DP2)			
Name	BHP	Bollard Pull (T)	Year Build
Vallianz Titan	10,800	168.7	2023
Vallianz Commander	9,000	120	2012
Vallianz Steadfast	9,000	120	2012
Vallianz Prestige	8,160	120	2022
Vallianz Premier	8,080	98	2011
Vallianz Prelude	8,080	108	2011
Vallianz Pegasus	8,000	115	2023
Vallianz Supreme	7,300	95	2012

FLAT TOP CARGO BARGE			
Name	Dimensions (ft)	Deck Loading	Year Build
Vallianz 331	330 x 100 x 20	25 Ton/m^2	2014
Prestige 3301 (D-2 Compliance)	330 x 120 x 20	25 Ton/m^2	2024 (Under Construction)
Prestige 3302 (D-2 Compliance)	330 x 120 x 20	25 Ton/m^2	2024 (Under Construction)
Prestige 281 (D-2 Compliance)	282 x 90 x 18	20 Ton/m^2	2023
Prestige 282 (D-2 Compliance)	282 x 90 x 18	20 Ton/m^2	2023
Prestige 283 (D-2 Compliance)	282 x 90 x 18	20 Ton/m^2	2024 (Under Construction)
Prestige 284 (D-2 Compliance)	282 x 90 x 18	20 Ton/m^2	2024 (Under Construction)
USP 10	180 x 56 x 12	10 Ton/m^2	2014

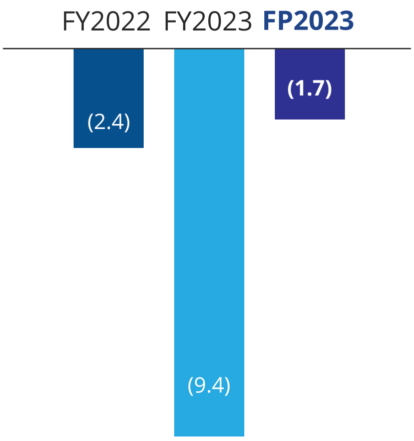
Revenue (US$ million)



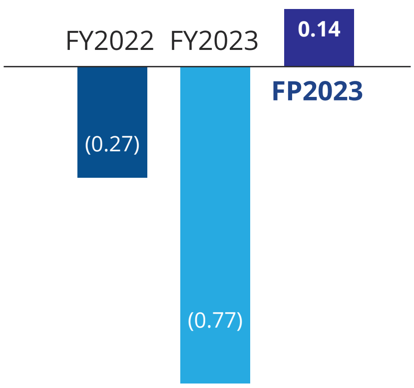
Operating Profit/(Loss) before tax and exceptional items (US$ million)



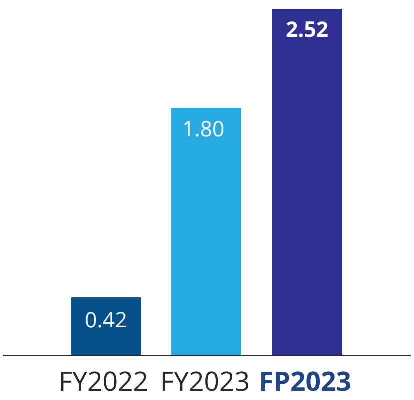
Net Profit/(Loss) attributable to owners of the company (US$ million)



Earnings/(Loss) per share (US cents)



Net asset value per share (US cents)



FY2022: 12-months period ended 31 March 2022
FY2023: 12-months period ended 31 March 2023
FP2023: 9-months period ended 31 December 2023

BOARD OF DIRECTORS

Mr. Osman Ibrahim
Non-Executive Chairman

Mr. Osman Ibrahim was appointed to the Vallianz Board in December 2021 as the Non-Executive Chairman of Vallianz. Mr. Osman joined Rawabi Holding Company Limited ("RHC") in 1989 and has been the Group CEO of RHC since 2009 and the Vice Chairman since 2022. During his impressive tenure at the RHC Group, Mr. Osman has held several important positions including Group Vice President Finance and Administration and Group Executive Vice President. He plays a vital role in leading RHC's strategic development and expansion of its operations. Prior to joining RHC, Mr. Osman headed the Mergers and Acquisition Department in a consulting firm in Egypt.

Mr. Osman is an Executive Board Member at RHC's Board of Directors and heads the RHC's Board Investment Committee. He is the Chairman of United Safety Ltd. Canada, Equatoriale Energy, Singapore, PT VOM, Indonesia, Rawabi Vallianz Offshore Services Co. Ltd., Rawabi United Safety Services, Rawabi Archer, Rawabi CETCO, Rawabi Pason, Rawabi Geolog, Rawabi Wildcat, Rawabi Schulte, Rawabi Sapura and Rawabi Contracting and Services Company, Egypt.

He is the Vice Chairman of the Board at Egypt-based Magnom Saudi Properties, and Rawabi Industrial Services Company (RISAL), a Director at the Boards of Wildcat Oil Tools in USA and Kalaam Telecom in Bahrain.

Mr. Osman sits on the Board of all RHC's affiliate companies and joint ventures including Rawabi United Safety Services, Rawabi Vallianz Offshore Services Co. Ltd. and Rawabi BUTEC.

Mr. Osman has a background in Finance, Law, COBOL programming management and Strategic Planning. He holds a Bachelor of Science in Accounting and a Master's in Finance. He has attended several executive programs in prestigious universities such as IMD and INSEAD.

Mr. Ling Yong Wah
Executive Director and CEO

Mr. Ling Yong Wah was appointed to the Vallianz Board in March 2014 and is the CEO of the Company. As CEO, Mr. Ling drives the corporate and strategic directions of Vallianz. He has nearly 30 years of business and management experience and has held various roles including board seats in companies listed on the Singapore Exchange and the Hong Kong Stock Exchange. Mr. Ling is a member of the Institute of Chartered Accountants of England and Wales.

Mr. Chong Chee Keong Chris
Lead Independent Non-Executive Director

Mr. Chris Chong joined the Vallianz Board of Directors in February 2018 and is presently the Lead Independent Director of the Company. He established Singapore boutique commercial law practice CHRIS CHONG & C T HO LLP in 2000, 6 years after graduating from the National University of Singapore in 1994 with Honours, and honing his craft at established Singapore law firms Messrs Haridass Ho & Partners, Messrs Jing Quee & Chin Joo and Messrs William Lai & Alan Wong. He advises clients in corporate, debt & capital markets work of varying degrees of complexity. His boutique law practice also acts for banks and corporate clients in corporate mergers and acquisitions, cross-border joint ventures and private equity investments, including fund-raising and regulatory advisory on the full spectrum of fund management work, ranging from establishment and structuring of investment funds, to assisting fund managers on their regulatory and compliance issues.

Mr. Chris Chong has sat on the board of public companies listed on the Singapore Exchange as non-executive independent director and is at present also an independent non-executive director of a HKEX Mainboard listed company.

His previous professional appointments include appointment as committee member of the Singapore Sichuan Trade & Investment Committee and as Honorary Legal Advisor of Home United Football Club (now known as Lion City Sailors FC), a professional football club of the Singapore Professional Soccer League ("SPL") from 2000 to 2019. He is presently a member of the Football Association of Singapore's Community Outreach, Grassroots & Volunteer Committee, and legal advisor of SPL club, Geylang International FC, in its corporate restructuring towards privatisation. Mr Chris Chong also attained the credentials as Senior Accredited Director (SID-SRAD) issued by the Singapore Institute of Directors (SID) in March 2024.

Mr. Kevin Wong Chee Fatt
Independent Non-Executive Director

Mr. Kevin Wong joined the Vallianz Board on 1 October 2023. He was a career banker and brings to Vallianz more than 30 years of banking experience across various frontline roles including FX trading, corporate banking, managing and restructuring non-performing loans and corporate and investment banking, having held senior positions in MUFJ Bank, MUFG Securities Asia (Limited), Singapore and DBS Bank. Mr Wong was the Head of client coverage for DBS Bank in Malaysia. In MUFG, he managed a portfolio of clients across Singapore, Malaysia, Philippines, Vietnam, Australia and New Zealand, specialising in advising clients on fund raising via the bond and syndicated loan markets. Mr Wong graduated from the National University of Singapore with a Bachelor of Arts in Economics and Political Science and holds a Master of Business Administration, Finance, from the University of Hull.

CORPORATE
SOCIAL RESPONSIBILITY

13 YEARS OF PARTNERSHIP:

MAKING A DIFFERENCE WITH CARE CORNER SENIOR SERVICES SINGAPORE

For over a decade, our company has been honoured to work alongside Care Corner Senior Services Ltd ("CCSS"), supporting their vital mission of caring for the elderly in our community. This year marks our 13th anniversary of partnership, and it's been a journey filled with meaningful moments and heartfelt connections.

Celebrating Traditions, Nurturing Bonds: Lunar New Year Festivities

In the spirit of cultural celebration and inclusivity, 2024 witnessed the continuation of our cherished Lunar New Year festivities with the seniors under CCSS's care. A grand banquet, adorned with 60 tables, served as a vibrant testament to the joy of togetherness. The air was alive with excitement as performers mesmerized the audience with captivating lion dance performances, symbolizing prosperity, and good fortune. Additionally, seniors from Care Corner took centre stage, showcasing their talents and adding a personal touch to the celebrations. These heartwarming performances not only entertained but also deepened the sense of connection and community among all present. We are grateful to our donors, comprising vendors and business associates, whose generous contributions made this celebration possible. Their support underscores the collective commitment to making a difference in the lives of the elderly.

Spreading Joy with Mid-Autumn Festival Mooncakes

During the Mid-Autumn Festival, we had the pleasure of distributing mooncakes to the seniors at CCSS. Together with bento lunches, the sweet treats brought smiles to their faces and warmth to their hearts. It was a simple yet meaningful gesture, symbolizing our ongoing commitment to bringing joy and comfort to the elderly members of our community.

Ensuring Daily Nourishment: Support for the Hot Meals Program

Beyond special occasions, we are proud to support CCSS's Hot Meals Program, ensuring that seniors have access to nutritious meals every day. This program plays a crucial role in addressing the basic needs of the elderly, providing not just nourishment for their bodies but also a sense of security and care.

Reflecting on 13 Years of Impactful Partnership

As we look back on 13 years of collaboration with CCSS, we are filled with gratitude for the opportunity to make a difference in the lives of seniors in Singapore. Together, we have worked to foster a sense of community, celebrate traditions, and provide essential support to those in need. Moving forward, we remain committed to our partnership with CCSS, striving to continue making a positive impact and creating a brighter future for all members of our community.

SUSTAINABILITY HIGHLIGHTS

Vallianz recognizes the strategic significance of sustainability, presenting opportunities to drive innovation and create shared value for our stakeholders. Our commitment lies in continuous improvement, transparent reporting, and active engagement with partners, employees, customers, and communities to collectively address sustainability challenges and work towards a more sustainable and inclusive future.

Economically, we are focused on creating enduring value for our shareholders, customers and communities. Through prudent financial management and strategic investments and partnerships, we aim to foster long-term economic resilience.

Environmentally, we understand the profound impact our industry can have on marine ecosystems and have taken steps to minimize our ecological footprint. To achieve this, we are aligning with International Maritime Organization's Strategy for GHG Emission Reductions by setting reduction targets towards achieving Net Zero emissions by 2050. We are also working on plans to report our Scope 1, 2 and 3 emissions in accordance with the regulatory timelines.

Social responsibility is a cornerstone of our corporate philosophy. We are dedicated to ensuring the well-being of our employees and the communities in which we operate. Our efforts extend beyond compliance, fostering diversity, equity, and inclusion, and contributing to the social fabric through various initiatives.

Governance forms the bedrock of our sustainability journey. We adhere to the highest standards of transparency, ethics, and accountability. Our governance framework ensures that we operate with integrity, safeguarding the interests of our stakeholders.

Our sustainability report which is prepared in accordance with the Global Reporting Initiatives (GRI) Standards and covers our sustainability initiatives and goals, will be published separately by the end of April 2024.

CORPORATE INFORMATION

(As at the date of this Annual Report)

BOARD OF DIRECTORS

Mr. Osman Ibrahim
Non-Executive and
Non-Independent Chairman

Mr. Ling Yong Wah
Executive Director and CEO

Mr. Chong Chee Keong Chris
Lead Independent Non-Executive Director

Mr. Kevin Wong Chee Fatt
Independent Non-Executive Director

COMPANY SECRETARY
Ms. Chong Pei Wen

AUDIT COMMITTEE
Mr. Kevin Wong Chee Fatt (Chairman)
Mr. Chong Chee Keong Chris
Mr. Osman Ibrahim

REMUNERATION COMMITTEE
Mr. Chong Chee Keong Chris (Chairman)
Mr. Kevin Wong Chee Fatt
Mr. Osman Ibrahim

NOMINATING COMMITTEE
Mr. Chong Chee Keong Chris (Chairman)
Mr. Kevin Wong Chee Fatt
Mr. Osman Ibrahim

SHARE REGISTRAR
Tricor Barbinder Share Registration Services
9 Raffles Place
#26-01 Republic Plaza
Singapore 048619
Tel: (65) 6236 3333
Fax: (65) 6236 4399
Email: info@sg.tricorglobal.com
Website: www.sg.tricorglobal.com

CONTINUING SPONSOR
RHT Capital Pte. Ltd.
36 Robinson Road
#10-06 City House
Singapore 068877

AUDITORS
CLA Global TS Public Accounting Corporation
80 Robinson Road, #25-00,
Singapore 068898

Partner-in-charge: Mr. Loh Ji Kin
(From financial year ended 31 March 2020)

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7500A Beach Road
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The Board of Directors ("**Board**") of Vallianz Holdings Limited ("**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining high standards of corporate governance and place importance on its corporate governance processes and systems to ensure greater transparency, accountability and maximisation of long-term shareholder value. The Company recognises that good corporate governance is imperative for sustained growth and investor confidence.

This Corporate Governance Statement outlines the Company's corporate governance processes and activities that are in place during the financial period ended 31 December 2023 ("**FP2023**"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 ("**Code**") and the accompanying practice guidance (the "**Guide**") issued by the Monetary Authority of Singapore, and the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual: Section B: Rules of Catalist (the "**Catalist Rules**"), where applicable.

The Group is generally in compliance with the principles and provisions as set out in the Code and the Guide. Where there are deviations from the Code and Guide, the Board has considered that alternative practices adopted by the Group are sufficient to meet the underlying objectives of the Code and Guide. Appropriate explanations have been provided in the relevant sections where there are deviations.

Principle 1: The Board's Conduct of Affairs
The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

As at the date of this report, the Board comprises the following members, all of whom have the appropriate core competencies and diversity of experience needed to enable them to effectively contribute to the Group.

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

The Board's primary role, in addition to carrying out its statutory responsibilities under the Companies Act 1967 of Singapore (the "Companies Act") and requirements pursuant to the Catalist Rules, includes the following:

- approving the Group's investment and divestment proposals, corporate and financial restructuring, material acquisitions and disposals of assets and making decisions in the interest of the Group, interested person transactions of a material nature, convening of shareholders' meetings and major funding proposals;

- establishing and reviewing the adequacy and integrity of the Company's framework of risk management systems, internal controls and financial reporting systems to safeguard shareholders' interest and the Company's assets;

- identifying key stakeholder groups and recognising that their perceptions affect the Company's reputation;

- consider sustainability issues such as environmental and social factors as part of the Group's strategic plans;

- ensuring the Group's compliance with relevant laws, regulations, policies, directives, guidelines, internal code of conduct and obligations to shareholders; and

- setting the Group's values and standards of conduct and assuming the responsibility for the satisfactory fulfilment of social responsibilities of the Group.

All the Directors exercise due diligence and independent judgement, and are obliged to act in good faith and in the best interest of the Company, so as to enhance the long term value of the Group to its shareholders. Each Director is aware of the requirements in respect of his disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on the disclosure of price-sensitive information. On an annual basis, each director is also required to submit details of his associates for the purpose of monitoring interested person transactions. Where a potential conflict of interest arises, the Director concerned will recuse himself from discussions and decisions involving the issue of conflict and refrain from exercising any influence over other members of the Board in respect of the issue.

Upon the appointment of a new Director, the Company will provide a formal letter to the new Director, setting out his duties and obligations. Appropriate orientation programmes and briefings are conducted for all new Directors appointed to the Board to familiarise them with the Company's business, board processes, internal controls and governance practices. The Company will also arrange for first-time Directors to attend relevant training in relation to the roles and responsibilities for a director of a listed company and in areas such as accounting, legal and industry-specific knowledge as appropriate. The training of the Directors will be arranged and funded by the Company.

Mr. Kevin Wong Chee Fatt who was appointed as an Independent Non-Executive Director of the Company on 1 October 2023 has also attended and completed the requisite training organised by SID on the roles and responsibilities of a Director of a listed company.

The Directors are also encouraged to keep themselves abreast of latest developments relevant to the Group and attend appropriate courses and seminars that will be arranged and funded by the Company. The external auditors, during their presentation of the audit plan annually, will update the Directors on the new or revised financial reporting standards. Regular updates on developments and amendments to the Companies Act, corporate governance and listing rules are circulated by the Sponsor and the Company Secretary to the Board. In addition, the Executive Director will regularly update the Board on the business and strategic developments of the Group as well as overview of industry trends at scheduled Board meetings and *ad hoc* Board meetings.

To facilitate effective management and assist the Board in discharging its responsibilities, the Board has established various board committees, namely, Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**").

Each Board Committee functions within clearly defined terms of reference and operating procedures, which are reviewed and updated by the Board from time to time. The terms of reference of the respective Board Committees are set out in this report. These Board Committees have the authority to review and examine particular issues and to report to the Board their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board, which will take into consideration the overall interest of the Company. The effectiveness of each Board Committee will also be reviewed by the Board.

The Board has adopted a set of internal guidelines on matters requiring its approval. Matters which are specifically reserved for the Board's decision include those involving corporate policies, plans and budgets, material acquisitions and disposals of assets, corporate strategy, financial restructuring, share issuances, dividend and other returns to shareholders, major financial decisions such as investment and divestment proposals, expenditure beyond a prescribed amount as well as interested person transactions.

The Group's interested person transactions and the internal audit procedures are reviewed by the AC and reported to the Board.

The Board meets on a regular basis and as and when necessary to address any specific significant matters that may arise. While the Board considers Directors' attendance at Board meetings to be important, it should not be the main criterion to measure their contributions. The Board also takes into account the contributions by the Directors in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

During FP2023, the number of meetings held and the attendance of each member of the Board and Board Committees are as follows:

	Board	**AC**	**NC**	**RC**
Number of meetings held	2	2	2	1
Directors / Members	**Number of meetings attended**			
Mr. Osman Ibrahim	2	2	2	1
Mr. Ling Yong Wah	2	2*	2*	1*
Mr. Bote de Vries(1)	2	2	2	1
Mr. Chong Chee Keong Chris	2	2	2	1
Mr. Kevin Wong Chee Fatt(2)	1	1	1*	–

* Attended by invitation

Notes:

(1) Mr. Bote de Vries resigned as the Lead Independent Non-Executive Director on 4 November 2023.

(2) Mr. Kevin Wong Chee Fatt was appointed as the Independent Non-Executive Director with effect from 1 October 2023.

Management recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. Management provides the Board with half-yearly accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at Board meetings, prior to the scheduled meetings. All Directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary. Directors may request to visit the Group's operating facilities and meet with Management to gain a better understanding of the Group's business operations and corporate governance practices.

The Board may have informal discussions on matters requiring urgent attention, which would then be formally confirmed and approved by circulating resolutions in writing. Ad-hoc meetings are also convened whenever circumstances require. The Constitution of the Company provides for Board and Board Committee meetings to be held by way of telephonic and videoconferencing.

The Board has separate and independent access to Management, the Company Secretary and external advisers (where necessary), at the Company's expenses. Directors can request from Management explanations, briefings or information on any aspects the Group's business issues. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

Principle 2: Board Composition and Guidance
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the date of this report, the Board comprises one (1) Executive Director, one (1) Non-Executive Non-Independent Director and two (2) Independent Non-Executive Directors.

Name of Directors	Board of Directors	AC	NC	RC
Mr. Osman Ibrahim	Non-Executive Non-Independent Director (Chairman)	Member	Member	Member
Mr. Ling Yong Wah	Executive Director (Chief Executive Officer ("CEO"))	–	–	–
Mr. Chong Chee Keong Chris	Lead Independent Non-Executive Director	Member	Chairman	Chairman
Mr. Kevin Wong Chee Fatt	Independent Non-Executive Director	Chairman	Member	Member

Provision 2.2 of the Code requires Independent Directors to make up a majority of the Board where the Chairman is not independent. Although the Chairman is not independent and the Independent Directors do not make up majority of the Board, the Board and the NC are satisfied that the Board has an appropriate level of independence and diversity to enable it to make decisions in the best interests of the Group. With the Independent Non-Executive Directors making up half of the Board, it provides an independent element on the Board capable of exercising objective judgment and no individual or group is able to dominate the Board's decision-making process.

The Company complies with Provision 2.3 of the Code as it has a majority of three (3) out of four (4) Directors on the Board who are Non-Executive Directors.

The NC has reviewed the size and composition of the Board and Board Committees and with the concurrence of the Board, is of the view that the current Board composition provides diversity and has the appropriate mix of expertise and experience.

The Board has established the Board Diversity Policy and embraces a diverse, inclusive and collaborative culture. The Board acknowledges and accepts the benefits of diversity on the Board, and views diversity at the Board level as being a critical and essential element in supporting the attainment of its strategic objectives and its sustainable development. A diverse Board will include and make good use of differences amongst Directors in terms of skills, experience, background, gender, age, ethnicity and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board requires to be effective. In reviewing the Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including but not limited to those described above, so as to avoid groupthink, foster constructive debate, and enable the Board to make decisions in the best interests of the Company.

The Board collectively possesses the necessary core competencies such as accounting, finance, business, investment, industry knowledge and strategic planning experience. Each Director has been appointed based on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group's strategies and business performance. The Board considers that the present Board size facilitates effective decision-making and is appropriate for the nature and scope of the Group's operations.

The Board believes that board diversity embraces various factors including a need for individuals from all backgrounds, skill-sets, life experiences, abilities and beliefs for a better Board performance. Board diversity is an on-going, incremental process. The Company will strive to enhance the disclosure in relation to board diversity over time.

The NC will monitor the implementation of the Board Diversity Policy and report annually in the Corporate Governance Statement on the Board's composition in terms of diversity and set practical timelines to implement the policy when applicable. The NC will review this policy as and when appropriate to ensure its effectiveness. The NC will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

All Directors other than the managing director (or any Director holding an equivalent appointment) are subject to retirement and re-election at least once every three (3) years in accordance with the Company's Constitution. However, under Rule 720(4) of the Catalist Rules, all directors have to submit themselves for re-nomination and re-appointment at least once every three (3) years. The independence of each Independent Non-Executive Director is reviewed annually by the NC in accordance with the Code. The NC adopts the definition of what constitutes an Independent Director as set out in the Catalist Rules and the Code, in its review.

The criteria for independence are determined based on the definition provided in the Code and the Catalist Rules, and also the following criteria:

(a) The Board will assess the independence of Directors regularly. For the avoidance of doubt, only Independent Non-Executive Directors (that is, a director who is not a member of management) can be considered independent.

(b) The Board will endeavour to consider all circumstances relevant to a director in determining whether the director is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

(c) Amongst the circumstances considered by the Board will be a range of factors, including that a director:

    (i) is not being employed by the Company or any of its related corporations for the current or any of the past three (3) financial years;

    (ii) do not have an immediate family member (being a spouse, child, adopted child, brother, sister and parent) who is, or has been in any of the past three (3) financial years, employed by the Company or of its related corporations and whose remuneration is determined by the RC;

    (iii) is not a director for an aggregate period of more than nine (9) years from the date of appointment (whether before or after listing); and

    (iv) is not directly associated with a substantial shareholder of the Company.

(d) each director is responsible to notify the Chairman and the Company Secretary about any external positions, appointments or arrangements that could result in the director not being "independent".

The NC is charged with the responsibility of monitoring and determining if a director remains independent in accordance with the guidelines and salient factors under the Code and the Catalist Rules.

As at the date of this report, none of the Independent Non-Executive Directors have served the Board beyond nine (9) years from the date of first appointment.

To date, none of the Independent Non-Executive Directors of the Company has been appointed as a director of the Company's principal subsidiaries. The Board and the Management are of the view that the current board structures in the principal subsidiaries are well organised and constituted.

The Independent Non-Executive Directors meet among themselves without the presence of the Management at least once a year to discuss matters in relation to the corporate development of the Group to ensure effective and independent review of the Management and provide feedback to the Board and/or Chairman as appropriate.

The profile of each of the Directors is set out on pages 16 and 17 of this Annual Report.

Principle 3: Chairman and Chief Executive Officer
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Mr. Osman Ibrahim ("**Mr. Osman**") assumes the leadership role and responsibilities as the Chairman of the Group while Mr. Ling Yong Wah ("**Mr. Ling**"), as the CEO, assumes executive responsibilities for the Group's performances and business.

The overall role of the Chairman is to lead and ensure the effectiveness of the Board which includes:-

- promoting a culture of openness and debate at the Board;
- facilitating the effective contribution of all Directors;
- encouraging constructive relations between the Board and Management as well as between the Executive Directors and Independent Directors;
- promoting high standards of corporate governance with full support of the Board, the Management and the Company Secretary; and
- ensuring effective communication with shareholders.

There is a clear division of responsibilities between the Chairman and CEO to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman and CEO are not related.

The CEO, will lead Management in setting strategies, objectives and missions for the Group and is responsible for the daily management and operations of the Group. The role of the CEO also includes scheduling and controlling the quality, quantity and timeliness of information supplied to the Board.

At the AGM and other shareholder meetings, the Chairman and CEO play a pivotal role in fostering constructive dialogue between shareholders, the Board and Management as well as between Board members, and promote high standards of corporate governance.

The CEO's performance and remuneration are reviewed annually by the NC and the RC, whose members comprise all Non-Executive Directors of the Company and the majority of whom, including the NC and RC Chairman, are independent. As such, the strong independent element on the Board ensures decisions are not based on a considerable concentration of power in a single individual. With the existence of various Board Committees with power and authority to perform key functions, the Board believes that there are adequate safeguards in place against an uneven concentration of power and authority in a single individual.

Led by the Lead Independent Non-Executive Director, the Independent Non-Executive Directors will meet (via electronic means or otherwise) periodically without the presence of the other non-independent Directors and Management, and the Lead Independent Non-Executive Director will provide feedback to the Chairman after such meetings.

The Lead Independent Non-Executive Director will be available to shareholders where their concerns cannot be resolved through the normal channels to the Chairman or CEO, or where such contact is not possible or inappropriate.

Principle 4: Board Membership
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.2 of the Code requires the NC to comprise at least three directors, the majority of whom, including the NC Chairman, are independent. The lead independent director, if any, is a member of the NC.

The Company's NC presently comprises Mr. Chong Chee Keong Chris ("**Mr. Chong**") (Lead Independent Non-Executive Director), Mr. Kevin Wong Chee Fatt ("**Mr. Wong**") (Independent Non-Executive Director) and Mr. Osman (Non-Executive and Non-Independent Chairman).

The NC is responsible for making recommendations on all board appointments and re-nominations, having regard to the performance and contribution of each Director.

The NC is governed by written terms of reference under which it is responsible for:

- making recommendations to the Board on the structure, size and composition of the Board and Board Committees (including skills, qualifications, experience and diversity), taking into account the balance between Executive and Non-Executive Directors and between Independent and Non-Independent Directors;

- nominating Directors (including Independent Non-Executive Directors) taking into consideration each Director's contribution and performance;

- determining annually whether or not a Director is independent;

- deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director;

- proposing a set of objective performance criteria to the Board for approval and implementation, to evaluate the effectiveness of the Board as a whole and the contribution of each director to the effectiveness of the Board;

- reviewing board succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, CEO and key management of the Group; and

- reviewing training and professional development programmes for the Board.

New directors are appointed by way of a Board Resolution or at Board meetings, after the NC has reviewed the resumé of the proposed director, conducted appropriate interviews and recommended the appointment to the Board. In its search and selection process for new directors, other than through formal search, the NC taps on the resources of Directors' personal contacts and recommendations of potential candidates and appraises the nominees to ensure that the candidates possess relevant experience and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group.

Annual Review of Director's Independence for FP2023

It is mandatory for the NC to review annually whether a director is independent based on the guidelines of the Code's definition of what constitutes an Independent Director as mentioned under Principle 2 above. The independence of each Director will be reviewed annually by the NC and the Board. Each Independent Non-Executive Director is required to complete a checklist annually to confirm his independence based on the guidelines set out in the Code and the Catalist Rules. The Independent Non-Executive Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company.

The NC had reviewed the independence of each of the Independent Non-Executive Directors in accordance with the Code and based on each of the Directors' declaration of independence. The NC is of the view that the two (2) Independent Non-Executive Directors are independent. None of the Independent Non-Executive Directors has any relationship including immediate family relationship with the other Directors, the Company or its substantial shareholders.

Directors' Time Commitments & Multiple Board Representations

As explained in Principle 1 above, the Directors are provided a formal letter detailing their duties and responsibilities to the Company.

The NC is aware that some of the Directors hold multiple directorships as each of them are required to disclose their other directorships to the Board, upon appointment and cessation. Therefore, the NC will from time to time, evaluate their performance to ensure that each Director is able to carry out his duties effectively, taking into consideration his other board representation and principal commitments.

The primary consideration in deciding on the capacity of directors includes but is not limited to the time and attention that a Director may contribute for meetings, site visits and other training requirements, taking into account the Director's profession and involvement in consulting or committee work, his other board representation in non-profit organisations, if any. Other consideration also includes the ability and integrity of Directors to avoid potential conflicts of interest while serving multiple board representations.

The NC had reviewed, taking into account the individual performance assessment and their actual conduct on the Board and concluded that each Director had adequately carried out their duties as a Director of the Company and spent sufficient time and attention on the Company's affairs despite having multiple board representations and principal commitments.

The NC believes that putting a maximum limit on the number of directorships a director can hold is arbitrary, given that time requirement for each directorship varies and thus should not be prescriptive. The NC considers that the multiple board representations held presently by some Directors do not impede their performance in carrying out their duties to the Company and in fact, enhances the performance of the Board as it broadens the experience and knowledge of the Board.

Recommendation of Appointment and Re-appointment of Directors

The NC is responsible for reviewing and recommending all appointment and re-appointment of directors to the Board. All directors other than the managing director (or any director holding an equivalent appointment) are subject to retirement in accordance with the provisions of the Company's Constitution whereby one third of the directors are required to retire (or if their number is not a multiple of three (3), the number nearest to but not greater than one third) and subject themselves for re-election by shareholders at every AGM. However, pursuant to Rule 720(4) of the Catalist Rules, all directors must submit themselves for re-nomination and re-appointment at least once every three (3) years.

A new director who is appointed by the Board is subject to re-election by shareholders at the next AGM following his appointment and, thereafter, shall be taken into account in determining the number of directors who are to retire by rotation at the AGM.

Apart from the requirements by the Company's Constitution, the NC also review the re-election of directors taking into consideration the Directors' attendances and participation at the Board meetings, personal attributes, contributions towards issues from time to time.

The following Director will stand for re-election and re-appointment at the forthcoming AGM pursuant to Article 105 of the Company's Constitution:

1. Mr. Osman Ibrahim

Each member of the NC will abstain from voting on any resolution, making any recommendation and/or participating in respect of matters in which he has an interest.

The Board does not encourage the appointment of alternate director and no alternate director was appointed to the Board.

Succession Planning for the Board and Key Management

Succession planning is an important part of the governance process. The NC will review the succession planning of the Board and key management and seek to refresh Board membership as and when it may be necessary.

CORPORATE
GOVERNANCE STATEMENT

All Directors are required to declare their board representations, as at the date of this Annual Report. The date of appointment and last re-election of each director to the Board together with their directorships in other listed companies and principal commitments, both current and those held over in the preceding five years are as follows:

Mr. Osman Ibrahim – Non-Executive and Non-Independent Director (Chairman)

Date of appointment	8 December 2021
Date of last re-election	22 July 2022
Board Committee(s) served on	Audit, Nominating and Remuneration Committees
Present Directorships in other listed companies	None
Past Directorship in other listed companies held over the preceding five years	None
Principal Commitments	● Vice Chairman and Group CEO of Rawabi Holding Group of Companies ● Non-Executive Chairman of Vallianz Holdings Limited

Mr. Ling Yong Wah – Executive Director (CEO)

Date of appointment	17 March 2014
Date of last re-election	22 July 2022
Board Committee(s) served on	None
Present Directorships in other listed companies	None
Past Directorship in other listed companies held over the preceding five years	Lead Independent Director of Frencken Group Limited
Principal Commitments	Executive Director and CEO of Vallianz Holdings Limited

Mr. Chong Chee Keong Chris – Lead Independent Non-Executive Director

Date of appointment	28 February 2018
Date of last re-election	31 July 2023
Board Committee(s) served on	Audit, Nominating and Remuneration Committees
Present Directorships in other listed companies	Independent Non-Executive Director of Comba Telecom Systems Holdings Limited
Past Directorship in other listed companies held over the preceding five years	None
Principal Commitments	Partner of CHRISCHONG & CT HO LLP

Mr. Kevin Wong Chee Fatt – Independent Non-Executive Director

Date of appointment	1 October 2023
Date of last re-election	Not applicable
Board Committee(s) served on	Audit, Nominating and Remuneration Committees
Present Directorships in other listed companies	None
Past Directorship in other listed companies held over the preceding five years	None
Principal Commitments	None

Principle 5: Board Performance
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Group implemented the Board-approved evaluation process and performance criteria to assess the performance of the Board as a whole.

At the date of this Annual Report, the NC has adopted a formal process to assess the effectiveness of the Board and Board Committees as a whole. The qualitative measures include the effectiveness of the Board in its monitoring role and the attainment of the strategic objectives set by the Board. The evaluation exercise is carried out annually by way of a Board Assessment Checklist, which is circulated to the Board for completion and thereafter the results are presented to the NC for their review and determine the actions required to improve the corporate governance of the Company and effectiveness of the Board as a whole.

A review of the Board's performance is undertaken collectively by the Board annually and informally on a continuous basis by the NC with input from the other Board members. Renewals or replacement of Board, when it occurs, do not necessarily reflect their contributions to date, but may be driven by the need to position and shape the Board in line with the medium term needs of the Company and its business.

The performance of each Director is evaluated using agreed criteria, aligned as far as possible with appropriate corporate objectives. The criteria include short and long term measures and cover financial and non-financial performance indicators such as the strength of his experience and stature, commitment of time for meetings and contribution to the proper guidance of the Company. The NC would review the criteria periodically to ensure that the criteria provides an effective performance assessment, taking into consideration industry standards and the economic climate with the objective to enhance long-term shareholders' value and thereafter propose amendments, if any, to the Board for approval.

The NC did not propose any changes to the performance criteria for FP2023 as compared to the previous financial year as the Group's principal business activities remained the same.

The Company did not engage any external facilitator for the evaluation process during FP2023. Where necessary, the NC will consider such an engagement.

The NC is satisfied that the current size and composition of the Board provides it with adequate ability to meet the existing scope of needs and the nature of operations of the Company. The NC will review the appropriateness of the Board size and composition from time to time, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.

The NC is satisfied that each Director has contributed effectively and demonstrated commitment to their respective role (including commitment of time for the Board and Board Committee meetings, and any other duties). The Board as a whole has also met the performance evaluation criteria and objectives during the financial period.

Principle 6: Procedures for Developing Remuneration Policies
The Board has a formal and transparent procedure for developing policies for director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.2 of the Code requires the RC to comprise at least three directors, all of whom are non-executive directors, and the majority of whom, including the RC Chairman, are independent.

The Company's RC presently comprises Mr. Chong (Lead Independent Non-Executive Director), Mr. Wong (Independent Non-Executive Director) and Mr. Osman (Non-Executive Non-Independent Chairman). Mr. Chong is the Chairman of the RC. Accordingly, the Company is in compliance with Provision 6.2 of the Code.

The RC is governed by written terms of reference under which it is responsible for:

(a) recommending to the Board a framework of remuneration for the Non-Executive Directors, Executive Directors, CEO and key management personnel;

(b) determining specific remuneration packages for each Director and key management personnel;

(c) reviewing all aspects of remuneration, including directors' fees, salaries, allowances, bonuses, and other benefit in-kind;

(d) reviewing and recommending to the Board the terms of renewal of service contracts including the suitable compensation commitments in the event of early termination;

(e) retaining such professional consultancy firm as the RC may deem necessary to enable it to discharge its duties satisfactorily; and

(f) considering the various disclosure requirements for directors' remuneration particularly those required by regulatory bodies such as SGX-ST and ensuring that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and the relevant interested parties.

The RC's recommendations are made in consultation with the CEO and submitted for endorsement by the Board.

No Director or member of the RC is involved in deciding his own remuneration, except for providing information and documents specifically requested by the RC to assist it in its deliberations.

RC reviews the specific remuneration package for the Executive Director and key management personnel for recommendation to the Board. There are appropriate and meaningful measures in place for the purpose of assessing the performance of the Executive Director and senior management staff.

In determining remuneration packages of the Executive Director and key management personnel, the RC will ensure that the Executive Director and key management personnel are adequately but not excessively rewarded. In consultation with the Board, the RC will consider amongst other things, their responsibilities, skills, expertise and contribution to the Company's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent.

The RC will also review the Company's obligations arising in the event of termination of the Executive Director's and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses.

In reviewing and recommending the remuneration of Non-Executive and Independent Non-Executive Directors, the RC will consider, in consultation with the Board, the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Non-Executive and Independent Non-Executive Directors. The RC will ensure that the Independent Non-Executive Directors are not over-compensated to the extent that their independence may be compromised.

The RC from time to time and where necessary will seek advice from the external remuneration consultant in framing the remuneration policy and determining the level and mix of remuneration for Directors and key management personnel. No external remuneration consultants were appointed for FP2023.

Principle 7: Level and Mix of Remuneration
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

The Company sets remuneration packages to ensure that it is competitive and sufficient to attract, retain and motivate Directors and key management personnel of the required experience and expertise to run the Company successfully.

In addition to the above, the Company ensures that performance-related remuneration system was implemented to ensure that the interests of the shareholders are aligned with the Board and Management and to promote the long-term success of the Company.

In determining the remuneration system for the Directors and key management personnel, the RC may seek advice from human resource consultants and senior practitioners to obtain comparable information on the market and the industry. The annual review covers all aspects of remuneration including salaries, fees, allowances, bonuses, options and benefits-in-kind, taking into consideration the long-term interests of the Group.

The RC will also take into account the performance of the Group as well as that of the Executive Director and key management personnel, aligning their interests with those of shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. It ensures that remuneration package is appropriate to attract, retain and motivate the Executive Director and key management personnel to provide good stewardship of the Group and successfully manage the Group for the long term.

The Company has established employment contracts with its Executive Director and key management personnel, whereby the employment contracts can be terminated by either party, giving not less than three (3) months' notice to the other. The employment contracts cover the terms of employment and specifically their salaries and bonuses.

The Non-Executive Directors receive directors' fees for their effort and time spent, responsibilities and level of contribution to the Board and Board Committees, which are subject to shareholders' approval at AGMs.

The RC has reviewed and assessed that the proposed directors' fees of the Non-Executive Directors for the financial year ending 31 December 2024 is appropriate, considering the effort, time spent and responsibilities of the said Directors.

There is no contractual provision under the present remuneration structure that allows the Company to reclaim variable incentive components of remuneration from the Executive Director and key executives. However, in alignment with the current regulatory standards, the variable incentives of the Executive Director and key executives may be clawed back in the event of exceptional circumstances of misstatement of financial results or of misconduct resulting in financial or other losses to the Company.

Principle 8: Disclosure on Remuneration
The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationship between remuneration, performance and value creation.

Given the competitive environment that the Company is operating in as well as the sensitive nature of such information, the Company will not disclose amounts and the breakdown of each individual Director as the Company believes that disclosure may be prejudicial to its business interests. The Company believes that disclosing remuneration in bands and a breakdown in percentage terms paid to the Directors provide sufficient overview of the remuneration of Directors.

The following table shows a breakdown of the annual remuneration (in percentage terms) of directors for FP2023:

Remuneration Band and Name of Directors	Salary(1)	Incentives(2)/ Bonus(3)	Directors' Fees	Others Benefits	Total
	%	%	%	%	%
S$250,001 to S$500,000					
Mr. Ling Yong Wah	83	9	7	1	100
S$250,000 and below					
Mr. Osman Ibrahim	–	–	100	–	100
Mr. Bote de Vries(4)	–	–	100	–	100
Mr. Chong Chee Keong Chris	–	–	100	–	100
Mr. Kevin Wong Chee Fatt (5)	–	–	100	–	100

Notes:

(1) Salary is inclusive of allowances, CPF and other emoluments.

(2) Performance incentives refer to long term cash incentive plan and long term performance driven award.

(3) Bonus is short term cash incentive plan and is a sum of money given in addition to the usual compensation, normally for outstanding performance and service for certain year.

(4) Pro-rated director's fee from 1 April 2023 to 4 November 2023.

(5) Pro-rated director's fee from 1 October 2023 to 31 December 2023.

To maintain confidentiality of staff remuneration matters and for competitive reason, the names of the key executives of the Group and the aggregate total remuneration of the Group's top 8 key management personnel are not disclosed in this Annual Report. The following shows the annual remuneration of the 8 key executives of the Group (who are not directors or CEO) for FP2023 which amounted to US$772,000:

Key Management Personnel Remuneration Band	No. of Executives	Base/Fixed Salary %	Variables or Bonuses %	Benefits in-kind %	Total %
S$120,001 to S$200,000	5	90	9	1	100
S$120,000 and below	3	90	9	1	100

The Company has no employee who is substantial shareholder of the Company, or an immediate family member of a Director, CEO or a substantial shareholder of the Company whose remuneration exceeded S$100,000 during the FP2023.

Share Option Scheme and Performance Share Plan

The Vallianz ESOS and Vallianz PSP had expired on 1 December 2018 and 23 August 2020 respectively and there are no outstanding unexercised Vallianz ESOS or Vallianz PSP previously granted.

Principle 9: Risk Management and Internal Controls
The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard shareholders' interests of the Company and its shareholders.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost-effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed. The Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

The management regularly assesses and reviews the Group's business and operational environment to identify areas of significant business and financial risks, such as credit risks, foreign exchange risks, liquidity risks and interest rate risks, as well as appropriate measures to control and mitigate these risks.

Financial, operational, compliance and information technology checklists are also prepared by the Management, CEO, and respective heads of divisions, to assist the AC and Board to review the adequacy of the risk management and internal control systems, which include all the operational matters, regulatory compliances and guidance and financial risk. The checklists have been reviewed and confirmed by the Board.

With the presence of Management, the Board is able to receive feedback and response on the risk and legal issues which will affect the Company in terms of operational risk, on a timely basis. Assurance from the CEO and Finance Director are also obtained to confirm that the financial records of the Company are properly maintained, and the financial statements of the Company give a true and fair view of the Group's operations and finances.

The Board also received assurance from the CEO and key management personnel of the Group who are responsible, that the risk management and the internal control systems of the Group were adequate and effective as at 31 December 2023.

In addition, the external auditors will highlight and report to the AC at the AC meetings, of any material internal control weaknesses which have come to their attention in the course of their statutory audit. All audit findings and recommendations made by the external auditors are reported to the AC. The senior management will follow up on these recommendations to ensure that Management has implemented them on a timely and appropriate manner, and reports to the AC on half-yearly basis.

The Company had appointed Virtus Assure Pte. Ltd. ("**Virtus**") as internal auditor since 8 December 2020. On an annual basis, the Company's internal auditor will prepare an internal audit plan, so as to review the adequacy and effectiveness of the system of internal controls of the Group. These include operational, financial, compliance and information technology controls. The internal auditor will follow up on these recommendations to ensure that Management has implemented them on a timely and appropriate manner, and reports to the AC yearly.

The role of the internal auditor includes the following:

1. assess and evaluate the adequacy of applicable operational internal controls;

2. assess and evaluate the efficiency of business process;

3. evaluate compliance with applicable policies and procedures, as well as regulatory requirements;

4. identify possible opportunities for process and internal control improvement;

5. compile a report on findings and recommendations to highlight controls deficiencies and compliance gaps; and

6. review all interested persons transactions.

Based on the internal controls established and maintained by the Company, including the above internal controls implemented, and the reviews performed by the internal auditor, Management and the Board, with the concurrence with the AC, are of the opinion that the risk management and internal control systems that the Group has put in place to address financial, operational, compliance and information technology risks on an overall basis, are adequate and effective as at 31 December 2023.

The Board did not establish a separate risk committee as the Board is currently assisted by the AC, internal and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies.

Sanctions-related risk

Although the Group operates internationally with overseas customers, none of the Group's personnel or entity is exposed to sanctions-related risks. The Board confirms that there has been no material change in its risk of being subject to any sanctions law. The Board's comment as aforementioned on the adequacy and effectiveness of internal controls and risk management systems included consideration related to any sanctions-related risk. The AC concurred with the Board's said comment.

In view of ongoing geopolitical developments, the Board and AC will continue to monitor such developments and assess the Company's risk of becoming subject to, or violating, any sanctions law and ensure that timely and accurate disclosures are made to the SGX-ST and other relevant authorities on such risks where applicable, and if deemed necessary, engage relevant professional advisers to assist them in such matters.

Principle 10: Audit Committee
The Board has an Audit Committee which discharges its duties objectively.

Provision 10.2 of the Code requires that the AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC Chairman, are independent. In addition, at least two members, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The Company's AC currently comprises Mr. Wong (Independent Non-Executive Director), Mr. Chong (Lead Independent Non-Executive Director) and Mr. Osman (Non-Executive Non-Independent Chairman). Mr. Wong is the Chairman of the AC. Accordingly, the Company is in compliance with Provision 10.2 of the Code.

Mr. Osman has recent and relevant accounting or financial management expertise or experience. In addition, Mr. Wong's long track record of working in the banking industry and financial expertise will value-add to the effectiveness of the AC. Accordingly, the Board is of the view that the AC members are suitably qualified to discharge the AC's responsibilities.

The AC is governed by written terms of reference under which its key functions are to:

- review with the Company's internal and external auditors their audit plan, their evaluation of the system of internal accounting controls in the course of the external audit, their letter to the Management and the Management's response and results of the Company's audit conducted by internal and external auditors;
- review the reports of the Company's external auditors as well as the independence and objectivity of the external auditors;
- review the co-operation given by the Company's officers to the external auditors;
- review and discuss with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules and regulations which has or is likely to have a material adverse impact on the Group's operating results or financial position and the Management's response;
- make recommendations to the Board on the proposal to the shareholders on the appointment, re-appointment and removal of internal and external auditors and approving the remuneration and terms of engagement of the internal and external auditors;
- review the financial results announcements and annual financial statements, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;
- review the significant reporting issues and judgements so as to ensure integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- review the material internal control procedures, comprising financial, operational, compliance and information technology controls and ensure co-ordination between the internal and external auditors and the Management, and review the assistance given by the Management to the internal and external auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the external auditors may wish to discuss (in the absence of the Management, where necessary);
- approve the Group's internal audit plans;
- monitor the implication of outstanding internal control weaknesses highlighted by the internal and external auditors;
- review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules (including any entrusted loans that may be provided to interested persons prior to such loans being entered into to ensure that (i) the terms and (ii) the grant of the entrusted loans (taking into account various factors that may include but are not limited to the rationale for the grant, the creditworthiness of the borrower and the interest rate payable to the Group) are not prejudicial to the Group and the shareholders);
- review and consider transactions in which there may be potential conflicts of interest between the Group and the interested persons and recommend whether those who are in a position of conflict should abstain from participating in any discussions or deliberations of the Board or voting on resolutions of the Board or the shareholders in relation to such transactions as well as to ensure that proper measures to mitigate such conflicts of interest have been put in place;
- review key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review will be disclosed in the annual reports or if there are material findings, to be immediately announced via SGXNET;
- review and recommend to the Directors hedging policies and instruments, if any, to be implemented by the Company;
- review the effectiveness of the Company's internal audit function, if applicable;
- undertake such other reviews and projects as may be requested by the Board, and report to the Board its finding from time to time on matters arising and requiring the attention of the AC;

- undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made thereto from time to time;

- review the assurance from the CEO and Finance Director on the financial records and financial statements;

- review at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

- review the adequacy, effectiveness, independence, scope and results of the external audit and internal audit functions;

- review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and

- review the consolidated financial statements of the Company, and the statement of financial position and statement of changes in equity of the Company before their submission to the Board.

The AC has the explicit authority to conduct or authorise investigations into any matters within its terms of reference and has full access to and co-operation by Management. The AC has full discretion to invite any other Directors to attend its meetings and to ensure that adequate resources are available to enable the AC to discharge its function properly. As at the date of this report, the AC has met with the external auditors separately without the presence of Management to review any area of audit concern. Ad-hoc AC meetings may be carried out from time to time, as circumstances require.

The Company has in place a Whistle Blowing Policy to provide a channel for employees of the Group and independent parties to report, in good faith and in confidence, their concerns about possible improprieties relating to financial reporting or on other matters. The AC oversees the function in the administration of the Whistle Blowing Policy. The Whistle Blowing Policy provides for procedures to ensure that:

(a) independent investigations are carried out in an appropriate and timely manner;

(b) appropriate action is taken to correct the weakness in internal controls and policies that allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and

(c) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balanced and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle blowing in good faith and without malice.

The AC serves as the independent function responsible for oversight and monitoring of whistle-blowing and will investigate reports made in good faith. The Company is committed to ensure whistle-blowers who submit complaints or reports in good faith are protected against any discrimination, retaliation or harassment. The Whistle Blowing Policy has been circulated to all employees. There were no whistle-blowing reports received in FP2023.

The AC conducted an evaluation of the relevant competency of CLA Global TS Public Accounting Corporation ("**CLA**") for the provision of external audit and was satisfied with the results from the evaluation of relevant competence services. The aggregate amount of fees paid and payable by the Group to the external auditors for the audit services amounted to S$284,500 for FP2023. There is no material non-audit service provided by the external auditors for the FP2023. As such, in the AC's opinion, the external auditors remain independent. Accordingly, the AC has recommended to the Board for the re-appointment of CLA as the Company's auditors at the forthcoming AGM.

The Group has appointed different auditors for its Singapore and overseas subsidiaries during FP2023.

The Board and the AC have reviewed the appointment of different auditors for its subsidiaries and are satisfied that the appointment of different auditors will not compromise the standard and effectiveness of the audit of the Group. The Company is in compliance with Rules 712, 715 and 716 of the Catalist Rules in relation to its independent auditors.

To ensure that the AC can fulfill its responsibilities, Management provides the Board members with management reports. In addition, all relevant information on material events and transactions are circulated to AC as and when they arise. Whenever necessary, key management personnel will be invited to attend the Board/AC meetings to answer queries and provide detailed insights into their area of operations. The AC is kept informed by Management on the status of on-going activities between Board meetings. Where a decision must be made before a Board meeting, a directors' resolution is done in accordance with the Constitution of the Company and the AC is provided with all necessary information to enable it to make informed decisions.

The AC has full access to and co-operation from the Management and has been given resources to enable the AC to discharge its functions properly. The external auditors have unrestricted access to the AC.

The AC has been provided with the phone numbers and email particulars of the Company's key management personnel and Company Secretary to facilitate access.

As at the date of this report, none of the former partners or directors of the Company's existing auditing firm has been appointed as a member of the AC.

Virtus is currently appointed as the outsourced internal auditor for several companies listed on the SGX-ST and is a Certified Internal Auditor. Virtus is guided by the Standards of The Institute of Internal Auditors in carrying out the internal audit function of the Group. The AC has reviewed and determined that Virtus has met its obligations under the terms of engagement as the Company's internal auditor.

The internal auditor's primary reporting line is to the AC Chairman. Procedures are in place for the internal auditor to report its findings and recommendations independently to the AC. The AC will review the internal audit plan to ensure that the scope is adequate and covers the review of significant internal controls of the Group, including financial, operational, compliance and information technology controls, and risk management systems. Audits are carried out on all significant business functions of the Group and all internal audit findings and reports are submitted to the AC for deliberation with copies of these reports extended to the rest of the Board and relevant key Management. The internal auditor's summary of findings and recommendations are discussed at the AC meetings on a yearly basis.

The AC is satisfied that the internal auditor is adequately resourced, has unfettered access to all the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Group and the internal auditor is independent and effective. The AC will also meet with the internal auditor and external auditor at least once a year without the presence of the Management.

The AC approves the hiring, removal, evaluation and compensation of the internal auditor.

Principle 11: Shareholder Rights and Conduct of General Meetings
The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights, and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The AGM of the Company is a principal forum for dialogue and interaction with all shareholders. Shareholders can access and retrieve the annual report and notice of AGM of the Company via electronic means (i.e. through the Company's website or SGXNET). At the AGM, shareholders will be treated fairly and equitably, given the opportunity, to voice their views and to direct questions to the Directors, within reason, regarding the Group.

The Board encourages shareholders to participate in and vote at general meetings. Shareholders are informed on a timely basis of general meetings through notices published in the newspapers and SGXNET as well as the reports or circulars made available to all shareholders via the Company's website and SGXNET.

Any notice of a general meeting of shareholders is issued at least fourteen (14) days before the scheduled date of such meeting in accordance with the nature of the business to be transacted at the meeting. Shareholders at such meetings are invited to put forth any questions they may have on the motions to be discussed and decided upon or on any other reasonable subject related to the business of the Group. The Company's Constitution also allows any shareholder to appoint not more than two (2) proxies during his absence, to attend and vote on his behalf at the general meetings.

All the Directors will attend the general meetings of shareholders unless due to exigencies, and the external auditors are also present at the AGM to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report. Appropriate key management executives are also present at general meetings to respond, if necessary, to operational questions from shareholders.

All Directors who were serving on the Board as of 31 July 2023, with the exception of Mr. Bote de Vries, attended the last AGM held on that date.

In addition, pursuant to Section 181(1C) of the Companies Act, a shareholder who is a custodial institution or relevant intermediary entitled to attend the general meeting and vote is entitled to appoint more than two (2) proxies to attend and vote in his/her stead, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than two (2) proxies, the number and class of shares to be represented by each proxy must be stated.

Separate resolution on each distinct issue is tabled at general meetings. "Bundling" of resolutions are kept to a minimum and executed only where the resolutions are inter-dependent as to form one significant proposal and only where there are reasons and material implications involved. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation or circular in respect of the proposed resolution. A proxy form is sent with the notice of general meeting to the shareholders. The resolutions will be put to vote by poll and an announcement of the results showing the number of votes cast for and against each resolution and the respective percentages will be made subsequent to the general meeting.

At the last AGM of the Company held on 31 July 2023, the Company had put all the resolutions tabled to vote by poll. The voting results of all votes cast in respect of each resolution and the respective percentages were displayed during the AGM and announced in a timely manner via SGXNET after the AGM.

As the authentication of shareholder identity information and other related security issues remain a concern, the Company will not implement voting in absentia by mail, email or fax. Minutes of the general meetings which include substantial and relevant comments and queries from shareholders relating to the agenda of the general meetings together with the responses from the Board and Management are prepared and confirmed as true record of the proceedings of the general meetings. The minutes of the general meeting held on 31 July 2023 was published on the Company's corporate website and the SGXNET within one month of the date of the meeting.

As at the date of this report, the Company does not have a formal dividend policy in place. However, the Company, in determining the form, frequency and amount of future dividends on the Company's shares in any particular year, will take into account, among other things, the level of cash and retained earnings, the result of operations, the capital expenditure requirements, the expansion and/or investment plans and other factors that the Directors may deem appropriate.

In considering dividend payments for the future financial years, the Directors will take into account the current desire to maintain and potentially increase dividend level subject to the objective of maximizing shareholder value over the longer term and the factors stated in the paragraph above.

No dividend was declared in respect of FP2023. With reference to the perpetual capital securities of US$22.5 million issued by the Company in 2014, in the event that the Company intends to declare dividends to ordinary shareholders, the Company is required to first declare and pay all accumulated distributions (currently at a rate of 7.0% per annum) to the holder of the perpetual capital securities before the Company can declare dividends to ordinary shareholders.

Principle 12: Engagement with Shareholders
The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Board is mindful of its obligations to provide shareholders with timely disclosure of material information presented in a fair and objective manner.

The Company does not practice selective disclosure. In line with the continuing obligations of the Company pursuant to the Catalist Rules, the Board's policy is that all shareholders will be equally informed of all major developments and/or transactions impacting the Group.

Half yearly and yearly results of the Company will be published through the SGXNET, news releases and the Company's website. All information on the Company's new initiatives will be first disseminated via SGXNET. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the period as prescribed by the SGX-ST and are available on the Company's website.

The Company is supported by an external consulting firm in promoting communication with shareholders and analysts. Contact information of the external investor relations team is made available on the Company's website (http://www.vallianzholdings.com).

Shareholders who have any inquiries concerning the Company are encouraged to contact the aforementioned investor relations team. The Company endeavours to provide prompt and timely responses to address shareholders' questions and concerns.

Principle 13: Engagement with Stakeholders
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Group has made efforts to seek the opinions of its stakeholders either through informal or formal means by evaluating the needs and expectations of key stakeholder groups which are significant to the Group's value creation strategy and strive to build mutually beneficial relationships.

The Group has identified diverse stakeholder groups based on their level of influence in the business and also regularly engage and consult all stakeholder groups for any feedback and suggestions. Where appropriate and relevant to the business, the Company will incorporate their feedback into the Group's plans and actions.

General information on the Group such as annual reports, financial results, news releases and investor relations contacts are provided in the Company's website (http://www.vallianzholdings.com).

For more information on the Company's stakeholder engagement, please refer to the section "Sustainability Highlights" on page 19 and the Company's Sustainability Report which will be released by 30 April 2024.

INTERESTED PERSON TRANSACTIONS

The Group has implemented guidelines and procedures to ensure that interested person transactions are properly documented and reported on a timely manner to the AC and that they 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.

The Company has in place the RHC IPT Mandate (as defined in the circular to shareholders dated 12 April 2024 to renew this general mandate at the forthcoming AGM) which was last renewed on 31 July 2023.

Disclosure in compliance with Rule 907

In compliance with Rule 907 of the Catalist Rules, there were no transactions with interested persons for FP2023 which exceeds the stipulated threshold except as disclosed below:

Name of interested person and 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 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)[1]
Rawabi Holding Company Limited ("**RHC**") and its subsidiaries ("**RHC Group**")[1] RHC is a controlling shareholder of the Company		
Interest on shareholder's advances granted by RHC Group	US$866,778	Not applicable
Other goods and services provided to the Group	Not applicable	US$611,101
Other goods and services provided by the Group	Not applicable	US$647,477
Chartering services provided by the Group	Not applicable	US$10,433,800
Project management services provided to the Group	Not applicable	US$3,690,000
Project management services provided by the Group	Not applicable	US$522,524,000[2]

Notes:

(1) Interest on shareholder's advances from RHC Group is in relation to the RHC Loan Agreement as approved by shareholders at the EGM held on 27 April 2021. Other ongoing transactions with RHC Group are covered under the RHC IPT Mandate which was last renewed at the AGM held on 31 July 2023. The Company is seeking the renewal of the RHC IPT Mandate at the upcoming AGM which is scheduled to be held on 29 April 2024.

(2) This amount refers to the contract sum of the shipbuilding and related service contracts entered during FP2023.

MATERIAL CONTRACTS

Save for the service agreement and employment contract entered into between the Executive Director and the Company, RHC Loan Agreement, contracts entered into pursuant to the RHC IPT Mandate, there was no material contract between the Company and its subsidiaries involving the interests of any director or controlling shareholders which are either still subsisting at the end of FP2023 or, if not then subsisting, entered into since the end of previous financial year.

DEALINGS IN SECURITIES

The Company has adopted an internal code on dealings in securities. Directors, senior management and employees (collectively "**Officers**") of the Group who have access to price-sensitive, financial or confidential information are not permitted to deal in the Company's shares during the year commencing one (1) month before the announcement of the Group's half yearly and yearly results and ending on the date of announcement of such result, or when they are in possession of unpublished price-sensitive information on the Group. In addition, the Officers of the Group are advised not to deal in the Company's securities for a short-term considerations and are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading period. Officers are to consult with the Finance Director/ Company Secretaries before trading in the Company's securities and are to confirm annually that they have complied with and are not in breach of the Code. The Board is kept informed when a Director trades in the Company's securities.

NON-SPONSORSHIP FEES

Pursuant to Rule 1204(21) of the Catalist Rules, the Company wishes to disclose that the Company's current sponsor, RHT Capital Pte. Ltd. ("**RHT Capital**"), and previous sponsor, Provenance Capital Pte. Ltd. ("**Provenance Capital**"), did not provide any non-sponsor services to the Company and no non-sponsor fees were paid by the Company to RHT Capital and Provenance Capital during FP2023.

FINANCIAL STATEMENTS

The directors present their statement together with the audited consolidated financial statements of Vallianz Holdings Limited (the "Company") and its subsidiary corporations (collectively the "Group") for the financial period from 1 April 2023 to 31 December 2023 and statement of financial position and statement of changes in equity of the Company for the financial period from 1 April 2023 to 31 December 2023.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 52 to 123 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial period then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Osman Ibrahim
Ling Yong Wah
Chong Chee Keong Chris
Kevin Wong Chee Fatt (Appointed on 1 October 2023)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial period nor at any time during the financial period did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial period had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in name of directors		Holdings in which a director is deemed to have an interest	
Name of directors and company in which interests are held	At end of period	At beginning of period	At end of period	At beginning of period
The Company				
(Ordinary shares)				
Osman Ibrahim	1,033,333	1,033,333*	–	–
Ling Yong Wah	1,526,146	1,526,146	–	–

*Due to an inadvertent oversight, the 1,033,333 Shares (adjusted for share consolidation) in scrip form, was not disclosed since the Director's appointment on 8 December 2021. These Shares were awarded through Vallianz's Performance Share Plan. The Director's interest in the Shares has not changed since issuance and the oversight has been rectified with a Form 1 disclosure on 12 July 2023.

The director's interests in the shares of the Company as at 21 January 2024 are the same as those as at 31 December 2023.

4 AUDIT COMMITTEE

The Audit Committee comprises three Non-Executive Directors. The members of the committee are:

Chong Chee Keong Chris	(Independent Non-Executive Director)
Osman Ibrahim	(Non-Independent Non-Executive Director)
Kevin Wong Chee Fatt	(Independent Non-Executive Director)

During the financial period, the Audit Committee held two meetings.

The functions of the Audit Committee include the following:

- review with the Company's internal and external auditors their audit plan, their evaluation of the system of internal accounting controls in the course of the external audit, their letter to the Management and the Management's response and results of the Company's audit conducted by internal and external auditors;

- review the reports of the Company's external auditors as well as the independence and objectivity of the external auditors;

- review the co-operation given by the Company's officers to the external auditors;

- review and discuss with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules and regulations which has or is likely to have a material adverse impact on the Group's operating results or financial position and the Management's response;

- make recommendations to the Board on the proposal to the shareholders on the appointment, re-appointment and removal of internal and external auditors and approving the remuneration and terms of engagement of the internal and external auditors;

- review the financial results announcements and annual financial statements, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements;

- review the significant reporting issues and judgements so as to ensure integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;

- review the material internal control procedures, comprising financial, operational, compliance and information technology controls and ensure co-ordination between the internal and external auditors and the Management, and review the assistance given by the Management to the internal and external auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the internal and external auditors may wish to discuss (in the absence of the Management, where necessary);

- approve the Group's internal audit plans;

- monitor the implication of outstanding internal control weaknesses highlighted by the internal and external auditors;

- review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules (including any entrusted loans that may be provided to interested persons prior to such loans being entered into to ensure that (i) the terms and (ii) the grant of the entrusted loans (taking into account various factors that may include but are not limited to the rationale for the grant, the creditworthiness of the borrower and the interest rate payable to the Group) are not prejudicial to the Group and the shareholders);

- review and consider transactions in which there may be potential conflicts of interest between the Group and the interested persons and recommend whether those who are in a position of conflict should abstain from participating in any discussions or deliberations of the Board or voting on resolutions of the Board or the shareholders in relation to such transactions as well as to ensure that proper measures to mitigate such conflicts of interest have been put in place;

4 AUDIT COMMITTEE (cont'd)

The functions of the Audit Committee include the following: (cont'd)

- review key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review will be disclosed in the annual reports or if there are material findings, to be immediately announced via SGXNET;

- review and recommend to the Directors hedging policies and instruments, if any, to be implemented by the Company;

- review the effectiveness of the Company's internal audit function, if applicable;

- undertake such other reviews and projects as may be requested by the Board, and report to the Board its finding from time to time on matters arising and requiring the attention of the AC;

- undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made thereto from time to time;

- review the assurance from the CEO and Finance Director on the financial records and financial statements;

- review at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

- review the adequacy, effectiveness, independence, scope and results of the external audit and internal audit functions;

- review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns; and

- review the consolidated financial statements of the Company, and the statement of financial position and statement of changes in equity of the Company before their submission to the Board.

The Audit Committee has full access to and the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of CLA Global TS Public Accounting Corporation for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting of the Company.

5 AUDITORS

The auditors, CLA Global TS Public Accounting Corporation, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Ling Yong Wah

Kevin Wong Chee Fatt

9 April 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Vallianz Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Vallianz Holdings Limited (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the period from 1 April 2023 to 31 December 2023, and the notes to the financial statements, including a summary of material accounting policies, as set out on pages 52 to 123.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the period from 1 April 2023 to 31 December 2023.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Our audit performed and responses thereon
Carrying value of vessels (Refer to Notes 2, 3 and 13 to the financial statements) As at 31 December 2023, the carrying amount of the Group's vessels amounted to US$65,915,000, representing 14.7% of the Group's total assets. During the financial period from 1 April 2023 to 31 December 2023, the Group had considered the existence of impairment indicators and thereon assessed the recoverable amounts of vessels as at the end of the financial period. The recoverable amounts were determined based on the valuations performed by independent vessel brokers which involve estimating the fair values less costs of disposal of the vessels. The valuation process involves significant judgement and estimations in the underlying assumptions to be applied. Amongst other matters, inputs and assumptions used in the valuations include, but not limited to, recent transaction prices for similar vessels, adjusted for the age and conditions of the respective vessels. There is no additional impairment provided during the financial period. We identified the determination of carrying value of vessels as a key audit matter due to the significant degree of judgement and assumptions involved in determining the recoverable amounts of vessels.	In obtaining sufficient appropriate audit evidence, the following procedures were performed: ● Reviewed management's impairment assessment, or management's assertion on the indicators of impairment, on non-financial assets in accordance with SFRS(I) 1-36; ● Evaluated the objectivity, independence and expertise of brokers who provided the valuation of the vessels; ● Critically evaluated whether the valuation methodology used to determine the recoverable amounts of vessels complies with the requirements of SFRS(I) 1-36; and ● Critically evaluated the reasonableness and appropriateness of the key inputs and assumptions used in the valuation.

Key Audit Matters	Our audit performed and responses thereon
Assessment of the going concern basis in preparation of the financial statements (Refer to Note 3(i) to the financial statements) During the financial period from 1 April 2023 to 31 December 2023, the Group recorded a net profit of US$45,000. As at 31 December 2023, net current liabilities amounted to US$109,503,000. The Group has total borrowings and convertible bonds of US$125,418,000 and US$41,845,000 respectively, of which US$123,988,000 are repayable within one year. As disclosed in Notes 3(i), 18 and 25 to the financial statements, the Group has breached the financial covenants of consolidated tangible net worth, the ratio of total consolidated borrowings to consolidated tangible net worth and interest coverage ratio imposed by the sole Perpetual Securities holder, and the financial covenants of consolidated tangible net worth, the ratio of total debt to earnings before interest, taxes, depreciation and amortisation ("EBITDA"), the ratio of net debt to EBITDA and the ratio of EBITDA to finance charges under the Restructuring Agreement with two financial institutions. In the prior financial year, the Group secured a waiver letter from the sole Perpetual Securities holder and the two financial institutions covering up to 31 March 2024. Subsequent to the financial period ended 31 December 2023, the Group obtained a conditional waiver notice for the extension of waiver up to 31 December 2024. The non-current portion of the term loans with the breach, amounting to US$118,903,000, for which a waiver letter was not obtained as at 31 December 2023 has been reclassified as current liabilities as at the reporting date. In addition, the Group has breached the financial covenants of positive net profit margin, debt service coverage ratio and debt to equity ratio with another financial institution. In the prior financial year, the Group did not obtain the waiver letter which resulted in the non-current portion of the term loans being reclassified as current liabilities as at 31 March 2023. As at 31 December 2023, the Group had obtained a letter from the financial institution which stated that the breach does not affect the credit facility granted, albeit with certain conditions. As disclosed in Note 18, as at the date of this report, the Group has not been served with any notices of events of default for any of its loans. Furthermore, during the financial period from 1 April 2023 to 31 December 2023, the Group has been receiving advances from its ultimate holding company and the subsidiary of the ultimate holding company who is controlled by the ultimate holding company to support its loan repayments and operations. The above constitutes events or conditions which indicate the existence of material uncertainties which may cast significant doubt as to whether the Group will be able to continue as a going concern for the next 12 months.	In obtaining sufficient appropriate audit evidence, the following procedures were performed: ● Reviewed management's assessment of the Group's ability to continue as a going concern through discussions, inquiry and inspection of supporting documentation; ● Reviewed management's evaluation of its compliance with financial covenants and its assessment of the enforceability of the waiver obtained from the respective financial institutions; ● Reviewed the financial capability, to the extent practicable, including publicly available information, of its ultimate holding company in providing financial support to the Group; ● Reviewed minutes of board meetings and relevant committees for any discussion of financial difficulties and future plans, including those up to the date of this report; ● Reviewed events after the financial period end to identify factors relevant, if any, to the going concern assumption as a basis for the preparation of the financial statements; and ● Reviewed the disclosures made in the consolidated financial statements.

Key Audit Matters	Our audit performed and responses thereon
Assessment of the going concern basis in preparation of the financial statements (cont'd) As disclosed in Note 3(i), the directors are of the view that the Group will be able to meet their obligations in the foreseeable future due to the following: ● during the financial period, the Group had on hand a waiver letter from two financial institutions and the sole Perpetual Securities holder till 31 March 2024. Subsequent to the financial period, the Group obtained a conditional waiver notice from respective financial institutions for the extension of waiver up to 31 December 2024; ● the Group has also obtained from its ultimate holding company an undertaking to provide continuing financial and other support as necessary to the Group so as to enable it to continue its operations for the next 12 months from the date of audit report and to continue to trade and to meet its financial obligations and commitments. As part of the financial support, the ultimate holding company and the subsidiary of the ultimate holding company who is controlled by the ultimate holding company will not demand the repayment of the advances and is agreeable to classify these shareholder advances amounting to US$46,783,000 as equity. Accordingly, management does not believe there is a material uncertainty over the ability of the Group to operate as a going concern. We identified the assessment of whether the financial statements have been prepared on a going concern basis as a key audit matter because of the management's judgements involved in determining the appropriateness of the use of the going concern assumption in preparing the financial statements. In addition, given the geopolitical conflict and other uncertainties in the wider macro environment, any post balance sheet effects that events may have on the going concern of the Group cannot be, and have not been, incorporated into the Group's financial statements.	

Key Audit Matters	Our audit performed and responses thereon
Investment in Rawabi Vallianz Offshore Services Company Limited ("RVOS") (Refer to Note 3 and 12 to the financial statements)	
As at 31 December 2023, the carrying amount of the Group's 19.77% equity interest in RVOS amounted to US$60,853,000, representing 13.6% of the Group's total assets. The management has engaged a third-party independent valuer to assist in the assessment of the fair value of the equity interest in RVOS as at financial period end. We identified this as a key audit matter due to the assumptions, estimates and judgements used by management in determining the fair value of the equity interest in RVOS as at financial period end.	In obtaining sufficient appropriate audit evidence, the following procedures were performed: ● Evaluated the objectivity, independence and expertise of the third party independent valuer; ● Reviewed management's assessment on classification of the financial assets for interest in RVOS; ● Critically evaluated, including conducting discussions with management and the independent valuer, the assumptions, estimates and judgements used by management to determine the fair value of the retained interests in RVOS and fair value of the interest as at financial period end with the assistance of our valuation specialist; and ● Reviewed the disclosures made in the consolidated financial statements.

<table>
<tr><th>Key Audit Matters</th><th>Our audit performed and responses thereon</th></tr>
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Revenue recognition
(Refer to Notes 2 and 28 to the financial statements)

During the financial period from 1 April 2023 to 31 December 2023, the Group's revenue from vessel chartering and management income and shipyard and newbuild management services income amounted to US$27,766,000 and US$186,907,000 respectively.

Revenue from vessel chartering comprises time charter, bareboat charter and other ancillary services. Time charter contracts are segregated into a lease component (lease of vessels) and a non-lease component (provision of other ancillary services).

The Group accounts for the lease of vessels for time charter in accordance with SFRS(I) 16 Leases as lease revenue and revenue is recognised on a straight-line basis over the lease term.

Time charter and bareboat charter revenue is recognised on a straight-line basis at the agreed charter rate over the period of the leases. Other ancillary services income is accounted for in accordance with SFRS(I) 15 Revenue from Contracts with Customers ("SFRS(I) 15") as service income and revenue is recognised at a point in time.

Revenue from shipyard and newbuild management services income is accounted for in accordance with SFRS(I) 15, where revenue is recognised at an amount that reflects the consideration in the contracts at which the Group expects to be entitled in exchange for promised goods or services to the customers, as and when the Group satisfies its performance obligation at a point in time or over time.

We identified revenue recognition as a key audit matter because revenue recognition has been identified as a significant risk in accordance with SSA 315 (revised) and because of the judgements used in applying SFRS(I) 15 and SFRS(I) 16.

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In obtaining sufficient appropriate audit evidence, the following procedures were performed:

- Understood and evaluated key controls over the revenue and receivables cycle;
- Reviewed all significant contracts entered into during the financial period and identified performance obligations in the contracts;
- Determined the transaction price and where there are modifications to existing contracts that may lead to adjustment to revenue, reviewed any material changes to transaction price;
- Evaluated management's assessment of the application of SFRS(I) 16 and SFRS(I) 15. Considered the appropriateness of the Group's revenue recognition accounting policies, including those related to accounting for variable considerations and contract modifications, if any, vis-à-vis the requirements under SFRS(I) 15; and
- Performed substantive audit procedures to verify revenue, including sales cut-off procedures at financial period end to validate that revenue is recognised in the correct financial period.

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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises all information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd)

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Loh Ji Kin.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore,

9 April 2024

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Group 31 December 2023 US$'000	Group 31 March 2023 US$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	21,281	20,778
Trade receivables	8	47,752	6,616
Other receivables	9	163,482	56,411
Inventories	10	382	930
Contract assets	11	18,281	–
Financial assets at fair value through other comprehensive income	12	31,729	31,729
Total current assets		282,907	116,464
Non-current assets			
Monies pledged with banks	7	356	372
Other receivables	9	14,055	14,843
Financial assets at fair value through other comprehensive income	12	60,853	60,853
Property, plant and equipment	13	83,815	74,728
Right-of-use assets	14	5,620	469
Total non-current assets		164,699	151,265
Total assets		447,606	267,729
LIABILITIES AND EQUITY			
Current liabilities			
Term loans	18	123,988	34,149
Trade payables	19	13,208	8,139
Other payables	20	51,090	38,476
Contract liabilities	11	202,175	51,567
Lease liabilities	21	1,866	151
Income tax payable		83	70
Total current liabilities		392,410	132,552
Non-current liabilities			
Term loans	18	1,430	87,484
Retirement benefit obligation		632	605
Lease liabilities	21	3,686	349
Deferred tax liabilities	22	1,195	1,449
Convertible bonds	23	41,845	45,908
Total non-current liabilities		48,788	135,795
Capital and reserves			
Share capital	24	382,274	382,274
Perpetual capital securities	25	22,500	22,500
Foreign currency translation reserve	26	(90)	(74)
Shareholder's advances	27	46,783	39,838
Equity component of convertible bonds	23	5,919	6,719
Other reserve		(621)	(625)
Accumulated losses		(426,286)	(428,855)
Equity attributable to owners of the Company and capital securities holders		30,479	21,777
Non-controlling interests	17	(24,071)	(22,395)
Total equity		6,408	(618)
Total liabilities and equity		447,606	267,729

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	Company 31 December 2023 US$'000	Company 31 March 2023 US$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	270	574
Other receivables	9	513,016	500,039
Total current assets		513,286	500,613
Non-current assets			
Property, plant and equipment	13	3	2
Subsidiary corporations	17	454	454
Total non-current assets		457	456
Total assets		513,743	501,069
LIABILITIES AND EQUITY			
Current liabilities			
Other payables	20	347,391	346,113
Total current liabilities		347,391	346,113
Non-current liabilities			
Convertible bonds	23	41,845	45,908
Total non-current liabilities		41,845	45,908
Capital and reserves			
Share capital	24	382,274	382,274
Perpetual capital securities	25	22,500	22,500
Shareholder's advances	27	46,783	24,490
Equity component of convertible bonds	23	5,919	6,719
Other reserve		28	28
Accumulated losses		(332,997)	(326,963)
Equity attributable to owners of the Company and capital securities holders, representing total equity		124,507	109,048
Total liabilities and equity		513,743	501,069

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial period from 1 April 2023 to 31 December 2023

	Note	For the financial period from 1 April 2023 to 31 December 2023 (9 months)	For the financial year ended 31 March 2023 (12 months)
		US$'000	US$'000
Revenue	28	214,673	149,174
Cost of sales		(196,280)	(136,833)
Gross profit		18,393	12,341
Other loss, net	29	(3,997)	(2,164)
Administrative expenses		(7,250)	(7,972)
Finance costs	30	(9,262)	(8,936)
Operating loss		(2,116)	(6,731)
Exceptional item	32	2,031	(3,195)
Loss before tax		(85)	(9,926)
Income tax credit/(expense)	31	130	(1,350)
Profit/(loss) for the period/year	32	45	(11,276)
Other comprehensive income/(loss):			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	26	(16)	(50)
Actuarial gain/(loss) on post-employment benefit obligation		9	(18)
Other comprehensive loss for the period/year, net of tax		(7)	(68)
Total comprehensive income/(loss) for the period/year		38	(11,344)
Profit/(loss) for the period/year attributable to:			
Owners of the Company		1,726	(9,388)
Non-controlling interests		(1,681)	(1,888)
		45	(11,276)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		1,714	(9,456)
Non-controlling interests		(1,676)	(1,888)
		38	(11,344)
Earnings/(loss) per share (US cents)			
Basic	33	0.14	(0.77)
Diluted	33	0.14	(0.77)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 April 2023 to 31 December 2023

	Share capital	Perpetual capital securities	Foreign currency translation reserve	Shareholder's advances	Other reserve	Accumulated losses	Equity component of convertible bonds	Equity attributable to owners of the company and capital issued to securities holders	Non-controlling interests	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group										
At 1 April 2023	**382,274**	**22,500**	**(74)**	**39,838**	**(625)**	**(428,855)**	**6,719**	**21,777**	**(22,395)**	**(618)**
Total comprehensive income for the period										
Profit/(loss) for the period	–	–	–	–	–	1,726	–	1,726	(1,681)	45
Other comprehensive (loss)/income for the period	–	–	(16)	–	4	–	–	(12)	5	(7)
Total	–	–	(16)	–	4	1,726	–	1,714	(1,676)	38
Transactions with owners recognised directly in equity										
Deemed investment by a Shareholder, net (Note 27)	–	–	–	6,945	–	–	–	6,945	–	6,945
Total	–	–	–	6,945	–	–	–	6,945	–	6,945
Recognition of equity component of convertible bonds	–	–	–	–	–	–	43	43	–	43
Partial redemption of convertible bonds (Note 23)	–	–	–	–	–	843	(843)	–	–	–
At 31 December 2023	**382,274**	**22,500**	**(90)**	**46,783**	**(621)**	**(426,286)**	**5,919**	**30,479**	**(24,071)**	**6,408**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 April 2023 to 31 December 2023

	Share capital	Perpetual capital securities	Foreign currency translation reserve	Shareholder's advances	Other reserve	Accumulated losses	Equity component of convertible bonds	Equity attributable to owners of the company and capital issued to securities holders	Non-controlling interests	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group										
At 1 April 2022	**382,274**	**22,500**	**(24)**	**13,675**	**(607)**	**(419,467)**	**6,679**	**5,030**	**(20,507)**	**(15,477)**
Total comprehensive loss for the year										
Loss for the year	–	–	–	–	–	(9,388)	–	(9,388)	(1,888)	(11,276)
Other comprehensive loss for the year	–	–	(50)	–	(18)	–	–	(68)	–	(68)
Total	–	–	(50)	–	(18)	(9,388)	–	(9,456)	(1,888)	(11,344)
Transactions with owners recognised directly in equity										
Deemed investment by a Shareholder, net (Note 27)	–	–	–	26,163	–	–	–	26,163	–	26,163
Total	–	–	–	26,163	–	–	–	26,163	–	26,163
Recognition of equity component of convertible bonds	–	–	–	–	–	–	40	40	–	40
At 31 March 2023	**382,274**	**22,500**	**(74)**	**39,838**	**(625)**	**(428,855)**	**6,719**	**21,777**	**(22,395)**	**(618)**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 April 2023 to 31 December 2023

	Share capital	Perpetual capital securities	Shareholder's advance	Other reserve	Accumulated losses	Equity component of convertible bonds	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Company							
At 1 April 2023	**382,274**	**22,500**	**24,490**	**28**	**(326,963)**	**6,719**	**109,048**
Total comprehensive loss for the period							
Loss for the period	–	–	–	–	(6,877)	–	(6,877)
Total	–	–	–	–	(6,877)	–	(6,877)
Transactions with owners, recognised directly in equity							
Deemed investment by a shareholder	–	–	22,293	–	–	–	22,293
Total	–	–	22,293	–	–	–	22,293
Recognition of equity component of convertible bonds	–	–	–	–	–	43	43
Partial redemption of convertible bonds (Note 23)	–	–	–	–	843	(843)	–
At 31 December 2023	**382,274**	**22,500**	**46,783**	**28**	**(332,997)**	**5,919**	**124,507**
At 1 April 2022	**382,274**	**22,500**	**–**	**28**	**(319,802)**	**6,679**	**91,679**
Total comprehensive loss for the year							
Loss for the year	–	–	–	–	(7,161)	–	(7,161)
Total	–	–	–	–	(7,161)	–	(7,161)
Transactions with owners, recognised directly in equity							
Deemed investment by a shareholder	–	–	24,490	–	–	–	24,490
Total	–	–	24,490	–	–	–	24,490
Recognition of equity component of convertible bonds	–	–	–	–	–	40	40
At 31 March 2023	**382,274**	**22,500**	**24,490**	**28**	**(326,963)**	**6,719**	**109,048**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 April 2023 to 31 December 2023

	Note	For the financial period from 1 April 2023 to 31 December 2023 (9 months)	For the financial year ended 31 March 2023 (12 months)
		US$'000	US$'000
Operating activities			
Loss before tax		(85)	(9,926)
Adjustments for:			
Loss allowance for trade and other receivables (reversed)/recognised	29	(832)	1,610
Bad debts written off	29	3,084	565
Creditors written back	29	(505)	–
Depreciation of property, plant and equipment	13	5,573	6,156
Depreciation of right-of-use assets	14	804	260
Provision for retirement benefit obligation		44	23
Finance costs	30	9,262	8,936
Loss on disposal of property, plant and equipment		–	2,480
Gain on strike-off of subsidiary corporations, net	29	(1)	–
Property, plant and equipment written off	29	2,911	–
Exceptional gain on partial redemption of convertible bonds	32	(2,031)	–
Interest income	29	(349)	(314)
Unrealised foreign exchange differences		(18)	(52)
Operating cash flows before working capital changes		17,857	9,738
Trade and other receivables		(148,372)	(8,327)
Trade and other payables		12,148	(14,869)
Inventories		548	(186)
Contract assets		(18,281)	760
Contract liabilities		150,608	31,060
Cash generated from operations		14,508	18,176
Income tax paid		(114)	(194)
Net cash from operating activities		14,394	17,982
Investing activities			
Interest received	29	349	314
Purchase of property, plant and equipment	13	(18,868)	(17,601)
Proceeds from disposal of property, plant and equipment		–	1,221
Net cash used in investing activities		(18,519)	(16,066)
Financing activities			
Decrease in cash pledged		16	327
Interest paid		(5,112)	(2,632)
Proceeds from new term loans raised		4,545	60
Proceeds from shareholder's advances	27	10,800	16,535
Principal payment of lease liabilities		(903)	(262)
Repayment of term loans		(760)	(2,001)
Partial redemption of convertible bonds		(3,958)	–
Net cash from financing activities		4,628	12,027
Net increase in cash and cash equivalents		503	13,943
Cash and cash equivalents at beginning of the period/year		20,778	6,835
Cash and cash equivalents at end of the period/year	7	21,281	20,778

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 GENERAL

The Company (Registration No. 199206945E) is incorporated in the Republic of Singapore with its principal place of business and registered office at 1 Harbourfront Avenue #06-08 Keppel Bay Tower Singapore 098632. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The financial statements are expressed in United States dollar.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary corporations are detailed in Note 17 to the financial statements respectively.

On 21 November 2023, the Company announced the change of its financial year from 31 March to 31 December pursuant to Rule 730B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial period from 1 April 2023 to 31 December 2023 were authorised for issue by the Board of Directors on 9 April 2024.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Interpretations and amendments to published standards effective in 2023

On 1 April 2023, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") that are mandatory for application for the financial period. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current financial period or prior financial year.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary corporations. Control is achieved when the company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary corporation begins when the Company obtains control over the subsidiary corporation and ceases when the Company loses control of the subsidiary corporation. Specifically, results of subsidiary corporations acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary corporation.

When necessary, adjustments are made to the financial statements of subsidiary corporations to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Non-controlling interests in subsidiary corporations are identified separately from the group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary corporations is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiary corporations that do not result in the Group losing control over the subsidiary corporations are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary corporations. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

When the Group loses control of a subsidiary corporation, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary corporation and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary corporation are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary corporation (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s Accounting Standards). The fair value of any investment retained in the former subsidiary corporation at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments*, when applicable, the cost on initial recognition of an investment in an associates.

In the Company's financial statements, investments in subsidiary corporations are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss under “other loss, net” line item.

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which SFRS(I) 3 applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the line items. Fair value is determined in the manner described in Note 4.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other loss, net' line item; and

- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in external (if available) or internal credit rating;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default; ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, such as significant financial difficulty of the debtor or a breach of contract, such as default or past due event.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped based on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in equity instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group entity are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound instruments

The component parts of convertible bonds issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other equity. Where the conversion option remains unexercised at the maturity date of the convertible loan notes, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

LEASES

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

<u>The Group as lessor</u>

The Group enters into lease agreements as a lessor with respect to its vessels.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease on the same basis as charter hire income. The accounting policy for charter hire income is set out in Note 2 "Revenue". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes both lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

CASH AND CASH EQUIVALENTS - In the statement of financial position, cash and bank balances comprise cash and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purpose.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Vessels in the course of construction for production or supply purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other vessels, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost less residual values over their estimated useful lives, using the straight-line method, on the following bases:

Computers	–	3 years
Office furniture and equipment	–	2 to 5 years
Renovation	–	3 years
Motor vehicles	–	3 to 7 years
Vessels	–	12 to 25 years
Dry-docking	–	5 years
Plant and machineries	–	3 to 5 years
Leasehold building	–	over the estimated term of the lease which ranges from 5 to 30 years

The estimated useful lives, residual values and depreciation method are reviewed at each period end, with the effect of any changes in estimate accounted for on a prospective basis.

Upon acquisition of a vessel, the components of the vessel which are required to be replaced at the next drydocking are identified. The cost of these components is depreciated over the period to the next estimated drydocking costs. Costs incurred on subsequent drydocking of vessels are capitalised and depreciated over the period to the next drydocking date. When significant drydocking costs recur prior to the expiry of the depreciation period, the remaining costs of the previous drydocking are written off in the month of the subsequent drydocking.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

SHARE CAPITAL - Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

PERPETUAL CAPITAL SECURITIES - Perpetual securities do not have a maturity date and the Group is able to elect to defer making a distribution, subject to the terms and conditions of the securities issue. Accordingly, the Group is not considered to have a contractual obligation to make principal repayments or distributions in respect of its perpetual securities issued and the perpetual securities are presented within equity. Distributions are treated as dividends which will be directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

REVENUE RECOGNITION - Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

Vessel chartering and management income

Revenue from vessel chartering comprises time charter, bareboat charter and other ancillary services. Time charter contracts are segregated into a lease component (lease of vessels) and a non-lease component (provision of other ancillary services).

The Group accounts for the lease of vessels for time charter in accordance with SFRS(I) 16 Leases as lease revenue and revenue is recognised on a straight-line basis over the lease term.

Time charter and bareboat charter revenue is recognised on a straight-line basis at the agreed charter rate over the period of the leases. Other ancillary services income is accounted for in accordance with SFRS(I) 15 Revenue from Contracts with Customers ("SFRS(I) 15") as service income and revenue is recognised at a point in time.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Shipyard and newbuild management services income

Construction income - the Group constructs and sells vessels under long-term contracts with customer. Such contracts are entered into before construction of the vessels begins. Under the terms of the contracts, the Group is contractually restricted from redirecting the vessels to another customer and has an enforceable right to payment for work done.

Revenue is recognised based on the percentage of completion method using both input and output methods over the period of the contract. For projects that are built in-house, the Group had elected the use of input method measuring the stage of completion by reference to the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. For projects that are subcontracted to third party, the Group had elected the use of output method which is based on direct measurements of the project progress through external reports.

The Group had elected the combination of both input and output methods for measurement of the progress in different circumstances and performance obligations that best represent the progress towards completion under SFRS(I) 15.

Brokerage income - the Group acts as the broker for the customer by sourcing for a vessel that meet the specification requirements of the customer. The performance obligation of brokerage income includes facilitating brokerage arrangement between the customer and the vessel owner. Brokerage income is recognised as a performance obligation satisfied over time based on the time lapse and the service provided stated in the contract at an agreed percentage of lump sum charter hire fee of the vessel.

Vessel management services income - the performance obligation of vessel management income includes technical management service, crew management service and commercial management service which are all highly interrelated. Vessel management income is recognised as a performance obligation satisfied over time in the period in which the services are rendered at an agreed fixed price.

Commission income - commission income from acting as an agent on purchase of vessels on behalf of a related company is recognised in profit or loss when the transaction is completed and the Group's rights to receive the commission income have been established.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

BORROWING COSTS - Borrowing costs are recognised using the effective interest method except for those directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

The Group has long-term retrenchment benefit obligations for certain overseas subsidiary corporations where contributions are made on a mandatory, contracted or voluntary basis. The contributions are recognised as employee benefit expense in the year to which they relate.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiary corporations operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiary corporations, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in United States dollar, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains or losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences on transactions entered into in order to hedge certain foreign currency risks are described in the hedge accounting policies above.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollar using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary corporation that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary corporation that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

SEGMENT REPORTING - For management purposes, the Group is organised into operating segments based on their services which are managed by respective segment managers responsible for the performance of the respective segment under their charge. The segment or department managers report directly to the chief operating decision maker of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) *Critical judgements in applying the entity's accounting policies*

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies that have the most significant effects on the amounts recognised in the financial statements.

<u>Financial statements have been prepared on a going concern basis</u>

During the financial period ended 31 December 2023, the Group recorded a net profit for the period of US$45,000 (31 March 2023: net loss of US$11,276,000). As at 31 December 2023, the Group is in net current liabilities position of US$109,503,000 (31 March 2023: US$16,088,000).

As disclosed in Notes 18 and 25 to the financial statements, the Group has breached the financial covenants of consolidated tangible net worth, the ratio of total consolidated borrowings to consolidated tangible net worth and interest coverage ratio imposed by the sole Perpetual Securities holder, and the financial covenants of consolidated tangible net worth, the ratio of total debt to earnings before interest, taxes, depreciation and amortisation ("EBITDA"), the ratio of net debt to EBITDA and the ratio of EBITDA to finance charges under the Restructuring Agreement with two financial institutions. In the prior financial year, the Group secured a waiver letter from the sole Perpetual Securities holder and the two financial institutions covering up to 31 March 2024. Subsequent to the financial period ended 31 December 2023, the Group obtained a conditional waiver notice for the extension of waiver up to 31 December 2024. The non-current portion of the term loans with the breach, amounting to US$118,903,000, for which a waiver letter was not obtained as at 31 December 2023 has been reclassified as current liabilities as at the reporting date.

In addition, the Group has breached the financial covenants of positive net profit margin, debt service coverage ratio and debt to equity ratio with another financial institution. In prior financial year, the Group did not obtain the waiver letter which resulted in the non-current portion of the term loans being reclassified as current liabilities as at 31 March 2023. As at 31 December 2023, the Group has secured a letter from the financial institution stating that the breach does not affect the credit facility that has been granted, albeit with certain conditions.

As disclosed in Note 18, as at the date of these financial statements, the Group has not been served with any notices of events of default for any of its loans.

Furthermore, during the financial period from 1 April 2023 to 31 December 2023, the Group has been receiving advances from the ultimate holding company and the subsidiary of the ultimate holding company who is controlled by the ultimate holding company to support its loan repayments and operations.

The above constitutes events or conditions which indicate the existence of material uncertainties which may cast significant doubt as to whether the Group will be able to continue as a going concern for the next 12 months.

The directors are of the view that the Group will be able to meet their obligations in the foreseeable future due to the following:

- during the financial period, the Group had on hand a waiver letter from two financial institutions and the sole Perpetual Securities holder till 31 March 2024. Subsequent to the financial period, the Group obtained a conditional waiver notice from respective financial institutions for the extension of waiver up to 31 December 2024; and

- the Group has also obtained from its ultimate holding company an undertaking to provide continuing financial and other support as necessary to the Group so as to enable it to continue its operations for the next 12 months from the date of audit report and to continue to trade and to meet its financial obligations and commitments. As part of the financial support, the ultimate holding company and the subsidiary of the ultimate holding company who is controlled by the ultimate holding company will not demand the repayment of the advances and is agreeable to classify these shareholder's advances amounting to US$46,783,000 as equity.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(i) *Critical judgements in applying the entity's accounting policies (cont'd)*

Financial statements have been prepared on a going concern basis (cont'd)

Accordingly, management does not believe there is a material uncertainty over the ability of the Group to operate as a going concern.

Other than the above, there are no critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies that have the most significant effects on the amounts recognised in the financial statements.

(ii) *Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Vessel useful life and impairment

The costs of vessels and vessel improvements of the Group are depreciated on a straight-line basis over the useful life of the vessels. Management estimates the useful lives of these vessels and vessel improvements to be within 12 to 25 years and 5 years respectively. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. Management reviews the estimated useful lives and residual values of these assets at the end of each reporting period and determined that these estimates remain reasonable.

The Group had considered the existence of impairment indicators and thereon assessed the recoverable amounts of vessels as at the end of each financial period. The recoverable amounts were determined based on the valuations performed by independent vessel brokers which involve estimating the fair value less costs of disposal/sell of the vessels. The valuation process involves significant judgement and estimations in the underlying assumptions to be applied. Amongst other matters, inputs and assumptions used in the valuations include, but not limited to, recent transaction prices for similar vessels, adjusted for the age and conditions of the respective vessels. If the vessel is considered to be impaired, impairment loss is recognised to an amount equal to the excess of the carrying value of the asset over its recoverable amount.

The carrying amounts and details of the Group's vessels, drydocking and impairment at the end of the reporting period are disclosed in Note 13.

Estimation of loss allowances

When measuring ECL, the Group and the Company use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amounts of the Group's and the Company's trade and other receivables and contract assets are disclosed in Notes 8, 9 and 11 to the financial statements.

Impairment of investments in subsidiary corporations

Management exercises its judgement in estimating recoverable amounts of its investments in subsidiary corporations within the Group.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(ii) *Key sources of estimation uncertainty (cont'd)*

Impairment of investments in subsidiary corporations (cont'd)

The recoverable amounts of the investments are reviewed at the end of each reporting period to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). In assessing recoverable amount, the Group and the Company consider the respective recoverable amounts of these investments in the foreseeable future by comparing to the carrying amount of net assets in each subsidiary corporation which approximated the market value less cost to sell.

The carrying amounts of the investments in subsidiary corporations are disclosed in Note 17.

Measurements in financial assets at fair value through other comprehensive income ("FVTOCI")

(a) *Impairment of financial assets at FVTOCI (unquoted preference shares)*

Management assesses whether there is any objective evidence that equity instruments at FVTOCI are impaired, as evidenced by the occurrence of one or more loss events.

(b) *Fair value measurement of financial assets at FVTOCI (unquoted equity shares)*

Management determined the appropriate valuation techniques and inputs for fair value measurement. The Group engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as long-term revenue growth rate, management's experience and knowledge of market conditions of the specific industries. Changes in assumptions relating to these factors could affect the reported fair value of financial assets. See Note 4(b)(vi) for further disclosures.

The carrying amount of the financial assets at FVTOCI is disclosed in Note 12 to the financial statements.

Newbuild contracts

The Group has significant ongoing newbuild contracts. For these contracts, the revenue is recognised based on the percentage of completion method using both input and output methods over the period of the contract. For projects that are built in-house, the management had elected the use of input method measuring the stage of completion by reference to the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. For projects that are subcontracted to third party, the management had elected the use of output method which is based on direct measurements of the project progress through external reports.

Significant assumptions and judgements are required in determining the extent of the contract costs incurred, the estimated costs to completion, the progress of the newbuild and the recoverable amount for any variation work. Estimates of costs to completion which have yet to be contracted for are based on past experience, prevailing market conditions, and factors specific to the newbuild contract.

During the course of a project, the contract sum may also be adjusted for variations, omissions and other variable consideration. Variations could relate to unpriced change orders approved by customers for which the subcontracted shipyard will determine and estimate on the transaction price based analogous estimating method.

Management reviews newbuild contracts for foreseeable losses whenever there is indication that the sum of fixed price contract and any variation sums may be lower than the total expected construction cost.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(ii) *Key sources of estimation uncertainty* (cont'd)

The above judgement and estimates affect the amount of revenue recognised (Note 28), the cost included in cost of sales, the recognised profits included and contract assets/contract liabilities (Note 11). Management's estimates take into account known significant events and information available when the financial statements are prepared. They are subject to periodic reassessment. Current estimates may be subject to material change in future depending on market conditions and the result of actions to be taken in future.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023
	US$'000	US$'000	US$'000	US$'000
Financial assets				
Financial assets at amortised cost	88,972	48,309	513,070	500,476
Financial assets at fair value through OCI	92,582	92,582	–	–
Financial liabilities				
Financial liabilities at amortised cost	215,978	214,156	389,236	392,021
Lease liabilities	5,552	500	–	–

(b) *Financial risk management policies and objectives*

The Group's activities expose it to a variety of financial risks, including the effects of credit, interest rate, liquidity, and foreign currency exchange rate. Risk management is integral to the whole business of the Group. The Group's overall financial risk management programme seeks to minimise potential adverse effects of the financial performance of the Group. Management reviews the overall financial risk management on specific areas, such as market risk (including foreign exchange risk, interest rate risk and equity price risk), credit risk, liquidity risk, cash flow interest rate risk, use of derivative financial instruments and investing excess cash.

The Group engages in natural hedges to manage its exposure to foreign exchange risks. The Group engaged in interest rate swap to manage its exposure to fluctuation of interest rates on borrowings.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives* (cont'd)

(i) Foreign exchange risk management

The Group assesses and monitors its current and projected foreign currency cash flows and insofar as possible, reduces the exposure of the net position in each currency by borrowing in those foreign currencies to manage the volatility of future cash flows caused by fluctuation in foreign currency exchange rates.

The Group's foreign currency exposures arise mainly from the exchange rate movements of the Singapore dollar against the United States dollar.

At the end of the reporting period, carrying amounts of significant monetary assets and liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Liabilities		Assets	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023
	US$'000	US$'000	US$'000	US$'000
Group				
SGD	2,668	2,403	2,216	2,259
Company				
SGD	496	233	274	213

Foreign currency sensitivity

The following table details the sensitivity to a 4% (31 March 2023: 5%) increase and decrease in the relevant foreign currencies against the functional currency of each group entity. 4% (31 March 2023: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 4% (31 March 2023: 5%) change in foreign currency rates.

If the relevant foreign currency strengthens by 4% (31 March 2023: 5%) against the functional currency of each Group entity as at the period/year end, profit or loss will increase/(decrease) by:

	Group		Company	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023
	US$'000	US$'000	US$'000	US$'000
SGD	(18)	(7)	(9)	(1)

If the relevant foreign currency weakens by 4% against the functional currency of each Group entity as at the period/year end, the effects will be the converse of the above.

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risks arises mainly from its borrowings. Borrowings at variable rates expose the Group to interest rate risk.

Information relating to the Group's and the Company's financial instrument balances which are interest bearing at variable rates are disclosed in Note 18 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives* (cont'd)

(i) Foreign exchange risk management (cont'd)

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial period and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower during the reporting period and all other variables were held constant, the Group's loss before tax would increase or decrease by approximately US$804,000 (31 March 2023: increase or decrease by approximately US$826,000).

(iii) Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2023, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from:

- the carrying amount of the respective recognised financial assets as stated in the statement of financial position; and
- the maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised as disclosed in Note 4(b)(iv). The related loss allowance is disclosed in the respective notes to the financial statements.

In order to minimise credit risk, the Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group's current credit risk grading framework comprises of the following categories:

Category	**Description**	**Basis for recognising expected credit losses (ECL)**
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 180 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is > 365 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery.	Amount is written off

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives* (cont'd)

(iii) Overview of the Group's exposure to credit risk (cont'd)

The tables below detail the credit quality of the Group's and Company's financial assets and other items, as well as maximum exposure to credit risk:

	Note	**Internal credit rating**	**12-month or lifetime ECL**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
				US$'000	US$'000	US$'000
Group						
31 December 2023						
Trade receivables	8	(i)	Lifetime ECL	47,752	–	47,752
Trade receivables	8	Doubtful	Lifetime ECL	2,057	(2,057)	–
Due from outside parties	9	Performing	12-month ECL	3,175	–	3,175
Deposits	9	Performing	12-month ECL	2,353	–	2,353
Due from related company	9	Doubtful	Lifetime ECL	81,447	(67,392)	14,055
				136,784	(69,449)	67,335

	Note	**Internal credit rating**	**12-month or lifetime ECL**	**Gross carrying amount**	**Loss allowance**	**Net carrying amount**
				US$'000	US$'000	US$'000
Group						
31 March 2023						
Trade receivables	8	(i)	Lifetime ECL	6,616	–	6,616
Trade receivables	8	Doubtful	Lifetime ECL	2,889	(2,889)	–
Due from outside parties	9	Performing	12-month ECL	1,448	–	1,448
Deposits	9	Performing	12-month ECL	1,109	–	1,109
Due from related companies	9	Performing	12-month ECL	3,143	–	3,143
Due from related company	9	Doubtful	Lifetime ECL	82,235	(67,392)	14,843
				97,440	(70,281)	27,159

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives* (cont'd)

(iii) Overview of the Group's exposure to credit risk (cont'd)

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US$'000	US$'000	US$'000
Company						
31 December 2023						
Due from subsidiary corporations	9	Performing	12-month ECL	512,247	–	512,247
Due from subsidiary corporations	9	Doubtful	Lifetime ECL	214,131	(214,131)	–
Due from related companies	9	Performing	12-month ECL	399	–	399
Due from outside companies	9	Performing	12-month ECL	109	–	109
Deposits	9	Performing	12-month ECL	45	–	45
				726,931	(214,131)	512,800
31 March 2023						
Due from ultimate holding company	9	Performing	12-month ECL	392	–	392
Due from subsidiary corporations	9	Performing	12-month ECL	499,341	–	499,341
Due from subsidiary corporations	9	Doubtful	Lifetime ECL	214,131	(214,131)	–
Due from related companies	9	Performing	12-month ECL	35	–	35
Due from outside companies	9	Performing	12-month ECL	89	–	89
Deposits	9	Performing	12-month ECL	45	–	45
				714,033	(214,131)	499,902

(i) For trade receivables, the Group and the Company have applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group and the Company determine the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Note 8 include further details on the loss allowance for trade receivables.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives* (cont'd)

(iv) Credit risk management

The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

At the end of the reporting period, approximately 25% (31 March 2023: 23%) of the Group's trade and other receivables are due from related companies.

At the end of the reporting period, approximately 99% (31 March 2023: 99%) of the Company's trade and other receivables are due from subsidiary corporations and related companies.

Further details of credit risks on trade and other receivables and contract assets are disclosed in Notes 8, 9 and 11 respectively.

The credit risk on cash and cash equivalents is limited because the counterparties are reputable banks.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks. The maximum amount the Group could be forced to settle under financial guarantee contracts, if the full guaranteed amount is claimed by the respective counterparties to the guarantees, is US$166,667,000 (31 March 2023: US$170,530,000) for guarantees provided to subsidiary corporations and US$9,773,000 (31 March 2023: US$10,660,000) for guarantees provided to related company (Note 36). Based on expectations at the end of the reporting period, the Group considers that it is remote that any amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty suffer credit losses.

(v) Liquidity risk management

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

As disclosed in Note 3(i), management has exercised significant judgement in assessing the Group's ability to operate as a going concern.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuation of cash flows.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives* (cont'd)

(v) Liquidity risk management (cont'd)

Liquidity and interest risk analyses

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
31 December 2023						
Non-interest bearing	–	48,715	–	–	–	48,715
Lease liabilities (fixed rate)	5.53	2,127	3,944	–	(519)	5,552
Variable interest rate instruments	5.89	125,908	–	58,998	(24,158)	160,748
Fixed interest rate instruments	3.54	5,265	1,571	–	(321)	6,515
		182,015	5,515	58,998	(24,998)	221,530

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
31 March 2023						
Non-interest bearing	–	46,615	–	–	–	46,615
Lease liabilities (fixed rate)	5.25	169	349	–	(18)	500
Variable interest rate instruments	5.35	33,427	–	192,159	(60,465)	165,121
Fixed interest rate instruments	6.90	2,587	–	–	(167)	2,420
		82,798	349	192,159	(60,650)	214,656

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives* (cont'd)

(v) Liquidity risk management (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	US$'000	US$'000	US$'000	US$'000	US$'000
Company						
31 December 2023						
Non-interest bearing	–	347,391	–	–	–	347,391
Variable interest rate instruments	5.61	–	–	58,072	(16,227)	41,845
		347,391	–	58,072	(16,227)	389,236
31 March 2023						
Non-interest bearing	–	346,113	–	–	–	346,113
Variable interest rate instruments	5.35	–	–	66,133	(20,225)	45,908
		346,113	–	66,133	(20,225)	392,021

Non-derivative financial assets

All financial assets are due within one year from the end of the reporting period, except for the Group's monies pledged with banks amounting to US$356,000 (31 March 2023: US$372,000). All financial assets are non-interest bearing.

(vi) Fair values of financial assets and financial liabilities

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset and liability that are not based on observable market data (unobservable inputs)

Assets and liabilities measured at fair value

The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives* (cont'd)

(vi) Fair values of financial assets and financial liabilities (cont'd)

Financial assets	Fair value as at 31 December 2023	Fair value as at 31 March 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Group						
- Unquoted equity shares	60,853	60,853	Level 3	Income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee.	(a) Long-term revenue growth rates, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 2.9% to 3.1% per annum. (b) Long-term pre-tax operating margin taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 15.9% to 21.4%.	(a) The higher the revenue growth rate, the higher the fair value. If the revenue growth was 0.10% higher/lower while all other variables were held constant, the carrying amount would increase/decrease by US$2,151,000/(US$2,098,000). (b) The higher the pre-tax operating margin, the higher the fair value. If the pre-tax operating margin was 1% higher/lower while all other variables were held constant, the carrying amount would increase/decrease by US$8,639,000/(US$8,639,000).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives* (cont'd)

(vi) Fair values of financial assets and financial liabilities (cont'd)

Financial assets	Fair value as at 31 December 2023	Fair value as at 31 March 2023	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Group						
- Unquoted equity shares (cont'd)					(c) Weighted average cost of capital (WACC), determined using a Capital Asset Pricing Model, ranging from 10.9% to 11.1% per annum.	(c) The higher the WACC, the lower the fair value. If the WACC was 0.10% higher/ lower while all other variables were held constant, the carrying amount would decrease/ increase by (US$2,737,000)/US$2,806,000.
					(d) Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries, 20%.	(d) The higher the discount, the lower the fair value. If the discount was 5% higher/lower while all other variables were held constant, the carrying amount would decrease/ increase by (US$3,798,000)/ US$3,798,000.
- Unquoted preference shares	31,729	31,729	Level 3	Adjusted net asset method(i)	Fair value of vessel held by the issuer (ii)	Lower market value of the vessel results in lower fair value.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (cont'd)

(b) *Financial risk management policies and objectives* (cont'd)

(vi) Fair values of financial assets and financial liabilities (cont'd)

(i) *Unquoted equity shares do not have a quoted market price in active market and management is of the view that the net assets of the entity is a reasonable approximation of its fair value due to the nature of the assets and liabilities of the entity.*

(ii) *The fair value of the vessel is determined by reference to transacted prices for similar vessels, adjusted for comparability. The adjustments take into account management's experience and knowledge of the market for such vessels. As the adjustments constitute significant unobservable input, accordingly the entire measurement of the vessel is categorised as an unobservable Level 3 input.*

There was no transfer between the different levels of the fair value hierarchy during the financial period ended 31 December 2023 and the financial year ended 31 March 2023.

Fair value of the Group and Company's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The carrying amounts of cash and bank balances, trade and other receivables, and trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to financial statements.

As at 31 December 2023 and 31 March 2023, other than certain financial assets at FVTOCI, as disclosed in Note 12 to the financial statements respectively, the Group has no financial assets and financial liabilities that are measured at fair value on a recurring basis.

(c) *Capital management policies and objectives*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital, perpetual capital securities, shareholder's advances, reserves and term loans.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial period ended 31 December 2023 and financial year ended 31 March 2023. The Group's overall strategy remains unchanged from the prior period.

The Group monitors the financial ratios of its debt covenants stated in the agreements on the financial institutions providing the facilities to the Group. The Group is in compliance with externally imposed capital and debt covenants requirements except as disclosed in Note 18 to the financial statements.

As at the end of the financial period and the date of these financial statements, the lenders have not sought to enforce their security and legal rights to call on the outstanding debts.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Singapore Companies Act 1967 defines a holding company as a subsidiary corporation of another corporation if (i) the corporation controls the board of the subsidiary corporation, or (ii) controls more than half of the voting power of the subsidiary corporation. Rawabi Holding Company Limited ("RHC"), incorporated in the Kingdom of Saudi Arabia, is the ultimate holding company by virtue of its shareholdings in the Company. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS (cont'd)

Some of the Group's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial period/year, the Group entered into the following transactions with related companies that are not members of the Group:

	Group	
	For the financial period from 1 April 2023 to 31 December 2023 (9 months)	For the financial year ended 31 March 2023 (12 months)
	US$'000	US$'000
Ultimate holding company		
Shareholder's advances	–	(16,535)
Payment made on behalf by	–	(9,628)
Loan interest	–	(1,285)
Receipt of other goods and services	–	(198)
Related companies		
Project management income	152,277	62,384
Charter hire income	10,434	41,011
Payment made on behalf of	5,081	–
Provision of other goods and services	647	–
Project management expenses	(3,690)	–
Shareholder's advances	(10,800)	–
Charter hire expense	–	(6,597)
Loan interest	(867)	–
Receipt of other goods and services	(611)	(335)
Payment made on behalf by	(126)	–

6 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related companies and the effect of these on the basis determined between the parties is reflected in these financial statements. Outstanding balances as at 31 December 2023 and 31 March 2023 are disclosed on Notes 8, 9, 19 and 20 to the financial statements respectively. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the period/year was as follows:

	Group	
	For the financial period from 1 April 2023 to 31 December 2023 (9 months)	For the financial year ended 31 March 2023 (12 months)
	US$'000	US$'000
Short-term benefits	1,069	1,754
Post-employment benefits	77	101
	1,146	1,855

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

7 CASH AND CASH EQUIVALENTS

	Group		Company	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023
	US$'000	US$'000	US$'000	US$'000
Cash at bank	21,616	21,129	270	574
Cash on hand	21	21	–	–
	21,637	21,150	270	574
Less: Monies pledged with banks for banking facilities - non-current	(356)	(372)	–	–
Cash and cash equivalents	21,281	20,778	270	574

8 TRADE RECEIVABLES

	Group		Company	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023
	US$'000	US$'000	US$'000	US$'000
Outside parties	6,949	9,505	–	–
Related companies	42,860	–	–	–
	49,809	9,505	–	–
Loss allowance	(2,057)	(2,889)	–	–
Total	47,752	6,616	–	–

The credit period on services rendered is 30 days (31 March 2023: 30 days). No interest is charged on overdue receivables.

Expected credit losses

Loss allowance for trade receivables has been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that has been written off is subject to enforcement activities.

8 TRADE RECEIVABLES (cont'd)

The following table details the aging profile of the Group's trade receivables from contracts with customers.

	Trade receivables - aging profile					
	1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
31 December 2023						
Gross trade receivables	6,556	9,388	30,997	313	2,555	49,809
Loss allowance	–	–	–	(12)	(2,045)	(2,057)
Total	6,556	9,388	30,997	301	510	47,752
31 March 2023						
Gross trade receivables	3,629	893	1,268	278	3,437	9,505
Loss allowance	–	–	–	–	(2,889)	(2,889)
Total	3,629	893	1,268	278	548	6,616

The movements in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	Total
	US$'000	US$'000	US$'000
Group			
Balance as at 31 March 2022	–	1,279	1,279
Loss allowance during the year	–	1,610	1,610
Balance as at 31 March 2023	–	2,889	2,889
Loss allowance reversed during the period	–	(832)	(832)
Balance as at 31 December 2023	–	2,057	2,057

Management is of the opinion that the fair value of the trade receivables approximates the carrying amount.

9 OTHER RECEIVABLES

	Group	
	31 December 2023	31 March 2023
	US$'000	US$'000
Current		
Outside parties	3,175	1,448
Related companies	–	3,143
Prepayments	157,954	50,711
Deposits	2,353	1,109
	163,482	56,411
Loss allowance	–	–
	163,482	56,411
Non-current		
Related company [(i)]	81,447	82,235
Loss allowance	(67,392)	(67,392)
	14,055	14,843

	Company	
	31 December 2023	31 March 2023
	US$'000	US$'000
Current		
Outside parties	109	89
Ultimate holding company	–	392
Subsidiary corporations	726,378	713,472
Related companies	399	35
Prepayments	216	137
Deposits	45	45
	727,147	714,170
Loss allowance	(214,131)	(214,131)
	513,016	500,039

(i) During the financial year ended 31 March 2022, the Group had disposed of its entire 49% interest in PTVOM, a related company of a major shareholder. Consequently, other receivables due from PTVOM previously classified as deemed investment in associate to better reflect the non-current nature of the asset has been reclassified to non-current other receivables.

The credit period on these receivables is 30 days (31 March 2023: 30 days).

9 OTHER RECEIVABLES (cont'd)

Expected credit losses

Due from ultimate holding company

These amounts are unsecured, interest-free, repayable on demand and expected to be settled in cash.

In determining the expected credit losses ("ECL"), the Group and the Company have taken into account the financial performance of the ultimate holding company, adjusted for factors that are specific to the ultimate holding company and general economic conditions of the industry in which the ultimate holding company operates, in estimating the probability of default of the amounts due from ultimate holding company as well as the loss upon default. The Group and the Company determine the amounts due from ultimate holding company to be subject to immaterial credit loss.

Due from related companies and subsidiary corporations

These amounts are unsecured, interest-free and repayable on demand.

For purpose of impairment assessment of performing receivables due from related companies and subsidiary corporations, the loss allowance is measured at an amount equal to 12-month ECL. Accordingly, for the purpose of impairment assessment for these amounts, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, the Group and the Company have taken into account the financial performance of related companies and subsidiary corporations, adjusted for factors that are specific to the related companies and subsidiary corporations and general economic conditions of the industry in which the related companies and subsidiary corporations operate, in estimating the probability of default of the amounts due from related companies and subsidiary corporations as well as the loss upon default. The Group and the Company determine the amounts due from related companies and subsidiary corporations to be subject to immaterial credit loss.

Due from outside parties and deposits

For purpose of impairment assessment, other receivables from outside parties and deposits are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the deposits since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. The Group and the Company determine the amounts due from outside parties and deposits are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

9 OTHER RECEIVABLES (cont'd)

The following table details the aging profile of the Group's other receivables excluding deposits and prepayments.

	Other receivables (excluding deposits and prepayments) – aging profile					
	1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	> 120 days	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
31 December 2023						
Gross other receivables	3,175	–	–	–	81,447	84,622
Loss allowance	–	–	–	–	(67,392)	(67,392)
Total	3,175	–	–	–	14,055	17,230
31 March 2023						
Gross other receivables	1,448	–	–	–	85,378	86,826
Loss allowance	–	–	–	–	(67,392)	(67,392)
Total	1,448	–	–	–	17,986	19,434

The table below shows the movement in lifetime ECL that has been recognised for other receivables in accordance with SFRS(I) 9:

	Lifetime ECL- credit impaired
	US$'000
Group	
Balance as at 31 March 2023 and 31 December 2023	–
Company	
Balance as at 31 March 2023 and 31 December 2023	214,131

There is no movement in loss allowance for the Company during the financial period ended 31 December 2023.

10 INVENTORIES

	Group	
	31 December 2023	31 March 2023
	US$'000	US$'000
Consumables and spares	382	930

11 CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	31 December 2023	31 March 2023
	US$'000	US$'000
Contract assets	18,281	–
Contract liabilities	202,175	51,567

Contract assets are balances due from customers under construction contracts that arise when the Group satisfies its obligations in line with a series of performance-related milestones. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. The increase in the contract assets balances during the reporting period is due to increase in newbuild contracts from a related party.

There are no retention monies held by customers for contract work as at 31 December 2023 and 31 March 2023.

The Group measures the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the vessel construction industry. None of the contract assets at the end of the reporting period is past due. Management has assessed that the amount of loss allowance is immaterial as at 31 December 2023.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for contract assets.

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise when a particular milestone payment exceeds the revenue recognised to date.

The increase in contract liabilities is due to more newbuild contracts entered into in the current financial period ended 31 December 2023 and the payments received exceed the progress of the contracts.

The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

	Group	
	31 December 2023	31 March 2023
	US$'000	US$'000
Shipyard and newbuild management services income	51,567	20,507

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group	
	31 December 2023	31 March 2023
	US$'000	US$'000
Investment in equity instruments designated at fair value through other comprehensive income ("FVTOCI"):		
Current assets		
Unquoted preference shares held in ROPL	31,729	31,729
Non-current assets		
Unquoted equity shares held in RVOS	60,853	60,853

These investments in equity instruments are not held for trading. Accordingly, management has elected to designate these investments in equity instruments as at FVTOCI as management believes that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

No investment in unquoted preference shares and unquoted equity shares measured at FVTOCI has been disposed of during the current reporting period.

Unquoted preference shares - ROPL

The investments in unquoted preference shares represent preference shares issued by related party, Resolute Offshore Pte Ltd ("ROPL") for the conversion of convertible bonds.

In 2011, the Group acquired the assets and liabilities from an unrelated party, CSOTL Offshore Limited ("CSOTL"). In the transaction, the vessel owned by CSOTL was transferred to ROPL, in exchange for US$155,000,000 of convertible bonds to be held by the Group. ROPL was subsequently disposed by its original shareholders to one of the Company's major shareholders, Swiber Holdings Limited. Pursuant to the change in shareholders, the convertible bonds were converted to cumulative preference shares issued by ROPL amounting to US$155,000,000.

During the financial period ended 31 March 2017, ROPL redeemed a total of US$13,000,000 of cumulative preference shares from the Group by cash, resulting in a net balance of US$77,200,000. No redemption was made during the financial period ended 31 December 2023 and financial year ended 31 March 2023.

The terms and conditions of the unquoted cumulative preference shares are set out below:

(i) Non-convertible;

(ii) Non-voting;

(iii) Dividend rate of 5.2% per annum payable semi-annually at the discretion of issuer. No dividend will be paid on the ordinary shares if payment is not made on the preference share dividends; and

(iv) Right to redeem the preference shares lies with the issuer. Redemption amount comprises of the par value.

As disclosed in Note 18, the Group triggered a technical default for a term loan with a carrying amount of US$31,729,000. The principal and interest remained outstanding as at 31 December 2023, including the additional interests and penalty payable of US$6,531,000 (31 March 2023: US$6,531,000) arising from the default; and is secured over the vessel held by the issuer of the preference shares.

During the financial period ended 31 March 2017, the Group recognised an impairment loss of US$45,471,000 on its unquoted preference shares subsequent to the completion of a review of fair value of its carrying amount of the asset consequent to the ultimate holding company of the issuer entering into judicial management in July 2016. No further impairment loss is recognised for the financial period ended 31 December 2023 and financial year ended 31 March 2023.

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (cont'd)

In view of the above developments, it is the intention of management to dispose the preference shares when appropriate. Accordingly, the preference shares have been presented as current assets. The Group is of the view that the adjusted net assets of the entity is a reasonable approximation of its fair value due to the nature of the assets and liabilities of the entity. This involves deriving the fair value of the preference shares by reference to the fair value of its issuer's assets and liabilities.

Reconciliation of fair value measurement of the unquoted preference shares:

	Group	
	31 December 2023	31 March 2023
	US$'000	US$'000
Cost of financial assets at fair value through other comprehensive income	77,200	77,200
Accumulated impairment recognised	(45,471)	(45,471)
Carrying amount	31,729	31,729

As the preference shares can be redeemed by the issuer based on the unpaid principal, the fair value of the unquoted preference shares is capped at the unpaid principal as at the end of each reporting period less any impairment losses.

Unquoted equity shares - RVOS

The investments in unquoted preference shares represent Group's 19.77% interests in the ordinary share capital of Rawabi Vallianz Offshore Services Company Limited ("RVOS"), an entity involved in provision of offshore marine support services.

During the financial year ended 31 March 2022, on 17 November 2021, Vallianz Investment Capital Pte. Ltd. ("VIC") (as Seller), a wholly-owned subsidiary of the Company, and Vallianz Holding Limited ("VHL") (as Seller's Shareholder) entered into a Sale and Purchase Agreement ("SPA") with Rawabi Energy Company ("REC") (as Buyer) and Rawabi Holding Company Limited ("RHC") (as Buyer's Shareholder) for the disposal by VIC of 90,000 ordinary shares in RVOS constituting 20.93% of the total paid-up issued share capital of RVOS to REC for a consideration of US$80,000,000.

On 12 January 2022, the Group completed its partial disposal of the shareholding interest in RVOS. Accordingly, the Group's shareholding interest in RVOS has reduced from 40.7% to 19.77%.

The Board has assessed that the Group will no longer have the ability to exercise significant influence over RVOS. Consequently, RVOS ceased to be an associate of the Group. The Group's remaining 19.77% interests in RVOS is accounted for as "financial assets at fair value through other comprehensive income" in the statement of financial position of the Group.

The valuation methodology for these investments is disclosed in Note 4(b)(vi).

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, management has elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

13 PROPERTY, PLANT AND EQUIPMENT

	Computers	Office furniture and equipment	Renovation	Motor vehicles	Vessels	Dry-docking	Plant and machineries	Leasehold building	Construction -in-progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group										
Cost:										
At 31 March 2022	797	603	439	121	193,431	7,704	9,871	13,891	4,220	231,077
Additions	101	17	202	35	11,002	–	10	–	6,234	17,601
Disposals	(46)	(33)	–	(60)	(26,690)	–	(7)	–	(2)	(26,838)
Transfer	–	–	–	–	2,325	3,185	–	–	(5,510)	–
Exchange differences	7	–	–	–	–	–	120	–	–	127
At 31 March 2023	859	587	641	96	180,068	10,889	9,994	13,891	4,942	221,967
Additions	153	5	7	–	12,210	607	348	123	5,415	18,868
Disposals	(3)	–	–	–	(1,298)	–	(252)	–	–	(1,553)
Transfer	–	–	–	–	1,298	4,206	–	–	(5,504)	–
Write-offs	–	–	–	–	–	–	–	–	(2,911)	(2,911)
Exchange differences	2	–	–	–	–	–	34	–	–	36
At 31 December 2023	1,011	592	648	96	192,278	15,702	10,124	14,014	1,942	236,407

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Computers	Office furniture and equipment	Renovation	Motor vehicles	Vessels	Dry-docking	Plant and machineries	Leasehold building	Construction -in-progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group										
Accumulated depreciation:										
At 31 March 2022	728	555	246	37	18,799	4,564	5,080	5,322	–	35,331
Depreciation for the year (Note 32)	80	24	92	38	3,195	1,364	398	965	–	6,156
Disposals	(47)	(33)	–	(53)	(4,812)	(530)	(7)	–	–	(5,482)
Exchange differences	6	–	–	–	–	–	120	–	–	126
At 31 March 2023	767	546	338	22	17,182	5,398	5,591	6,287	–	36,131
Depreciation for the period (Note 32)	101	9	102	21	2,972	1,337	357	674	–	5,573
Disposals	(3)	–	–	–	–	–	(252)	–	–	(255)
Exchange differences	2	–	–	–	–	–	33	–	–	35
At 31 December 2023	867	555	440	43	20,154	6,735	5,729	6,961	–	41,484
Accumulated impairment:										
At 31 March 2022	–	3	23	–	123,864	–	3,465	121	1,287	128,763
Disposals	–	–	–	–	(17,655)	–	–	–	–	(17,655)
At 31 March 2023 and 31 December 2023	–	3	23	–	106,209	–	3,465	121	1,287	111,108
Carrying amount:										
At 31 December 2023	144	34	185	53	65,915	8,967	930	6,932	655	83,815
At 31 March 2023	92	38	280	74	56,677	5,491	938	7,483	3,655	74,728

13 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Certain of the Group's property, plant and equipment with a total carrying amount of US$57,883,000 (31 March 2023: US$60,388,000) were mortgaged to financial institutions for facilities granted (Note 18). The leasehold building is located in Batam, Indonesia.

In the previous financial years and as at 31 December 2023, the Group recorded an accumulative impairment loss of US$111,108,000 on the carrying amount of its property, plant and equipment. This resulted from external market valuations that management obtained as at the relevant reporting period end. The external market valuations were based on comparison value of similar assets. During the financial period ended 31 December 2023, no additional impairment loss or reversal of impairment loss has been recognised.

	Computers	Office furniture and equipment	Motor vehicle	Renovation	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Company					
Cost:					
At 31 March 2022	14	25	111	130	280
Additions	3	–	–	–	3
At 31 March 2023	17	25	111	130	283
Additions	3	–	–	–	3
At 31 December 2023	20	25	111	130	286
Accumulated depreciation:					
At 31 March 2022	12	25	92	130	259
Depreciation for the year	3	–	19	–	22
At 31 March 2023	15	25	111	130	281
Depreciation for the period	2	–	–	–	2
At 31 December 2023	17	25	111	130	283
Carrying amount:					
At 31 December 2023	3	–	–	–	3
At 31 March 2023	2	–	–	–	2

14 RIGHT-OF-USE ASSETS

	Office premise	Office furniture and equipment	Vessels	Total
	US$'000	US$'000	US$'000	US$'000
Group				
Cost:				
At 31 March 2023	1,038	20	–	1,058
Addition for the period	649	–	5,306	5,955
At 31 December 2023	1,687	20	5,306	7,013
Accumulated depreciation:				
At 31 March 2023	588	1	–	589
Depreciation for the period	336	7	461	804
At 31 December 2023	924	8	461	1,393
Carrying amount:				
At 31 December 2023	763	12	4,845	5,620
Cost:				
At 31 March 2022	697	–	–	697
Addition for the year	341	20	–	361
At 31 March 2023	1,038	20	–	1,058
Accumulated depreciation:				
At 31 March 2022	329	–	–	329
Depreciation for the year	259	1	–	260
At 31 March 2023	588	1	–	589
Carrying amount:				
At 31 March 2023	450	19	–	469

Right-of-use assets acquired under leasing arrangements are presented separately in this Note. Details of such leased assets are disclosed in Note 15.

15 LEASES – THE GROUP AS A LESSEE

Nature of the Group's leasing activities

Office premise

The Group leases office space for the purpose of back office operations.

Office furniture and equipment

The Group leases office furniture and equipment for the purpose of back office operations.

15 LEASES – THE GROUP AS A LESSEE (cont'd)

Vessels

The Group leases vessels to render vessel chartering services.

(a) Carrying amounts of ROU assets

	Group	
	31 December 2023	31 March 2023
	US$'000	US$'000
Office premises	763	450
Office furniture and equipment	12	19
Vessels	4,845	–
Total (Note 14)	5,620	469

(b) Depreciation charge during the year

	31 December 2023	31 March 2023
	US$'000	US$'000
Office premises	336	259
Office furniture and equipment	7	1
Vessels	461	–
Total (Note 14)	804	260

(c) Interest expense

	31 December 2023	31 March 2023
	US$'000	US$'000
Interest expense on lease liabilities (Note 21)	197	15

(d) Lease expense not capitalised in lease liabilities

	31 December 2023	31 March 2023
	US$'000	US$'000
Lease expense – low value leases	11	140

(e) Total income from right-of-use assets in financial period ended 31 December 2023 was US$855,000 (Financial year ended 31 March 2023: Nil).

(f) Total cash outflow for all leases in financial period ended 31 December 2023 was US$1,111,000 (Financial year ended 31 March 2023: US$426,000).

(g) Addition of right-of-use assets during the financial period ended 31 December 2023 was US$5,955,000 (Financial year ended 31 March 2023: US$361,000).

16 LEASES – THE GROUP AS A LESSOR

The Group has leased out its owned vessels to third parties for monthly lease payments. This lease is classified as an operating lease because the risks and rewards incidental to ownership of the assets are not substantially transferred.

Charter hire income from vessels is disclosed in Note 28.

17 SUBSIDIARY CORPORATIONS

	Company	
	31 December 2023	31 March 2023
	US$'000	US$'000
Unquoted equity shares, at cost		
Beginning of financial period/year	29,866	29,816
Addition [(a)]	–	50
End of financial period/year	29,866	29,866
Accumulated impairment loss		
Beginning and end of financial period/year	(29,412)	(29,412)
Carrying amount	454	454

(a) On 13 October 2022, the Company acquired 100% equity interest in Vallianz Prestige Pte. Ltd. ("Vallianz Prestige") for a cash consideration of US$1.

On 13 February 2023, Vallianz Prestige allotted and issued 49,999 ordinary shares and the Company subscribed 100% of the shares issued for a cash consideration of US$49,999. Vallianz Prestige remains a wholly owned subsidiary corporation of the Company. The Company was dormant for the financial year ended 31 March 2023.

Details of the key subsidiary corporations are as follows:

Name of subsidiary corporation	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		31 December 2023	31 March 2023	
		%	%	
Resolute Pte. Ltd. [(1)]	Singapore	51	51	Investment holding.
Vallianz International Pte. Ltd. [(1)]	Singapore	100	100	Investment holding.
Vallianz Corporate Services Pte. Ltd. [(1)]	Singapore	100	100	Provision of corporate services.
Vallianz Investment Capital Pte. Ltd. [(1)]	Singapore	100	100	Investment holding.
Vallianz Prestige Pte. Ltd. [(1)]	Singapore	100	100	Vessel ownership and chartering.
Vallianz Marine Mexico S.A. De C.V [(4)]	Mexico	49	49	Vessel ownership and chartering.

17 SUBSIDIARY CORPORATIONS (cont'd)

Name of subsidiary corporation	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		31 December 2023	31 March 2023	
		%	%	
Held by Vallianz International Pte. Ltd.				
Samson Marine Pte. Ltd. (1)	Singapore	100	100	Vessel ownership and chartering.
Vallianz Marine Pte. Ltd. (1)	Singapore	100	100	Vessel ownership and chartering.
Vallianz Offshore Marine Pte. Ltd. (1)	Singapore	100	100	Vessel management and chartering.
Vallianz Shipbuilding & Engineering Pte. Ltd. (1)	Singapore	100	100	Provision of shipyard and engineering services.
Newcruz International Pte. Ltd. (1)	Singapore	100	100	Investment holding.
Hamilton Offshore Services Pte. Ltd. (1) (6)	Singapore	100	100	Provision of shipyard and engineering services.
OER Holdings Pte. Ltd. (3)	Singapore	100	100	Investment holding.
RI Capital Holdings Pte. Ltd. (3)	Singapore	100	100	Investment holding.
Samson Engineering Limited (3)	Labuan, Malaysia	100	100	Provision of shipbuilding and engineering services.
Holmen Heavylift Offshore Pte. Ltd. (1)	Singapore	75	75	Investment holding and vessel chartering.
Held by Vallianz Shipbuilding and Engineering Pte. Ltd.				
Jetlee Shipbuilding & Engineering Pte. Ltd. (1)	Singapore	100	100	Provision of shipyard and engineering services.
Held by Jetlee Shipbuilding and Engineering Pte. Ltd.				
PT United Sindo Perkasa (2)	Indonesia	95.24	95.24	Provision of shipyard and engineering services.
Held by Vallianz Investment Capital Pte. Ltd.				
Rawabi Vallianz International Company Limited (4)(5)	Kingdom of Saudi Arabia	50	50	Provision of offshore marine support services.

17 SUBSIDIARY CORPORATIONS (cont'd)

Name of subsidiary corporation	Country of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		31 December 2023	31 March 2023	
		%	%	
Held by Holmen Heavylift Offshore Pte. Ltd.				
Holmen Arctic Pte. Ltd. (1)	Singapore	75	75	Vessel ownership and chartering.
Holmen Atlantic Pte. Ltd. (1)	Singapore	75	75	Vessel ownership and chartering.
Holmen Pacific LLC (1)	Marshall Island	75	75	Vessel ownership and chartering.
Held by OER Holdings Pte. Ltd.				
OER Services Pte. Ltd. (3)	Singapore	100	100	Crewing management.
Held by Newcruz International Pte. Ltd.				
Newcruz Shipbuilding & Engineering Pte. Ltd. (3)	Singapore	100	100	Manufacture, Assembly and repair of ships and vessels.

(1) Audited by CLA Global TS Public Accounting Corporation, Singapore.

(2) Audited by KAP. Hendrawinata Hanny Erwin & Sumargo, Indonesia.

(3) Reviewed by CLA Global TS Public Accounting Corporation, Singapore for purposes of consolidation.

(4) Not required to be audited under the laws of the country of incorporation.

(5) The Group had acquired all of the economic benefits of Rawabi Vallianz International Company Limited ("RVIC") with effect from 1 October 2019. Accordingly, the Group has consolidated the results of RVIC. There is no profit or loss allocated to non-controlling shareholders. The non-controlling interests remain at the same amount as at the date of acquisition.

(6) On 5 April 2022, Hamilton Offshore Services Pte. Ltd. ("HOS") had issued 49,998 new ordinary shares for a total consideration of US$49,998 by way of capitalisation of the loan amounting to US$49,998 due to Vallianz International Pte Ltd ("VIPL") by HOS. VIPL is a wholly owned subsidiary corporation of the Company. HOS remains a wholly owned subsidiary corporation of the Group.

17 SUBSIDIARY CORPORATIONS (cont'd)

Information about the material wholly-owned subsidiary corporations of the Group at the end of the financial period is as follows:

Principal activities	Place of incorporation	Number of material wholly-owned subsidiary corporations 31 December 2023	31 March 2023
Vessel ownership and chartering.	Singapore	3	3
Vessel management and chartering.	Singapore	1	1
Investment holding.	Singapore	5	5
Provision of corporate services.	Singapore	1	1
Provision of shipbuilding/shipyard and engineering services.	Singapore	2	2
Manufacture, assembly and repair of ships and vessels.	Singapore	1	1
Crewing management.	Singapore	1	1
		14	14

Details of non-wholly owned subsidiary corporations that have non-controlling interests to the Group are as disclosed below.

Name of subsidiary corporations	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests (%)		Total comprehensive income/(loss) allocated to non-controlling interests (US$'000)		Accumulated non-controlling interests (US$'000)	
		31 December 2023	31 March 2023	31 December 2023	31 March 2023	31 December 2023	31 March 2023
Resolute Pte. Ltd.	Singapore	49	49	(10)	(15)	1,230	1,240
Vallianz Marine Mexico, S.A De C.V	Mexico	51	51	(13)	–	(3,495)	(3,482)
Holmen Group	Singapore	25	25	(1,671)	(1,873)	(22,324)	(20,653)
Rawabi Vallianz International Company Limited (1)	Kingdom of Saudi Arabia	50	50	–	–	–	–
PT United Sindo Perkasa (2)	Indonesia	4.76	4.76	18	–	518	500
				(1,676)	(1,888)	(24,071)	(22,395)

(1) The Group had acquired all of the economic benefits of Rawabi Vallianz International Company Limited ("RVIC") with effect from 1 October 2019. Accordingly, the Group has consolidated the results of RVIC and there is no profit or loss allocated to non-controlling shareholders. The non-controlling interests remain at the same amount as at the date of acquisition.

(2) The non-controlling interests of PTUSP is not material to these financial statements, as such, no further disclosure is made.

17 SUBSIDIARY CORPORATIONS (cont'd)

Summarised financial information in respect of each of the Group's subsidiary corporations that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	Vallianz Marine Mexico, S.A De C.V		Holmen Group		Resolute Pte. Ltd.	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023	31 December 2023	31 March 2023
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Current assets	2,161	2,161	16,251	15,404	34,962	34,960
Non-current assets	–	–	55,787	55,119	–	–
Current liabilities	(9,063)	(9,037)	(160,167)	(99,604)	(44,267)	(44,244)
Non-current liabilities	–	–	–	(52,366)	–	–
Equity attributable to owners of the Group	(3,382)	(3,369)	(66,097)	(61,085)	1,280	1,291
Non-controlling interests	(3,520)	(3,507)	(22,032)	(20,362)	1,230	1,240
Revenue	–	–	–	–	–	–
Expenses	(26)	–	(6,682)	(7,493)	(21)	(30)
Loss for the period/year	(26)	–	(6,682)	(7,493)	(21)	(30)
Loss attributable to owners of the Group	(13)	–	(5,011)	(5,620)	(11)	(15)
Loss attributable to the non-controlling interests	(13)	–	(1,671)	(1,873)	(10)	(15)
Loss for the period/year	(26)	–	(6,682)	(7,493)	(21)	(30)
Net cash inflow from operating activities	–	–	2,861	4,485	–	–
Net cash outflow from investing activities	–	–	–	(4,246)	–	–
Net cash outflow from financing activities	–	–	–	(298)	–	–
Net cash inflow/(outflow)	–	–	2,861	(59)	–	–

As at 31 December 2023, the Company has given undertakings to provide financial support up to US$624,086,000 (31 March 2023: US$577,168,000) to certain subsidiary corporations who were in a net current liabilities position.

18 TERM LOANS

	Group	
	31 December 2023	31 March 2023
	US$'000	US$'000
Loans	125,418	121,633
Less: Amount due for settlement within 12 months (shown under current liabilities)	(123,988)	(34,149)
Amount due for settlement after 12 months	1,430	87,484
Within 2 to 5 years	1,430	–
After 5 years	–	87,484
Amount due for settlement after 12 months	1,430	87,484
Term loans are represented by:		
Term loan I	87,174	87,484
Term loan II	31,729	31,729
Term loan III	6,515	2,420
	125,418	121,633

As at 31 December 2023 and 31 March 2023, the Group has various bank loans with repayment terms of up to 2027 (As at 31 March 2023: 2030).

The carrying amount of floating rate loans amounting to US$118,903,000 (31 March 2023: US$119,213,000) approximates the fair value as the interest rates approximate the prevailing market rates. Management estimates the fair value of the Group's fixed rate borrowings with carrying amount of US$6,515,000 (31 March 2023: US$2,420,000), by discounting their future cash flows at the market rate, to be US$6,322,000 (31 March 2023: US$2,119,000). This fair value measurement is categorised as Level 3 within the fair value hierarchy.

The bank loans are secured by:

(i) mortgage over the property, vessels and equipment of the Group (Note 13) and a vessel held by a related company of a corporate shareholder;

(ii) assignment of marine insurances in respect of some of the vessels mentioned above;

(iii) assignment of earnings/charter proceeds in respect of certain vessels mentioned above;

(iv) corporate guarantees from the Company (Note 36);

(v) the unquoted preference shares held by the Group (Note 12); and

(vi) shares in subsidiary corporations incorporated in Singapore.

18 TERM LOANS (cont'd)

Term loan I

On 10 March 2017, the Group entered into a framework agreement (the "Agreement") with certain lenders, (the "Lenders") to refinance some of its existing borrowings of approximately US$163,200,000. Pursuant to the Agreement, the profile of the borrowings with the lenders was restructured to a repayment term of approximately 8.2 years and the maturity of these borrowings were extended to December 2022.

On 19 February 2021, the Company has entered into a debt-restructuring agreement ("RA") with two financial institutions and there is a principal moratorium period until 31 March 2022. The financial covenants tests shall be applied on an annual basis beginning in the financial year ended 31 March 2023. The final maturity date was extended to 96 months from the effective date. On or from the effective date, an aggregate amount of US$50,000,000 shall immediately be reconstituted into US$50,000,000 in principal amount of bonds as part of the debt-restructuring agreement. Prior to the settlement via bonds, the outstanding principal of the Group was US$145,099,000. On 22 June 2021, approval has been obtained from shareholders for proposed issuance of convertible bonds to two financial institutions and the bonds, Series A and Series B Convertible Bonds, had been issued on 12 August 2021. Refer to Note 23 to the financial statements for further disclosure on convertible bonds.

On the final maturity date, the Group shall make a bullet repayment or payment of the outstanding principal after deducting all amounts previously repaid or paid through the cash sweep. Commencing from 1 April 2022 until final maturity date or until the date on which the balance of the outstanding principal is repaid and discharged in full, the independent accountant will determine the cash generated by the Singapore Fleet (vessels owned by the Group), for the six month period ending on each determination date (31 March and 30 September of each financial year) after deducting (i) operational costs, (ii) sales and general administrative expenses, (iii) professional fees and expenses, (iv) tax, (v) interest payment, incurred by the Singapore Fleet, and (vi) US$1 million (the "Surplus Cash"). The Group shall apply such Surplus Cash generated from the Singapore Fleet to the lenders toward the prepayment of the outstanding principal (the "Cash Sweep"). If the amount of Surplus Cash is negative or less than US$100,000 for any period ending on Surplus Cash Determination Date, the amount of Surplus Cash shall be deemed to be zero.

As at 31 December 2023 and 31 March 2023, the Group had breached the financial covenants of consolidated tangible net worth, the ratio of total debt to EBITDA, the ratio of net debt to EBITDA and the ratio of EBITDA to finance charges under the Restructuring Agreement with two financial institutions. In the prior financial year, the Group has obtained a waiver letter from the two financial institutions up to 31 March 2024. As the waiver is not for the next 12 months from the reporting date, management has presented the full amount as current liabilities on the consolidated statement of financial position as at 31 December 2023. Subsequent to 31 December 2023, the Group obtained a conditional waiver notice for the extension of waiver up to 31 December 2024.

Term loan II

As at 31 March 2017, a non-repayment of the instalment payment of US$31,729,000 by a subsidiary corporation triggered a technical default of its loan arrangement. The loan is also secured by the mortgage of a vessel held by a related company of a major shareholder. Accordingly, the amount has been presented as current liabilities on the consolidated statement of financial position since 31 March 2017.

Term loan III

As at 31 December 2023 and 31 March 2023, the Group has breached the financial covenants of positive net profit margin, debt service coverage ratio and debt to equity ratio with the financial institution. In prior year, waiver letter was not obtained as at 31 March 2023. Consequently, the non-current portion of the term loan, amounting to US$1,880,000 has been classified as current liabilities as the Group does not have the unconditional right to defer settlement of the non-current term loan. As at 31 December 2023, the Group has secured a letter from the financial institution stating that the breach does not affect the credit facility that has been granted, albeit with certain conditions.

As at date of these financial statements, the Group has not been served with any notices of events of default for any of its loans.

18 TERM LOANS (cont'd)

The table below details changes in the Group's liabilities arising from financial activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	1 April 2023	Financing cash flow (i)	31 December 2023
	US$'000	US$'000	US$'000
Term loans	121,633	3,785	125,418

	1 April 2022	Financing cash flow (i)	31 March 2023
	US$'000	US$'000	US$'000
Term loans	123,574	(1,941)	121,633

(i) The cash flows make up the gross amount of proceeds from borrowings net of repayments of borrowings in the consolidated statement of cash flows.

19 TRADE PAYABLES

	Group		Company	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023
	US$'000	US$'000	US$'000	US$'000
Outside parties	9,794	4,142	–	–
Related companies	3,414	3,997	–	–
	13,208	8,139	–	–

The average credit period on trade payables is 30 days (31 March 2023: 30 days) and no interest is charged on the balances.

20 OTHER PAYABLES

	Group		Company	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023
	US$'000	US$'000	US$'000	US$'000
Outside parties	4,837	4,515	374	645
Subsidiary corporations	–	–	335,502	325,489
Related companies	98	9,162	145	13
Accruals	46,155	24,799	11,370	19,966
	51,090	38,476	347,391	346,113

The average credit period on other payables due to outside parties is 30 days (31 March 2023: 30 days) and no interest is charged on the balances. The amounts due to subsidiary corporations and related companies are unsecured, interest-free and repayable on demand.

21 LEASE LIABILITIES (THE GROUP AS A LESSEE)

Lease liabilities

	Group	
	31 December 2023	31 March 2023
	US$'000	US$'000
Maturity analysis:		
Year 1	2,127	169
Year 2	1,671	339
Year 3	1,589	4
Year 4	684	6
Year 5	–	–
	6,071	518
Less: Unearned interest	(519)	(18)
	5,552	500
Analysed as:	1,866	151
Current	3,686	349
Non-current	5,552	500

The Group does not face a significant liquidity risk with regard to its lease liabilities.

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified, in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash		
	1 April 2023	Principal and interest payment	Additions	Interest expense	31 December 2023
	US$'000	US$'000	US$'000	US$'000	US$'000
Lease liabilities	500	(1,100)	5,955	197	5,552

			Non-cash		
	1 April 2022	Principal and interest payment	Additions	Interest expense	31 March 2023
	US$'000	US$'000	US$'000	US$'000	US$'000
Lease liabilities	401	(277)	361	15	500

22 DEFERRED TAX

	Group	
	31 December 2023	31 March 2023
	US$'000	US$'000
Deferred tax liabilities	1,195	1,449

The movements in deferred tax liabilities are as follows:

	Group
	Accelerated tax depreciation
	US$'000
At 1 April 2022	1,613
Credit to profit or loss (Note 31)	(166)
Others	2
At 31 March 2023	1,449
Credit to profit or loss (Note 31)	(196)
Others	(58)
At 31 December 2023	1,195

At the end of the reporting period, the aggregate amount of temporary differences associated with unremitted earnings of subsidiary corporations for which deferred tax liabilities have not been recognised is Nil (31 March 2023: Nil).

23 CONVERTIBLE BONDS

As disclosed in Note 18 to the financial statements, on 12 August 2021, the Company issued Series A and Series B Convertible Bonds with a nominal value of US$50,000,000 in aggregate, and US$43,766,662 and US$6,233,338 respectively, to two financial institutions. The bonds bear interest for each interest period at the rate equal to the six-month USD LIBOR per annum and subsequently being replaced by the six-month SOFR with pre-determined credit adjustment spread per annum and are payable in cash semi-annually in arrears on each interest payment date by way of Surplus Cash as defined in Note 18 to the financial statements. 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. The bonds are due for repayment 96 months from the issue date at their nominal value of US$50,000,000 or may be converted into ordinary shares of the Company at the option of the holder, at any time from the issue date up to the close of business (at the specified office of the issue) on the date falling three business days prior to the maturity date, at the initial rate of S$0.10 per share, subject to adjustment stipulated in the agreements with the respective financial institutions.

The fair value of the liability component, included in non-current, is calculated using a weighted average effective interest rate of the Group. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity.

During the financial period ended 31 December 2023, the Company has repaid the interest of US$1,333,000 by way of capitalisation in the form of additional Series A and Series B Bonds with a value of US$1,333,000 on 30 September 2023.

On 31 October 2023, the Company had entered into a Settlement Agreement with one bondholder to fully settle ("Settlement") the Series B floating rate Convertible Bonds due 2029 ("Series B CB"). Pursuant to the Settlement Agreement and in consideration of the payment of the settlement amount ("Settlement Amount") by the Company, the bondholder agrees to transfer the Series B CB to the Company, and the Company agrees to acquire and accept such transfer of the Series B CB, free from all encumbrances and together with all rights, benefits and remedies attaching thereto as at the completion date.

23 CONVERTIBLE BONDS (cont'd)

The Settlement Amount for the above is US$3,957,749. The payment of the Settlement Amount by the Company to the bondholder shall be deemed to be full and final Settlement of all the Company's obligations under the Series B CB and the bondholder shall waive any and all claims and rights and title that it may have in respect of the Series B CB following its receipt of the Settlement Amount. On 31 October 2023, pursuant to the Settlement Agreement, the Company fully paid the Settlement Amount.

The net proceeds received from the issue of the convertible bonds have been split between a liability component and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of the company, as follows:

	31 December 2023	31 March 2023
	US$'000	US$'000
Group and Company		
Proceeds of convertible bonds at issuance	50,000	50,000
Accumulated capitalised interest expense	2,650	1,317
Partial redemption of convertible bonds	(6,803)	–
Net proceeds from issuance of convertible bonds	45,847	51,317

	31 December 2023	31 March 2023
	US$'000	US$'000
Group and Company		
Equity component at issuance	6,679	6,679
Accumulated capitalised interest expense	83	40
Partial redemption of convertible bonds	(843)	–
Amount classified in equity reserves	5,919	6,719
Liability component at issuance (net transaction costs)	43,321	43,321
Interest charged (using effective interest method)	1,917	1,310
Partial redemption of convertible bonds	(5,960)	–
Accumulated capitalised interest expense	2,567	1,277
Carrying amount of liability component at 31 December 2023	41,845	45,908

24 SHARE CAPITAL

	Group and Company			
	31 December 2023	31 March 2023	31 December 2023	31 March 2023
	'000	'000	US$'000	US$'000
	Number of ordinary shares			
Issued and paid up:				
At the beginning and end of the period/year	1,211,620	1,211,620	382,274	382,274

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

25 PERPETUAL CAPITAL SECURITIES

In 2014, the Company issued Perpetual Capital Securities amounting to US$22,500,000 as partial settlement for consideration of certain acquisitions to a corporate shareholder.

Holders of the US$22,500,000 of perpetual capital securities are conferred a right to receive distribution, which are declared at the Company's discretion, on a semi-annual basis from their issue date at the rate of 4.0% per annum, subject to a step-up rate of 7% from 30 December 2017.

The perpetual capital 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. While any distributions are unpaid or deferred, the Company, will not declare, pay dividends or make similar periodic payments in respects of, or repurchase, redeem or otherwise acquire any securities of lower rank.

The Company has not redeemed in whole, or in part, the Perpetual Capital Securities after 30 December 2017, and has exercised its rights under the terms and conditions of the Perpetual Capital Securities to defer the payment of distribution for the Perpetual Capital Securities until further notice by the Company.

During the financial year ended 31 March 2023, the Group has breached the financial covenants imposed by the sole Perpetual Securities Holder and has secured a waiver for the breaches from the sole Perpetual Securities holder which remains effective till 31 March 2024. Subsequent to the financial period ended 31 December 2023, the Group had obtained a conditional waiver notice for the extension of waiver up to 31 December 2024.

26 FOREIGN CURRENCY TRANSLATION RESERVE

Exchange differences relating to the translation from the functional currencies of the Group's subsidiary corporations into United States dollar are brought to account by recognising those exchange differences in other comprehensive income and accumulating them is a separate component of equity under the header of foreign currency translation reserve.

Movement in translation reserve is as follows:

	Group	
	31 December 2023	31 March 2023
	US$'000	US$'000
At beginning of the period/year	74	24
Net currency translation differences of financial statements of foreign subsidiary corporations	16	50
At end of the period/year	90	74

27 SHAREHOLDER'S ADVANCES

Pursuant to the loan agreement entered into with RHC in 2016, the Company was entitled to elect repayment of the loan amounting to US$102,087,000 outstanding as at 31 March 2017 via issuance of equity shares in the Company.

On 24 May 2017, the Group entered into a set-off and settlement agreement ("RHC SOSA") with RHC which has subscribed for its pro rata entitlement of 672,000,000 Rights Shares with 1,344,000,000 Warrants, as well as 2,372,505,000 Excess Rights Shares with 4,745,010,000 Warrants. RHC had exercised 5,810,307,000 Warrants out of 6,089,010,000 Warrants allotted to it into New Shares, for a total subscription amount of US$66,987,000. This, together with the subscription of the Rights cum Warrants Issue of US$35,100,000, had been used to fully set-off against all the Shareholder's Advances totalling US$102,087,000 pursuant to the RHC SOSA. As a result of the RHC SOSA, RHC gained controlling interest in the Company in 2018.

Subsequently, the Group executed a facility agreement on 19 June 2020, effectively replacing the loan agreement initiated in 2016. This facility agreement is structured into two tranches, each designated for distinct purposes. Tranche A is specifically earmarked for repaying prior year utilised loans from RHC, while Tranche B facilitates cash advances for the Group's general corporate financing needs, amounting to US$109,458,000 and up to US$50,000,000 respectively. Following this, the facility agreement was renewed on 1 January 2023 with new credit facility limits on Tranche A and B amounting to US$32,572,000 and US$100,000,000 respectively. Notably, within the framework of the facility agreement, both RHC and Rawabi Vallianz Offshore Services ("RVOS") retain the prerogative to set-off any matured obligations owed by the Group against the cash advances extended.

Per the terms outlined in the agreement, a 5% per annum interest rate is applicable to each loan from its respective due date. Failure to remit interest on outstanding amounts will lead to compounding with the principal sum.

On 16 July 2023, the Group entered into a novation agreement with Rawabi Energy Company ("REC") and RHC to effect the transfer of existing shareholder's advances. RHC had transferred these advances to its wholly-owned subsidiary, REC, over which RHC exercises complete control. REC is required to obtain pre-consent from RHC before exercising any associated economic rights.

During the financial period ended 31 December 2023, the Group received cash advances from REC, a wholly-owned subsidiary of RHC, amounting to US$10,800,000 (31 March 2023: US$16,535,000 from RHC) and as at the end of financial period, has net receivables of US$3,855,000 for transactions with REC (31 March 2023: net payables of US$9,628,000 for transactions with RHC).

As at 31 December 2023, the Group has trade and other payables of US$46,783,000 (31 March 2023: US$39,838,000) owing to REC. RHC as the controlling party of REC has provided an undertaking to classify these amounts owed by the Group as shareholder's advances under equity. The amount was classified as equity as management is of the view that the Group does not have the contractual obligation to deliver cash or other financial assets or exchange financial assets or financial liabilities under conditions potentially unfavourable to the Group to settle these amounts owed to REC.

28 REVENUE

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time from the following major revenue streams. The disclosure of revenue by stream is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (Note 35).

Disaggregation of the Group's revenue for the period by timing of revenue recognition is as follows:

	Group	
	For the financial period from 1 April 2023 to 31 December 2023 (9 months)	For the financial year ended 31 March 2023 (12 months)
	US$'000	US$'000
At a point in time:		
Vessel chartering and management	12,269	44,925
Shipyard and newbuild management services	850	8,200
	13,119	53,125
Over time:		
Vessel chartering and management	15,497	19,907
Shipyard and newbuild management services	186,057	76,142
	201,554	96,049
	214,673	149,174

The Group has applied the practical expedient of SFRS(I) 15 not to disclose the performance obligation to be rendered during the remaining contract period of charter hire and service agreements, as the Group has the right to invoice the customers based on the satisfied performance obligations.

As at 31 December 2023 and 31 March 2023, there were unsatisfied and partially satisfied performance obligations at the end of the reporting period in shipyard and newbuild management services income which the transaction price allocated as at the end of the reporting period is set out below.

	Group	
	For the financial period from 1 April 2023 to 31 December 2023 (9 months)	For the financial year ended 31 March 2023 (12 months)
	US$'000	US$'000
Shipyard and newbuild management services	750,660	407,960

Management expects that 87% (31 March 2023: 80%) of the transaction price allocated to the unsatisfied and partially unsatisfied contracts as of the end of the reporting period amounting to US$653,074,000 will be recognised as revenue during the next reporting period, i.e. financial year ending 31 December 2024 (31 March 2023: US$326,368,000 will be recognised in the financial year ended 31 March 2024). The remaining 13% (31 March 2023: 20%) amounting to US$97,586,000 will be recognised in the following reporting period, i.e. financial year ending 31 December 2025 (31 March 2023: US$81,592,000 will be recognised in the financial year ending 31 March 2025).

29 OTHER LOSS, NET

	Group	
	For the financial period from 1 April 2023 to 31 December 2023 (9 months)	For the financial year ended 31 March 2023 (12 months)
	US$'000	US$'000
Net foreign exchange loss	(56)	(690)
Property, plant and equipment written off	(2,911)	–
Gain on disposal of property, plant and equipment	–	715
Gain on strike-off of subsidiary corporations	1	–
Loss allowance for trade and other receivables reversed/(recognised) (Notes 8 and 9)	832	(1,610)
Bad debt written off	(3,084)	(565)
Creditors written back	505	–
Interest income [(1)]	349	314
Others	367	(328)
	(3,997)	(2,164)

(1) These comprise interest income derived from short term deposits and late interest charges on overdue invoices.

30 FINANCE COSTS

These comprise interest on loans, amortised facility fees, convertible bonds and interest on lease liabilities paid to outside parties (Note 18, 21, 23 and 25) and interest on loan from the ultimate holding company and the subsidiary of the ultimate holding company who is controlled by the ultimate holding company (Note 5).

31 INCOME TAX (CREDIT)/EXPENSE

	Group	
	For the financial period from 1 April 2023 to 31 December 2023 (9 months)	For the financial year ended 31 March 2023 (12 months)
	US$'000	US$'000
Current income tax		
- charge to profit or loss	60	78
- under provision in prior year	6	1,438
Deferred income tax		
- credit to profit or loss (Note 22)	(164)	(166)
- over provision in prior year (Note 22)	(32)	–
Total	(130)	1,350

31 INCOME TAX (CREDIT)/EXPENSE (cont'd)

Domestic income tax is calculated at 17% (31 March 2023: 17%) of the estimated assessable profit for the period/year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. Six Singapore subsidiary corporations (31 March 2023: six Singapore subsidiary corporations) earned shipping income from the charter of ships and are exempted from tax under Section 13A of the Singapore Income Tax Act.

The total charge for the period/year can be reconciled to the accounting loss as follows:

	Group	
	For the financial period from 1 April 2023 to 31 December 2023 (9 months)	For the financial year ended 31 March 2023 (12 months)
	US$'000	US$'000
Loss before tax	(85)	(9,926)
Income tax credit calculated at 17% (31 March 2023: 17%)	(14)	(1,687)
Effect of expenses that are not deductible	6,874	6,079
Effect of income that are not subjected to tax	(3,254)	(2,399)
Effect of different tax rates of subsidiary corporations operating in other jurisdictions	(1,554)	(2,265)
Deferred tax benefit not recognised	–	137
Tax incentive	(78)	–
(Over)/under provision of tax in prior year	(26)	1,438
Utilisation of previously unrecognised:		
- tax losses	(2,080)	–
Others	2	47
Total	(130)	1,350

Subject to agreement with the relevant tax authorities, the Group has estimated tax losses carry forwards which are available for offsetting against future taxable income as follows:

	Group	
	For the financial period from 1 April 2023 to 31 December 2023 (9 months)	For the financial year ended 31 March 2023 (12 months)
	US$'000	US$'000
Amount at beginning of period/year	42,156	41,351
Arising during current period/year	–	805
Utilised during the period/year	(12,235)	–
Amount at end of period/year	29,921	42,156
Deferred tax benefit on above not recorded	5,087	7,167

No deferred tax asset has been recognised on the above due to the unpredictability of future profit streams.

32 (PROFTT)/LOSS FOR THE PERIOD/YEAR

(Profit)/loss for the period/year has been arrived at after charging/(crediting):

	Group	
	For the financial period from 1 April 2023 to 31 December 2023 (9 months)	For the financial year ended 31 March 2023 (12 months)
	US$'000	US$'000
Fees to auditors of the Company: Audit fees	205	180
Audit fees to other auditors of the Group	6	6
Depreciation of property, plant and equipment (Note 13)	5,573	6,156
Directors' remuneration (including directors' fees)	374	1,006
Employee benefits expense (including directors' remuneration)	7,282	8,553
Defined contribution benefits included in employee benefits expense	740	860
Exceptional loss on disposal of vessel (i)	–	3,195
Exceptional gain on partial redemption of convertible bond (ii)	(2,031)	–

(i) During the financial year ended 31 March 2023, Samson Marine Pte Ltd, a wholly-owned subsidiary corporation disposed a vessel, Rawabi 18 that gave rise to a loss on disposal of US$3,195,000. The disposal took into consideration the age, state of the vessel, high operating and up-keep costs of the vessel. Rawabi 18 was arrested in United Arab Emirates since FY2017 due to the non-repayment for bunkers supplied by World Fuel Services (Singapore) Pte Ltd ("WFS") while the vessel was under the charter of Swiber Offshore Construction Pte Ltd which has been placed under liquidation. A commercial settlement was arrived at with WFS on 10 June 2022 and the arrest was lifted on 30 June 2022.

(ii) On 31 October 2023, the Group had entered into a full and final settlement agreement with the bondholder for the early redemption of Series B Convertible Bonds at a haircut fraction of the principal sum which resulted with a gain of US$2,031,000 during the financial period ended 31 December 2023 (Note 23).

33 EARNINGS/(LOSS) PER SHARE

Basic

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	Group	
	For the financial period from 1 April 2023 to 31 December 2023 (9 months)	For the financial year ended 31 March 2023 (12 months)
Profit/(loss)		
Net profit/(loss) for the attributable to owners of the Company (US$'000)	1,726	(9,388)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earning/(loss) per share ('000)	1,211,620	1,211,620
Basic earnings/(loss) per share (cent per share)	0.14	(0.77)

33 EARNINGS/(LOSS) PER SHARE

Diluted

For the purpose of calculating diluted earnings/(loss) per share, profit/(loss) attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company's dilutive potential ordinary shares are in the form of convertible bonds.

Convertible bonds are assumed to have been converted into ordinary shares at issuance and the net profit is adjusted to eliminate the interest expense less the tax effect.

The convertible bonds are anti-dilutive as the interest (net of tax and other changes in income or expense) per ordinary share obtainable on conversion exceeds basic earnings per share for the financial period ended 31 December 2023 and the Group recorded a loss before tax for the financial year ended 31 March 2023.

34 COMMITMENTS

Details of the Company's commitments for guarantees provided for the subsidiary corporations and associate has been included in Note 4(b)(iv) under credit risk management.

35 SEGMENT INFORMATION

The executive director of the Group, who reviews the consolidated results prepared in the following reportable segments when making decisions about allocating resources and assessing performance of the Group:

(i) Vessel chartering and management: chartering of vessels and third-party vessel management services;

(ii) Shipyard and newbuild management services: in-house fabrication and engineering services such as ship building, fabrication works and ship repairs, brokerage income, commission income, as well as consultancy and vessel project management; and

(iii) Investment holding: holding investments for long-term purposes.

35 SEGMENT INFORMATION (cont'd)

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible and financial assets attributable to each segment based on the types of revenue it generates. All assets and liabilities are allocated to reportable segments, except for deferred tax assets and deferred tax liabilities.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2.

Information regarding the operations of each reportable segment is included below.

	Vessel chartering and management		Shipyard and newbuild management services		Investment holding		Total	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023	31 December 2023	31 March 2023	31 December 2023	31 March 2023
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue								
External sales	27,766	64,832	186,907	84,342	–	–	214,673	149,174
Results								
Segment results	8,281	7,104	4,290	15	(5,425)	(4,914)	7,146	2,205
Finance costs	(4,378)	(3,470)	(121)	(176)	(4,763)	(5,290)	(9,262)	(8,936)
Operating profit/(loss) from ordinary activities and before share of results of associate and exceptional expenses	3,903	3,634	4,169	(161)	(10,188)	(10,204)	(2,116)	(6,731)
Exceptional item	–	(3,195)	–	–	2,031	–	2,031	(3,195)
Loss before tax							(85)	(9,926)
Income tax credit/(expense)							130	(1,350)
Profit/(loss) for the period/year							45	(11,276)

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2023 to 31 December 2023

35 SEGMENT INFORMATION (cont'd)

	Vessel chartering and management		Shipyard and newbuild management services		Investment holding		Group	
	31 December 2023	31 March 2023	31 December 2023	31 March 2023	31 December 2023	31 March 2023	31 December 2023	31 March 2023
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Segment assets and segment liabilities								
Segment assets	109,475	81,556	234,002	73,957	104,129	112,216	447,606	267,729
Segment liabilities	100,567	131,831	259,787	63,814	79,649	71,253	440,003	266,898
Deferred tax liabilities							1,195	1,449
Total liabilities							441,198	268,347
Other information								
Loss allowance for trade and other receivables recognised/(reversed) (Note 29)	407	548	(1,239)	1,062	–	–	(832)	1,610
Depreciation of property, plant and equipment (Note 13)	4,072	4,366	1,421	1,623	80	167	5,573	6,156
Bad debt written off (Note 29)	8	565	1,693	–	1,383	–	3,084	565
Net foreign exchange (gain)/loss (Note 29)	(137)	82	151	575	42	33	56	690
Loss on disposal of property, plant and equipment	–	2,495	–	–	–	(15)	–	2,480
Additions to property, plant and equipment (Note 13)	16,092	14,765	2,752	2,780	24	56	18,868	17,601

35 SEGMENT INFORMATION (cont'd)

Geographical information

The directors of the Company consider that the nature of the Group's business where it operates across international waters precludes a meaningful allocation of revenue and non-current assets as defined under SFRS(I) 8 *Operating Segments*. The revenue is derived from and non-current assets are primarily used in geographical markets for vessel chartering and brokerage and management services throughout the world.

Major customer information

The Group derives revenue mainly from charter hire and shipyard and newbuild management services income and charter hire and service agreements. The breakdown of the Group's revenue is provided under Note 28.

Revenue of US$162,530,000 (31 March 2023: US$103,050,000) is derived from a single related company. This revenue is attributable to the chartering and shipbuilding of vessels for the operations in the oil and gas industry.

36 CONTINGENT LIABILITIES

The maximum amount the Group could be forced to settle under financial guarantee contracts, if the full guaranteed amount is claimed by the respective counterparties to the guarantees is US$166,667,000 (31 March 2023: US$170,530,000) (Note 4(b)(iv)) for guarantees provided to subsidiary corporations and US$9,773,000 (31 March 2023: US$10,660,000) (Note 4(b)(iv)) for guarantees provided to related company.

Management has considered and evaluated the fair value of the above financial guarantee contracts to be insignificant as at 31 December 2023 and 31 March 2023.

37 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Below are the mandatory standards and amendments and interpretations to existing standards that have been published and are relevant for the Group's accounting periods beginning on or after 1 April 2023 and which the Group has not early adopted.

Effective for annual periods beginning on or after 1 January 2024

- Amendments to SFRS(I) 1-1 Presentation of Financial Statements
- Amendments to SFRS(I) 1-7 Statement of Cash Flows and SFRS(I) 7 Financial Statements: Disclosures
- Amendments to SFRS(I) 16 Leases

38 SUBSEQUENT EVENT

Subsequent to 31 December 2023, the following transactions occurred:

(i) the incorporation of Vallianz Energy Shipbuilding Pte. Ltd. ("VESPL"), a wholly-owned subsidiary of the Company on 4 January 2024, with an issued share capital of US$50,000. The principal activities of VESPL are the provision of services to build and repair ships and other ocean-going vessels.

(ii) the following subsidiaries have been struck off from the Register of Companies pursuant to Section 344A of the Companies Act 1967 of Singapore on 5 February 2024:

(1) RI Capital Holdings Pte. Ltd., an indirectly wholly-owned subsidiary of the Company held through Vallianz International Pte. Ltd.;

(2) Jubilee Travel Pte. Ltd., an indirect wholly-owned subsidiary of the Company held through OER Holdings Pte. Ltd.; and

(3) OER Services Pte. Ltd., an indirect wholly owned subsidiary of the Company held through OER Holdings Pte. Ltd.

STATISTICS OF SHAREHOLDINGS

As at 15 March 2024

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	262	8.61	11,029	0.00
100 - 1,000	597	19.61	338,578	0.03
1,001 - 10,000	1,475	48.46	6,138,021	0.51
10,001 - 1,000,000	688	22.60	45,692,311	3.77
1,000,001 AND ABOVE	22	0.72	1,159,440,494	95.69
TOTAL	**3,044**	**100.00**	**1,211,620,433**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NO. OF SHARES HELD	%
1	DBS NOMINEES PTE LTD	729,412,801	60.20
2	PHILLIP SECURITIES PTE LTD	364,967,222	30.12
3	ONG KAR LOON (WANG JIALUN)	17,145,399	1.42
4	GU JIAN LIN	5,696,433	0.47
5	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	4,338,351	0.36
6	RAFFLES NOMINEES (PTE) LIMITED	4,303,604	0.36
7	TOH BOON KENG	4,232,899	0.35
8	UOB KAY HIAN PTE LTD	3,185,825	0.26
9	CHAN KWAN BIAN	3,113,338	0.26
10	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,710,797	0.22
11	LIM OON HOCK OR LEW MOE KIEN	2,639,566	0.22
12	OCBC SECURITIES PRIVATE LTD	2,582,879	0.21
13	CROWN SHIP LIMITED	2,569,800	0.21
14	CHERAYATH AJAY ANDREWS	1,800,000	0.15
15	MAYBANK SECURITIES PTE. LTD.	1,591,136	0.13
16	TAN DAH CHING (CHEN DAQING)	1,520,000	0.13
17	LING YONG WAH	1,459,480	0.12
18	NG CHEE KEONG	1,301,501	0.11
19	LOH GEOK CHENG	1,290,266	0.11
20	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,287,785	0.11
	TOTAL	**1,157,149,082**	**95.52**

CLASS OF SHARES	NO. OF SHARES	%
ORDINARY	1,211,620,433	100.00
TREASURY	NIL	0.00
TOTAL ISSUED SHARES	1,211,620,433	100.00
HELD BY SUBSIDIARIES OF THE COMPANY	NIL	0.00

VOTING RIGHTS	ON SHOW OF HANDS	:	ONE VOTE FOR EACH MEMBER
	ON A POLL	:	ONE VOTE FOR ORDINARY SHARE

SUBSTANTIAL SHAREHOLDERS

	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	%	NO. OF SHARES	%
RAWABI HOLDING COMPANY LIMITED	723,106,389	59.68	NIL	0.00
SWIBER HOLDINGS LIMITED	353,439,723	29.17	8,382,620 (1)	0.69
SHEIKH ALTURKI ABDULAZIZ ALI A	NIL	0.00	723,106,389 (2)	59.68

(1) By virtue of Section 4 of the Securities and Futures Act 2001, Swiber Holdings Limited (In Liquidation – Compulsory Winding Up (Insolvency)) is deemed to have an interest in the shares of Vallianz Holdings Limited held by Swiber Corporate Pte. Ltd. (In Creditors' Voluntary Liquidation). Swiber Holdings Limited (In Liquidation – Compulsory Winding Up (Insolvency)) holds 100% of the issued share capital of 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 723,106,389 shares held by Rawabi Holding Company Limited.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on information available to the Company as at 15 March 2024, 10.25% of the issued ordinary shares of the Company are held in the hands of the public. Accordingly, the Company has compiled with the Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the Company will be convened and held at 1 HarbourFront Avenue, #13-03 Keppel Bay Tower, Singapore 098632 on Monday, 29 April 2024 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial period from 1 April 2023 to 31 December 2023 together with the Directors' Statement and the Independent Auditor's Report thereon. **(Resolution 1)**

2. To re-elect Mr. Osman Ibrahim, a director who is retiring pursuant to Article 105 of the Company's Constitution.

   Mr. Osman Ibrahim, upon re-election as Director of the Company, remains as a Non-Executive Non-Independent Director and Chairman of the Board, a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

   [*See Explanatory Note (a)*] **(Resolution 2)**

3. To approve the payment of Directors' fees of US$178,250 for the financial year ending 31 December 2024. **(Resolution 3)**

4. To re-appoint Messrs CLA Global TS Public Accounting Corporation as Auditor of the Company to hold office until the conclusion of the next AGM of the Company, and to authorise the Directors to fix the remuneration of Messrs CLA Global TS Public Accounting Corporation. **(Resolution 4)**

5. To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without modifications:

6. **Proposed Renewal of the Shareholders' Mandate for Interested Person Transactions with Rawabi Holding Company Limited ("RHC") and its subsidiaries ("RHC Group")**

   "That:

   (1) approval be and is hereby given for the purposes of Chapter 9 of the Rules of Catalist, for the Company, its subsidiaries and associated companies (the "**Group**") or any of them to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Appendix I of the Letter to Shareholders dated 12 April 2024 (the "**Letter to Shareholders**") appended to the Annual Report, with the RHC Group who is of the class of Interested Persons described in the Letter to Shareholders, provided that such transactions are made on normal commercial terms, are not prejudicial to the interests of the Company and its minority shareholders, and are in accordance with the review procedures for Interested Person Transactions as set out in the Letter to Shareholders (the "**RHC IPT Mandate**");

   (2) the RHC IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company; and

(3) the Directors of the Company and each of them be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the RHC IPT Mandate and/or this Resolution."

[*See Explanatory Note (b)*] **(Resolution 5)**

BY ORDER OF THE BOARD

Chong Pei Wen (Ms)
Company Secretary
12 April 2024

Singapore

Explanatory Notes:

(a) In relation to Resolution 2 proposed above, Mr. Osman Ibrahim is a Non-Executive Non-Independent Director of the Company. He is also the Vice Chairman and Group Chief Executive Officer of Rawabi Holding Company Limited, a substantial shareholder of the Company. Apart from that, there is no relationship (including immediate family relationships) between Mr. Osman Ibrahim and the other directors or the Company and the detailed information on Mr. Osman Ibrahim is set out in the section entitled "Disclosure of Information of Directors seeking re-election and appointment" in the Annual Report.

(b) The Ordinary Resolution 5 above, if passed, allows the Group to enter into certain transactions with the RHC Group as detailed in the RHC IPT Mandate.

Important Notes:

Participation:

1. The AGM will be held, in a wholly physical format, at 1 HarbourFront Avenue, #13-03 Keppel Bay Tower, Singapore 098632 on Monday, 29 April 2024 at 10.00 a.m.. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM by attending the AGM in person. **There will be no option for shareholders to participate at the AGM virtually**.

Submission of Proxy Form

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 AGM. 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 AGM, 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 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 AGM as his/her/its proxy.

4. If the appointor 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 10.00 a.m. on 27 April 2024 (being not less than 48 hours before the time appointed for holding the AGM) in the following manner:

   (a) Post or submit personally to the Share Registrar's office at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) Electronic mail to vallianz-agm@complete-corp.com.

6. CPF and SRS investors:

   (a) may vote at the AGM 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 AGM as proxy to vote on their behalf at the AGM,

   in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 April 2024 (being not less than seven (7) working days prior to the date of AGM).

Submission of Questions:

7. Shareholders, including CPF and SRS investors, may submit substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM:

   (a) by post to the Company's registered office address at 1 Harbourfront Avenue, #06-08 Keppel Bay Tower, Singapore 098632; or

   (b) via email to the Company at enquiries@vallianzholdings.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 by 22 April 2024** ("**Questions Deadline**").

8. The Company will endeavour to address all substantial and relevant questions submitted by the members prior to the AGM at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL https://www.vallianzholdings.com/investor-relations/#announcements forty-eight (48) hours prior to the closing date and time for lodgement of the proxy forms, i.e., by 10.00 a.m. on 25 April 2024.

   Any subsequent clarifications sought, or follow-up questions, or substantial and relevant questions received after the Questions Deadline cut-off date will be consolidated and addressed at the AGM. 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 AGM, at the AGM itself.

Personal Data Privacy:

By submitting an instrument appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, a shareholder of the Company (a) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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.

DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Mr. Osman Ibrahim is the Director seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 April 2024 ("**AGM**").

Pursuant to Rule 720(5) of the Rules of Catalist of the SGX-ST, the information relating to the Director as set out in Appendix 7F of the Rules of Catalist of the SGX-ST is disclosed below:

	Mr. Osman Ibrahim
Date of Appointment	8 December 2021
Date of last re-election and re-appointment	22 July 2022
Age	61
Country of principal residence	Saudi Arabia
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Osman Ibrahim as the Non-Executive Director was recommended by the NC and the Board has accepted the recommendation, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as the Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of the Board, Member of Audit Committee, Nominating Committee and Remuneration Committee.
Professional qualifications	1. Bachelor of Science in Accounting 2. Master Degree in Finance
Working experience and occupation(s) during the past 10 years	January 2009 to Present - Vice Chairman and Group Chief Executive Officer of Rawabi Holding Company Limited
Shareholding interest in the listed issuer and its subsidiaries	1,033,333
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of Interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Past (for the last 5 years)	1. Rawabi Wireless Solution Co. 2. Gabas Wire Factory 3. Rawabi Saudi Dry Ice Co. 4. Rawabi Vallianz International Co. Ltd. 5. Rawabi Haytak Co. Ltd.

DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Mr. Osman Ibrahim
Present	1. Vallianz Holdings Limited 2. Rawabi Archer Co. Ltd. 3. Rawabi Cetco Co. Ltd. 4. Rawabi Pason Co. Ltd. 5. Rawabi Geolog Co. Ltd. 6. Rawabi United Safety Services Co. 7. Rawabi Vallianz Offshore Services Co. Ltd. 8. Rawabi Holding Co. Ltd. 9. Rawabi Oil & Gas Co. Ltd. 10. Rawabi Specialized Contracting Co. Ltd. 11. Rawabi Electric Co. Ltd. 12. Rawabi Integrated Gas Co. Ltd. 13. Rawabi Travel & Tourism Co. Ltd. 14. Franks Rawabi Co. Ltd, KSA 15. Rawabi Butec Co. Ltd. 16. Rawabi Oilfield Services 17. Rawabi Vallianz Oil Services W.L.L. 18. Rawabi Social Responsibility Co. 19. Rawabi Business Services Co. 20. Rawabi Holdings Co. W.L.L. 21. Wildcat Oil Tools, LLC 22. Rawabi Energy Co. 23. Rawabi Investment Limited 24. Rawabi Real Estate 25. Rawabi Contracting and Services 26. Magnom Saudi Properties 27. United Safety Ltd. 28. Rawabi Sapura Co. Ltd. 29. Rawabi Schulte Co. Ltd. 30. Rawabi Industrial Services Co. 31. Equatoriale Energy Pte. Ltd. 32. PT. Vallianz Offshore Maritim 33. Kalaam Telecom 34. Rawabi Wildcat Oiltools
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No

		Mr. Osman Ibrahim
c)	Whether there is any unsatisfied judgment against him?	No
d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulator requirement that relate to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
f)	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g)	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h)	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i)	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

DISCLOSURE OF INFORMATION ON DIRECTOR SEEKING RE-ELECTION

	Mr. Osman Ibrahim
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Disclosure applicable to the appointment of Director only	
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable, as this relates to the re-election of Mr. Osman Ibrahim as a director of the Company.

VALLIANZ HOLDINGS LIMITED

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

IMPORTANT

1. The Annual General Meeting ("**AGM**") of the Company will be held, in a wholly physical format, at 1 HarbourFront Avenue, #13-03 Keppel Bay Tower, Singapore 098632 on Monday, 29 April 2024 at 10.00 a.m. 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: (a) may vote at the AGM 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 AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 17 April 2024.

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 AGM dated 12 April 2024.

PROXY FORM
ANNUAL GENERAL MEETING

*I/We ________________________ (Name) *NRIC/Passport/Company Registration No. ________________

of ____

being *a shareholder/shareholders 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 *him/her/them, the Chairman of the annual general meeting of the Company (the "**AGM**"), as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf, at the AGM to be held at 1 HarbourFront Avenue, #13-03 Keppel Bay Tower, Singapore 098632 on Monday, 29 April 2024 at 10.00 a.m.and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against or abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting is 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 AGM and at any adjournment thereof.

No.	Ordinary Resolutions	**For	**Against	**Abstain
1.	Adoption of Audited Financial Statements for the financial period from 1 April 2023 to 31 December 2023 together with the Directors' Statement and Independent Auditor's Report thereon.			
2.	Re-election of Director pursuant to Article 105. - Mr. Osman Ibrahim			
3.	Approval of the payment of Directors' fees of US$178,250 for the financial year ending 31 December 2024.			
4.	Re-appointment of Messrs CLA Global TS Public Accounting Corporation as Auditor of the Company and to authorise the Directors to fix their remuneration.			
5.	Renewal of Shareholders' Mandate for Interested Person Transactions with the RHC Group.			

Note:

* Please delete accordingly

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

Dated __________ this day of ________________ 2024

Total No. of shares held in	
(a) CDP Register	
(b) Register of Members	

____

*Signature(s) of Shareholder(s)/
Common Seal of Corporate shareholder

IMPORTANT: Please read notes overleaf

Notes:

1. 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 of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the shareholder of the Company.

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 AGM. 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 AGM, 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 ascribed to it in Section 181(6) of the Companies Act 1967.

3. This Proxy Form is not valid for use by investors who hold shares through relevant intermediaries (as defined in Section 181(6) 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 investors (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 Banks or SRS Operators at least seven (7) working days before the AGM to specify voting instructions**.

4. 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 AGM as his/her/its proxy.

6. The instrument appointing a proxy(ies) must be deposited to the Company not less than forty-eight (48) hours before the time appointed for holding the AGM in the following manner:

   (a) Post or submit personally to the Share Registrar's office at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

   (b) Electronic mail to vallianz-agm@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 member 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 Annual General Meeting, 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 AGM. Any appointment of a proxy(ies) shall be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

10. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy.

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 AGM as proxy lodged if such shareholder, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 10.00 a.m. on 26 April 2024, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 12 April 2024.

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