



Vallianz Holdings Limited and its Subsidiaries

(Company Registration No.: 199206945E)

(Incorporated in the Republic of Singapore)

Condensed Unaudited Interim Financial Statements For the Financial Period Ended 31 December 2023 (“FP2023”)

Table of Contents

Condensed interim consolidated statement of profit or loss and other comprehensive income.....	2
Condensed interim statements of financial position.....	5
Condensed interim statements of changes in equity.....	8
Condensed consolidated interim statement of cash flows.....	12
Notes to the condensed interim consolidated financial statements.....	14
Other information required by Appendix 7C of the Catalist Rules.....	25

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Vallianz Holdings Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income
For the Financial Period (“FP2023”) ended 31 December 2023

	Note	Group		
		FP2023 ² US\$'000	FY2023 ² US\$'000	Changes (%)
Revenue	5	214,673	149,174	44
Cost of Sales		(196,280)	(136,833)	43
Gross profit		18,393	12,341	49
Other losses, net		(3,997)	(2,164)	85
Administrative expenses		(7,250)	(7,972)	(9)
Finance costs		(9,262)	(8,936)	4
Operating loss		(2,116)	(6,731)	(69)
Exceptional item		2,031	(3,195)	N/M
Loss before tax	6	(85)	(9,926)	(99)
Income tax credit/(expense)	8	130	(1,350)	N/M
Profit/(Loss) for the period/year		45	(11,276)	N/M
Other comprehensive loss: <i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations		(16)	(50)	(68)
Actuarial gain/(loss) on post-employment benefit obligations		9	(18)	N/M
Other comprehensive loss for the period/year, net of tax		(7)	(68)	(90)
Total comprehensive income/(loss) for the period/year		38	(11,344)	N/M

Note:

(1) N/M – Not meaningful

(2) FP2023 refers to the financial period from 1 April 2023 to 31 December 2023. FY2023 refers to the financial year from 1 April 2022 to 31 March 2023. Please refer to the Company's announcement dated 21 November 2023 for details on the Company's change in financial year end.

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

Vallianz Holdings Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income
For the Financial Period (“FP2023”) ended 31 December 2023

	Note	Group		
		FP2023 ² US\$'000	FY2023 ² US\$'000	Changes (%)
Profit/(Loss) for the period/year attributable to:				
Owners of the Company		1,726	(9,388)	N/M
Non-controlling interests		(1,681)	(1,888)	(11)
Profit/(Loss) for the period/year		45	(11,276)	N/M
Total comprehensive income/(loss) for the period/year attributable to:				
Owners of the Company		1,714	(9,456)	N/M
Non-controlling interests		(1,676)	(1,888)	(11)
Total comprehensive income/(loss) for the period/year		38	(11,344)	N/M
Earnings/(Loss) per share attributable to owners of the Company				
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share ('000)		1,211,620	1,211,620	-
Basic and diluted earnings/(loss) per share (cents)		0.14	(0.77)	N/M

Note:

(1) N/M – Not meaningful

(2) FP2023 refers to the financial period from 1 April 2023 to 31 December 2023. FY2023 refers to the financial year from 1 April 2022 to 31 March 2023. Please refer to the Company's announcement dated 21 November 2023 for details on the Company's change in financial year end.

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

Vallianz Holdings Limited and its Subsidiaries

Condensed interim consolidated statement of profit or loss and other comprehensive income For the Financial Period (“FP2023”) ended 31 December 2023

Explanatory Notes to the condensed interim consolidated statement of profit or loss and other comprehensive income

1. Revenue

The Group recorded revenue of approximately US\$214.7 million in FP2023, representing an increase of 44% from US\$149.2 million in FY2023. The increase was mainly attributable to increase in number of newbuild projects in the Shipyard and Newbuild Management Services segment. The increase was partially offset by the decrease in the Vessel Chartering and Management segment, as there was a lower volume of vessel management work. Besides that, there was a lower number of projects in the region requiring submersible barges.

The Vessel Chartering and Management segment and the Shipyard and Newbuild Management Services segment accounted for approximately 13% and 87% respectively of the Group’s revenue in FP2023, as compared to approximately 43% and 57% respectively in FY2023.

2. Gross profit

The Group registered a gross profit of US\$18.4 million in FP2023 which was US\$6.1 million or 49% higher than that of US\$12.3 million in FY2023. The Shipyard and Newbuild Management Services is the major contributor to the increase.

The Group’s Vessel Chartering and Management segment registered a 31.1% gross margin in FP2023 as compared to a 12.3% gross margin in FY2023, due mainly to higher average daily charter rates and tight control over costs in FP2023. The Shipyard and Newbuild Management Services segment maintained its 5.2% gross margin in FP2023 (FY2023: 5.2%).

3. Other losses, net

Other losses, net, increased by approximately US\$1.8 million to US\$4.0 million in FP2023 from US\$2.2 million in FY2023. This was mainly due to a US\$2.9 million write-off of a vessel under construction due to a change in design, partially offset by lower net foreign exchange loss (US\$0.6 million) and higher miscellaneous other income (US\$0.3 million) in FP2023.

4. Administrative expenses

Administrative expenses was slightly lower by US\$0.7 million (US\$7.3 million in FP2023 versus US\$8.0 million in FY2023), which is in line with the shorter period in the current financial period (9 months in FP2023 versus 12 months in FY2023).

5. Finance costs

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

6. Exceptional item

The exceptional gain of US\$2.0 million in FP2023 pertained to partial redemption of convertible bonds, while the exceptional loss of US\$3.2 million in FY2023 pertained to the disposal of a vessel during FY2023.

7. Profit attributable to owners of the Company

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.

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

Vallianz Holdings Limited and its Subsidiaries

Condensed interim statements of financial position
As at 31 December 2023

	Note	Group		Company	
		As at		As at	
		31 Dec 2023 US\$'000	31 Mar 2023 US\$'000	31 Dec 2023 US\$'000	31 Mar 2023 US\$'000
ASSETS					
Current assets					
Cash and cash equivalents		21,281	20,778	270	574
Trade receivables		47,752	6,616	-	-
Other receivables		162,222	56,411	513,016	500,039
Inventories		382	930	-	-
Contract assets		18,281	-	-	-
Financial assets at fair value through other comprehensive income	11	31,729	31,729	-	-
Total current assets		<u>281,647</u>	<u>116,464</u>	<u>513,286</u>	<u>500,613</u>
Non-current assets					
Monies pledged with banks		356	372	-	-
Property, plant and equipment	13	83,815	74,728	3	2
Right-of-use assets		5,620	469	-	-
Financial assets at fair value through other comprehensive income	12	60,853	60,853	-	-
Subsidiaries		-	-	454	454
Other receivables		14,055	14,843	-	-
Total non-current assets		<u>164,699</u>	<u>151,265</u>	<u>457</u>	<u>456</u>
Total assets		<u>446,346</u>	<u>267,729</u>	<u>513,743</u>	<u>501,069</u>

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

Vallianz Holdings Limited and its Subsidiaries

Condensed interim statements of financial position
As at 31 December 2023

	Note	Group		Company	
		As at		As at	
		31 Dec 2023 US\$'000	31 Mar 2023 US\$'000	31 Dec 2023 US\$'000	31 Mar 2023 US\$'000
LIABILITIES AND EQUITY					
Current liabilities					
Term loans	15	123,988	34,149	-	-
Trade payables		13,391	8,139	-	-
Other payables		49,647	38,476	347,391	346,113
Contract liabilities		202,175	51,567	-	-
Lease liabilities		1,866	151	-	-
Income tax payable		83	70	-	-
Total current liabilities		<u>391,150</u>	<u>132,552</u>	<u>347,391</u>	<u>346,113</u>
Non-current liabilities					
Term loans	15	1,430	87,484	-	-
Retirement benefit obligation		632	605	-	-
Lease liabilities		3,686	349	-	-
Deferred tax liabilities		1,195	1,449	-	-
Convertible bonds		41,845	45,908	41,845	45,908
Total non-current liabilities		<u>48,788</u>	<u>135,795</u>	<u>41,845</u>	<u>45,908</u>
Total liabilities		<u>439,938</u>	<u>268,347</u>	<u>389,236</u>	<u>392,021</u>
Equity					
Share capital	16	382,274	382,274	382,274	382,274
Perpetual capital securities		22,500	22,500	22,500	22,500
Foreign currency translation reserve		(90)	(74)	-	-
Shareholder's advances		46,783	39,838	46,783	24,490
Other reserve		(621)	(625)	28	28
Equity component of convertible bonds		5,919	6,719	5,919	6,719
Accumulated losses		(426,286)	(428,855)	(332,997)	(326,963)
Equity attributable to owners of the Company and capital securities holders		<u>30,479</u>	<u>21,777</u>	<u>124,507</u>	<u>109,048</u>
Non-controlling interests		<u>(24,071)</u>	<u>(22,395)</u>	<u>-</u>	<u>-</u>
Total equity		<u>6,408</u>	<u>(618)</u>	<u>124,507</u>	<u>109,048</u>
Total equity and liabilities		<u>446,346</u>	<u>267,729</u>	<u>513,743</u>	<u>501,069</u>

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

Vallianz Holdings Limited and its Subsidiaries

Condensed interim statements of financial position As at 31 December 2023

Explanatory Notes to the condensed interim statements of financial position

1. Trade and other receivables and contract assets

The increase in trade receivables and contract assets from US\$6.6 million as at 31 March 2023 to US\$47.8 million as at 31 December 2023 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 increased activity in the Shipyard and Newbuild Management Services segment.

Other receivables (current) also increased to US\$162.2 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.

2. Property, plant and equipment

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, mainly due to the purchase of a new vessel and equipment, drydock for certain vessels and leasehold improvements, partially offset by depreciation expense and write-off of a vessel under construction.

3. Total current and non-current borrowings

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 due to drawdown of new loans, partially offset by repayment of term loans.

4. Trade and other payables

The Group's trade payables increased to US\$13.4 million as at 31 December 2023 from US\$8.1 million as at 31 March 2023, due mainly to the increase in equipment purchases for the construction of new vessels. Other payables increased to US\$49.6 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.

5. Contract liabilities

The Group's contract liabilities increased by US\$150.6 million 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.

6. Lease liabilities

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.

7. Convertible bonds

The Group's convertible bonds decreased by US\$4.1 million to US\$41.8 million as at 31 December 2023 from US\$45.9 million as at 31 March 2023, due to partial redemption of convertible bonds.

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

Vallianz Holdings Limited and its Subsidiaries

Condensed interim statements of changes in equity
For the financial period ended 31 December 2023

Group

	Attributable to owners of the Company and capital securities holders							Total	Non-controlling interests	Total equity
	Share capital	Perpetual capital securities	Foreign currency translation reserve	Shareholder's advances	Other reserve	Accumulated losses	Equity component of convertible bonds			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000			
Balance at 1 April 2023	382,274	22,500	(74)	39,838	(625)	(428,855)	6,719	21,777	(22,395)	(618)
Total comprehensive income										
Profit for the period	-	-	-	-	-	1,726	-	1,726	(1,681)	45
Other comprehensive loss for the period	-	-	(16)	-	4	-	-	(12)	5	(7)
Total	-	-	(16)	-	4	1,726	-	1,714	(1,676)	38
Transactions with owners and capital securities holders										
Deemed investment by a shareholder, net	-	-	-	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	-	-	-	-	-	843	(843)	-	-	-
Balance at 31 December 2023	382,274	22,500	(90)	46,783	(621)	(426,286)	5,919	30,479	(24,071)	6,408

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

Vallianz Holdings Limited and its Subsidiaries

Condensed interim statements of changes in equity
For the financial period ended 31 December 2023

Group (continued)

	Attributable to owners of the Company and capital securities holders							Total	Non-controlling interests	Total equity
	Share capital	Perpetual capital securities	Foreign currency translation reserve	Shareholder's advances	Other reserve	Accumulated losses	Equity component of convertible bonds			
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000			
Balance 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										
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 and capital securities holders										
Deemed investment by a shareholder, net	-	-	-	26,163	-	-	-	26,163	-	26,163
Total	-	-	-	26,163	-	-	-	26,163	-	26,163
Recognition of equity component of convertible bonds	-	-	-	-	-	-	40	40	-	40
Balance at 31 March 2023	382,274	22,500	(74)	39,838	(625)	(428,855)	6,719	21,777	(22,395)	(618)

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

Vallianz Holdings Limited and its Subsidiaries

Condensed interim statements of changes in equity
For the financial period ended 31 December 2023

Company

	Share capital	Perpetual capital securities	Shareholder's advances	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
Balance at 1 April 2023	382,274	22,500	24,490	28	(326,963)	6,719	109,048
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(6,877)	-	(6,877)
Transactions with owners and capital securities holders							
Deemed investment by a shareholder, net	-	-	22,293	-	-	-	22,293
Total	-	-	22,293	-	-	-	22,293
Recognition of equity component of convertible bonds	-	-	-	-	-	43	43
Partial redemption of convertible bonds	-	-	-	-	843	(843)	-
Balance at 31 December 2023	382,274	22,500	46,783	28	(332,997)	5,919	124,507

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

Vallianz Holdings Limited and its Subsidiaries

Condensed interim statements of changes in equity
For the financial period ended 31 December 2023

Company (continued)

	Share capital	Perpetual capital securities	Shareholder's advances	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
Balance at 1 April 2022	382,274	22,500	-	28	(319,802)	6,679	91,679
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(7,161)	-	(7,161)
Transactions with owners and capital securities holders							
Deemed investment by a shareholder, net	-	-	24,490	-	-	-	24,490
Total	-	-	24,490	-	-	-	24,490
Recognition of equity component of convertible bonds	-	-	-	-	-	40	40
Balance at 31 March 2023	382,274	22,500	24,490	28	(326,963)	6,719	109,048

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

Vallianz Holdings Limited and its Subsidiaries

**Condensed consolidated interim statement of cash flows
For the financial period ended 31 December 2023**

	Group	
	FP2023¹ US\$'000	FY2023¹ US\$'000
Operating activities		
Loss before tax	(85)	(9,926)
Adjustments for:		
Loss allowance for trade and other receivables (reversed)/made	(832)	1,610
Bad debts written off	3,084	565
Creditors written back	(505)	-
Depreciation of property, plant and equipment	5,573	6,156
Depreciation of right-of-use assets	804	260
Provision for post-employment benefit obligations	44	23
Finance costs	9,262	8,936
Loss on disposal of property, plant and equipment, net	52	2,480
Gain on strike-off of subsidiaries, net	(1)	-
Property, plant and equipment written off	2,911	-
Exceptional gain on partial redemption of convertible bonds	(2,031)	-
Interest income	(349)	(314)
Unrealised foreign exchange differences	-	(52)
Operating cash flows before movements in working capital	<u>17,927</u>	<u>9,738</u>
Changes in working capital:		
Trade and other receivables	(147,166)	(8,327)
Trade and other payables	10,872	(14,869)
Inventories	548	(186)
Contract assets	(18,281)	760
Contract liabilities	150,608	31,060
Cash generated from operations	<u>14,508</u>	<u>18,176</u>
Income taxes paid	(114)	(194)
Net cash generated from operating activities	<u>14,394</u>	<u>17,982</u>
Investing activities		
Interest received	349	314
Proceeds from disposal of property, plant and equipment	-	1,221
Purchase of property, plant and equipment	(18,868)	(17,601)
Net cash used in investing activities	<u>(18,519)</u>	<u>(16,066)</u>
Financing activities		
Decrease in monies pledged to a bank	16	327
Interest paid	(4,915)	(2,632)
Proceeds from new bank loans raised	4,545	60
Proceeds from shareholder's advance	10,800	16,535
Repayment of lease liabilities	(1,100)	(262)
Repayment of term loans	(760)	(2,001)
Partial redemption of convertible bonds	(3,958)	-
Net cash generated from financing activities	<u>4,628</u>	<u>12,027</u>
Net increase in cash and cash equivalents	<u>503</u>	<u>13,943</u>
Cash and cash equivalents at beginning of period/year	<u>20,778</u>	<u>6,835</u>
Cash and cash equivalents at end of period/year	<u>21,281</u>	<u>20,778</u>

Note (1): FP2023 refers to the financial period from 1 April 2023 to 31 December 2023. FY2023 refers to the financial year from 1 April 2022 to 31 March 2023. Please refer to the Company's announcement dated 21 November 2023 for details on the Company's change in financial year end.

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

Explanatory Notes to the condensed consolidated statement of cash flows

1. The Group's cash and cash equivalents increased by US\$0.5 million from US\$20.8 million as at 31 March 2023 to S\$21.3 million as at 31 December 2023.
2. The Group generated net cash of US\$14.4 million in operating activities during FP2023. Net cash used in investing activities of US\$18.5 million for FP2023 was mainly attributable to purchase of property, plant and equipment. Net cash generated from financing activities in FP2023 of US\$4.6 million, which was mainly attributable to advances from shareholder of US\$10.8 million and drawdown of new loans of US\$4.5 million, partially offset by payments for loan, interest, lease liabilities and partial redemption of convertible bonds.

Notes to the condensed interim consolidated financial statements
For the financial period ended 31 December 2023

1. Corporate information

Vallianz Holdings Limited (the “**Company**”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). These condensed interim consolidated financial statements as at and for the financial period ended 31 December 2023 (“**FP2023**”) comprise the Company and its subsidiaries (collectively, the “**Group**”). The primary activity of the Company is that of investment holding. The principal activities of the Group are those of vessel ownership and chartering, provision of shipbuilding / shipyard and engineering services, manufacture, assembly and repair of ships and vessels and investment holding.

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.

Following the change of the financial year end, these condensed consolidated financial statements are as at 31 December 2023 and cover a period of 9 months from 1 April 2023 to 31 December 2023. The comparative period covered is from 1 April 2022 to 31 March 2023, being the immediate preceding financial year prior to the change of financial year end.

2. Basis of preparation

The condensed interim financial statements for FP2023 have been prepared in accordance with Singapore Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding the changes in the Group’s financial position and performance since the last annual financial statements for the financial year ended 31 March 2023 (“**FY2023**”).

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.3. The condensed unaudited financial statements are presented in United States dollar which is the Company’s functional currency and all values are rounded to the nearest thousand (“**US\$’000**”) unless otherwise indicated.

2.1 Going concern assumption

As at 31 December 2023, the Group’s net current liabilities amounted to US\$109.5 million. The Group has total borrowings and convertible bonds of US\$125.4 million and US\$41.8 million respectively, of which US\$124.0 million are classified as current liabilities. The Group recorded a net profit of US\$45,000 and net cash inflows from operations of US\$14.4 million during the financial period ended 31 December 2023.

The Group has breached certain financial covenants imposed by the sole Perpetual Securities holder and three financial institutions. As at 31 December 2023, the Group obtained a letter from one of the financial Institutions stating that the breach does not affect the credit facility granted, albeit with certain conditions. In the prior financial year, the Group obtained from the Perpetual Securities holder and two of the financial Institutions a waiver for the breach of financial covenants up to 31 March 2024.

**Notes to the condensed interim consolidated financial statements
For the financial period ended 31 December 2023**

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.

Notwithstanding the above, the Directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the condensed interim consolidated financial statements for FP2023 is appropriate after taking into account the following considerations:

- (a) the Group has 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 15 months from the date of this announcement 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 shareholder's advances and is agreeable to classify these shareholder's advances (amounting to US\$46.8 million) as equity;
- (b) as at the date of this announcement, the Group has not been served with any notices of events of default for any of its loans; and
- (c) Management continues to engage with the Financial Institutions and sole Perpetual Securities holder to obtain a waiver for the breach of financial covenants.

Given the geopolitical conflict and other uncertainties in the wider macro environment, any post balance sheet events that may have effects on the going concern of the Group cannot be, and have not been incorporated into these condensed interim financial statements as at and for the financial period ended 31 December 2023.

2.2 Use of estimates and judgements

In preparing the condensed financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements, assumptions and estimation uncertainties in applying accounting policies that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are included in Note 13 – Impairment and valuation of property, plant and equipment.

Notes to the condensed interim consolidated financial statements
For the financial period ended 31 December 2023

2.3 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment and revenue information

Management had reviewed the consolidated results prepared in the following main business segments when making decisions about allocating resources and assessing performance of the Group:

- (a) Segment 1: Vessel Chartering and Management – Chartering of vessels and third-party vessel management services.
- (b) Segment 2: 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 newbuild project management.
- (c) Segment 3: Investment Holding – Holding investments for long-term purposes.

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.

Information about reportable segments

Group	Vessel Chartering and Management US\$'000	Shipyard and Newbuild Management Services US\$'000	Investment Holding US\$'000	Total US\$'000
FP2023				
Revenue				
External sales	27,766	186,907	-	214,673
Results				
Segment results	8,281	4,290	(5,425)	7,146
Finance costs	(4,378)	(121)	(4,763)	(9,262)
Operating profit/(loss)	3,903	4,169	(10,188)	(2,116)
Exceptional item	-	-	2,031	2,031
Loss before tax				(85)
Income tax credit				130
Profit for the period				45
Segment assets and segment liabilities				
Segment assets	103,510	234,002	108,834	446,346
Segment liabilities	99,948	259,787	79,008	438,743
Deferred tax liabilities				1,195
Total liabilities				439,938

Vallianz Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements
For the financial period ended 31 December 2023

<u>Group (continued)</u>	<u>Vessel Chartering and Management</u> US\$'000	<u>Shipyard and Newbuild Management Services</u> US\$'000	<u>Investment Business</u> US\$'000	<u>Total</u> US\$'000
FP2023				
Other information				
Bad debts written off	8	1,693	1,383	3,084
Loss allowance for trade and other receivables made/(reversed)	407	(1,239)	-	832
Depreciation of property, plant and equipment	4,072	1,421	80	5,573
Net foreign exchange loss/(gain)	(137)	151	42	56
Net loss on disposal of property, plant and equipment	-	52	-	52
Additions to property, plant and equipment	<u>16,092</u>	<u>2,752</u>	<u>24</u>	<u>18,868</u>
FY2023				
Revenue				
External sales	64,832	84,342	-	149,174
Results				
Segment results	7,104	15	(4,914)	2,205
Finance costs	(3,470)	(176)	(5,290)	(8,936)
Operating profit/(loss)	<u>3,634</u>	<u>(161)</u>	<u>(10,204)</u>	<u>(6,731)</u>
Exceptional item	(3,195)	-	-	(3,195)
Loss before tax				(9,926)
Income tax expense				(1,350)
Loss for the year				<u>(11,276)</u>
Segment assets and segment liabilities				
Segment assets	<u>81,556</u>	<u>73,957</u>	<u>112,216</u>	<u>267,729</u>
Segment liabilities	<u>131,831</u>	<u>63,814</u>	<u>71,253</u>	266,898
Deferred tax liabilities				1,449
Total liabilities				<u>268,347</u>
Other information				
Bad debts written off	565	-	-	565
Loss allowance for trade and other receivables made	548	1,062	-	1,610
Depreciation of property, plant and equipment	4,366	1,623	167	6,156
Net foreign exchange loss	82	575	33	690
Net loss/(gain) on disposal of property, plant and equipment	2,495	-	(15)	2,480
Additions to property, plant and equipment	<u>14,765</u>	<u>2,780</u>	<u>56</u>	<u>17,601</u>

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.

Vallianz Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the financial period ended 31 December 2023

5. Disaggregation of Revenue

	Group	
	FP2023 US\$'000	FY2023 US\$'000
Charter hire income (time and bareboat charter)	27,766	64,832
Shipyard and newbuild management services income	186,907	84,342
	<u>214,673</u>	<u>149,174</u>

All of the Group's revenue is recognised over time, except for other ancillary services income from charter hire income and shipyard and newbuild management services income which is recognized at point in time.

6. Loss before tax

The following items have been included in arriving at loss before tax for the financial period/year:

	Group	
	FP2023 US\$'000	FY2023 US\$'000
Bad debts written off	3,084	565
Loss allowance for trade and other receivables (reversed)/made	(832)	1,610
Net foreign exchange loss	56	690
Loss/(Gain) on disposal of property, plant and equipment, net	52	(715)
Exceptional loss on disposal of vessel *	-	3,195
Gain on strike-off of subsidiaries	(1)	-
Property, plant and equipment written off	2,911	-
Exceptional gain on partial redemption of convertible bond	(2,031)	-
Depreciation of property, plant and equipment	5,573	6,156
Depreciation of right-of-use assets	804	260
Finance costs	<u>9,262</u>	<u>8,936</u>

* During FY2023, 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 upkeep 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.

Vallianz Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the financial period ended 31 December 2023

7. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Group and related parties took place during the financial period:

	Group	
	FP2023	FY2023
	US\$'000	US\$'000
Ultimate holding company		
Shareholder's advances	(10,800)	(16,535)
Payment made on behalf of the Group	(126)	(9,628)
Payment made on behalf of ultimate holding company	5,081	-
Loan interest expense	(867)	(1,285)
Receipt of other goods and services	(233)	(198)
Related companies		
Project management income	152,277	62,384
Charter hire income	10,434	41,011
Provision of other goods and services	647	-
Project management expenses	(3,690)	-
Charter hire expense	-	(6,597)
Receipt of other goods and services	(378)	(335)

8. Income tax (credit)/expense

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax (credit)/expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	FP2023	FY2023
	US\$'000	US\$'000
Current income tax expense	34	1,516
Deferred income tax credit relating to origination and reversal of temporary differences	(164)	(166)
Total tax (credit)/expense	(130)	1,350

9. Dividends

No dividends were declared or paid by the Company in FP2023 and FY2023.

10. Net Asset Value

	Group		Company	
	31 Dec	31 Mar	31 Dec	31 Mar
	2023	2023	2023	2023
Net asset value (US\$'000)	30,479	21,777	124,507	109,048
Number of ordinary shares issued ('000)	1,211,620	1,211,620	1,211,620	1,211,620
Net asset value per share (US cents)	2.52	1.80	10.28	9.00

Notes to the condensed interim consolidated financial statements
For the financial period ended 31 December 2023

	Group		Company	
	31 Dec 2023	31 Mar 2023	31 Dec 2023	31 Mar 2023
Net asset/(liability) value, excluding perpetual capital securities (US\$'000)	<u>7,979</u>	<u>(723)</u>	<u>102,007</u>	<u>86,548</u>
Number of ordinary shares issued ('000)	<u>1,211,620</u>	<u>1,211,620</u>	<u>1,211,620</u>	<u>1,211,620</u>
Net asset value per share, excluding perpetual capital securities (US cents)	<u>0.66</u>	<u>(0.06)</u>	<u>8.42</u>	<u>7.14</u>

11. Financial assets held at fair value through other comprehensive income – current

	Group	
	31 Dec 2023 US\$'000	31 Mar 2023 US\$'000
Unquoted preference shares	<u>31,729</u>	<u>31,729</u>

These investments in equity instruments are not held for trading. Accordingly, Management has elected to designate these investments in equity instruments as fair value through other comprehensive income (“FVOCI”) 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 measured at FVOCI has been disposed of during FP2023.

The above investments in unquoted preference shares are in relation to the cumulative preference shares issued by Resolute Offshore Pte Ltd (“ROPL”), a wholly-owned subsidiary of Swiber Holdings Limited (“SHL”).

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. The Group had taken a bank loan which was secured against the said vessel held by ROPL (“Term Loan”). ROPL was subsequently disposed by its original shareholders to SHL.

Pursuant to the above, the convertible bonds were converted to cumulative preference shares issued by ROPL to the Group, amounting to US\$155,000,000.

As at 31 March 2017, ROPL had redeemed a total of US\$77.8 million of the cumulative preference shares from the Group, resulting in a balance of US\$77.2 million. No further redemption was made thereafter.

**Notes to the condensed interim consolidated financial statements
For the financial period ended 31 December 2023**

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

- (a) Non-convertible;
- (b) Non-voting;
- (c) Dividend rate of 5.2% per annum payable semi-annually at the discretion of issuer. No dividend will be paid on the ordinary shares of ROPL if payment is not made on the preference share dividends; and
- (d) Right to redeem the preference shares lies with the issuer.

As at 31 March 2017, a non-repayment of the instalment payment of the Term Loan triggered a technical default for the Term Loan of outstanding principal amount of US\$31,729,000, which remained outstanding as at 31 December 2023. The Group had accrued for the interest and penalty payable for this Term Loan which amounted to US\$6,531,000 as at 31 December 2023 (31 March 2023: US\$6,531,000) arising from the default. The principal and interest is secured over the vessel held by the issuer of the preference shares.

During FY2017, the Group had 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. The carrying amount of the preference shares is equivalent to the carrying amount of the Term Loan. No further impairment loss on the preference shares was recognised since FY2017.

The unquoted preference shares have been presented as current assets as it is the intention of Management to dispose the preference shares when appropriate. 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, comprising primarily the vessel held by ROPL.

Reconciliation of fair value measurement of the unquoted preference shares is as follows:

	<u>Group</u>	
	<u>31 Dec</u> <u>2023</u> <u>US\$'000</u>	<u>31 Mar</u> <u>2023</u> <u>US\$'000</u>
<i>Financial assets held at fair value through OCI</i>		
Cost	77,200	77,200
Accumulated impairment recognised	(45,471)	(45,471)
Carrying amount	<u>31,729</u>	<u>31,729</u>

12. Financial assets held at fair value through other comprehensive income – non-current

	<u>Group</u>	
	<u>31 Dec</u> <u>2023</u> <u>US\$'000</u>	<u>31 Mar</u> <u>2023</u> <u>US\$'000</u>
Unquoted equity shares	<u>60,853</u>	<u>60,853</u>

The unquoted equity shares represent the Group's 19.77% interests in the ordinary share capital of Rawabi Vallianz Offshore Services Company Limited.

Notes to the condensed interim consolidated financial statements
For the financial period ended 31 December 2023

13. Property, plant and equipment

During FP2023, the Group acquired assets amounting to US\$18,868,000 (FY2023: US\$17,601,000) and did not dispose any assets (FY2023: US\$21,356,000).

Impairment and valuation of property, plant and equipment

The Group had considered the existence of impairment indicators and thereon assessed the recoverable amounts of vessels as at the end of each financial year end. 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 impairment provided during the financial period.

14. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2023 and 31 March 2023:

	<u>Group</u>		<u>Company</u>	
	<u>31 Dec 2023</u>	<u>31 Mar 2023</u>	<u>31 Dec 2023</u>	<u>31 Mar 2023</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<i>Financial assets</i>				
Financial assets at amortised cost	85,359	56,693	513,286	500,575
Financial assets at fair value through OCI	92,582	92,582	-	-
Total	<u>177,941</u>	<u>149,275</u>	<u>513,286</u>	<u>500,575</u>
<i>Financial liabilities</i>				
Financial liabilities at amortised cost	214,801	214,156	389,236	392,021
Lease liabilities	5,552	500	-	-
Total	<u>220,353</u>	<u>214,656</u>	<u>389,236</u>	<u>392,021</u>

15. Borrowings

	<u>Group</u>	
	<u>31 Dec 2023</u>	<u>31 Mar 2023</u>
	<u>US\$'000</u>	<u>US\$'000</u>
<u>Amount repayable within one year or on demand</u>		
- Secured	123,988	34,149
<u>Amount repayable after one year</u>		
- Secured	1,430	87,484

Vallianz Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the financial period ended 31 December 2023

The Group's borrowings are secured by:

- 1) Mortgage over the Group's property, vessels and equipment and a vessel held by a related company of a corporate shareholder;
- 2) Assignment of marine insurances in respect of certain vessels;
- 3) Monies pledged;
- 4) Assignment of earnings / charter proceeds in respect of certain vessels;
- 5) Corporate guarantees from the Company;
- 6) The unquoted preference shares held by the Group; and
- 7) The shares of subsidiary corporations incorporated in Singapore.

16. Share capital

	<u>Group and Company</u>	
	<u>No. of shares</u>	<u>US\$'000</u>
<u>Issued and fully paid, with no par value</u>		
At 31 December 2023 and 31 March 2023	<u>1,211,620</u>	<u>382,274</u>

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 March 2023.

The Company did not hold any treasury shares and outstanding convertibles as at 31 December 2023 and 31 March 2023.

17. Fair value of assets

The Group classifies financial assets measured at fair value using a fair value hierarchy which 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 in 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 or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Vallianz Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the financial period ended 31 December 2023

The table below analyses the Group's assets that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition.

	Group		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	US\$'000	US\$'000	US\$'000
Financial assets:			
Financial assets at FVOCI			
- Unquoted equity shares	-	-	92,582
At 31 December 2023	-	-	92,582
Financial assets:			
Financial assets at FVOCI			
- Unquoted equity shares	-	-	92,582
At 31 March 2023	-	-	92,582

Except as disclosed in the respective notes, the carrying amounts of the current financial assets and financial liabilities, including cash and cash equivalents, trade receivables, trade payables, lease liabilities and bank borrowing and the above financial assets, approximate their respective fair values.

Other information required by Appendix 7C of the Catalist Rules

**Other information required by Appendix 7C of the Catalyst Rules
For the financial period ended 31 December 2023**

1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The condensed statements of financial position of Vallianz Holdings Limited and its subsidiaries (the “Group”) as at 31 December 2023 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed statements of changes in equity and condensed consolidated statement of cash flows for the financial period ended 31 December 2023 and certain explanatory notes have not been audited or reviewed.

2. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

3. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Please refer to Explanatory Notes to the unaudited condensed interim financial statements for the financial period ended 31 December 2023.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Looking ahead to 2024, the global business environment is expected to be uncertain amid a backdrop of geopolitical tensions, lingering inflationary cost concerns and an elevated interest rate environment.

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 Organization of the Petroleum Exporting Countries (OPEC) said in its February 2024 Monthly Oil Market Report that oil demand grew 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.

**Other information required by Appendix 7C of the Catalyst Rules
For the financial period ended 31 December 2023**

The offshore support vessel (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 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%.

While the global OSV market is improving, the Group intends to adopt a prudent approach and cautiously optimistic stance as there are still many global uncertainties that could impede the offshore industry's recovery. Like other OSV operators, the Group has also experienced an escalation in operating costs for crew and manpower, fuel and equipment. The higher cost of capital due to the higher interest rate environment also poses risks for the market.

Vallianz offers integrated solutions across five core pillars – OSV chartering, specialised heavy transport, shipyard and engineering, marine technology, and renewable energy. To build long term sustainability, the Group will continue to focus on its strategy of strengthening its core businesses and expanding market share while positioning itself for the transformation of the global energy industry.

With its OSVs actively utilised at various offshore engineering, procurement, construction and installation projects across Asia and the Middle East, the Group intends to expand its OSV fleet to benefit from strong market demand and buoyant day charter rates.

Besides focusing on the conventional offshore oil & gas industry, Vallianz has also taken steps to capitalise on renewable energy, decarbonisation and digitalisation trends in the offshore and marine sector to sharpen its competitive edge and broaden its business portfolio.

Leveraging the in-house fabrication and engineering capabilities of its shipyard in Batam, Indonesia, the Group has successfully secured projects to build vessels ranging from specialised OSVs for offshore wind farms, Research Vessels to Offshore Floating Fish Farms. By forging strategic partnerships, the Group has also ventured into the market for electric, energy-efficient, and zero / low carbon emissions vessels.

6. Dividend

(a) Whether an interim (final) ordinary dividend has been declared or recommended.

No dividend has been declared or recommended for the current financial period.

(b) Corresponding period of the immediately preceding financial year

No dividend has been declared or recommended for the financial year ended 31 March 2023.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state whether the tax rate and the country where the dividend is derived. (if the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

**Other information required by Appendix 7C of the Catalyst Rules
For the financial period ended 31 December 2023**

7. If no dividend has been declared (recommended), a statement to that effect and the reasons for the decision.

No dividend has been declared or recommended for the financial period ended 31 December 2023 to conserve cash in view of the current economic and interest rate environment. In addition, with reference to the perpetual capital securities of US\$22.5 million issued by the Company in 2014, in the event that the Company wishes to declare dividends to ordinary shareholders, the Company will be 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.

8. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has in place the RHC IPT Mandate (as defined in the circular to shareholders dated 16 July 2023), which was approved by shareholders on 31 July 2023.

In compliance with Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalyst), there were no transactions with interested persons for the financial period ended 31 December 2023 which exceeds the stipulated threshold except as disclosed below:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (including transactions less than S\$100,000 and excluding transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Interest on shareholder's advances provided to the Group			
Rawabi Holding Company Limited and its subsidiaries ("RHC Group")	Controlling shareholder of the Company	US\$866,778 ⁽¹⁾	Not applicable
Other goods and services provided to the Group			
RHC Group	Controlling shareholder of the Company	Not applicable	US\$611,101
Other goods and services provided by the Group			
RHC Group	Controlling shareholder of the Company	Not applicable	US\$647,477
Chartering services provided by the Group			
RHC Group	Controlling shareholder of the Company	Not applicable	US\$10,433,800
Project management services provided to the Group			
RHC Group	Controlling shareholder of the Company	Not applicable	US\$3,690,000
Project management services provided to the Group			
RHC Group	Controlling shareholder of the Company	Not applicable	US\$522,524,000 ⁽²⁾

Notes:

Vallianz Holdings Limited and its Subsidiaries

Other information required by Appendix 7C of the Catalyst Rules For the financial period ended 31 December 2023

- (1) Interest on shareholder's advances from RHC Group is in relation to the RHC Loan Agreement as approved by shareholders at the Company's extraordinary general meeting held on 27 April 2021, the details of which are set out in the circular to shareholders dated 12 April 2021.
- (2) This amount refers to the contract sum of the shipbuilding and related service contracts entered during FP2023.

9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers as set out in Appendix 7H under Rule 720(1).

10. Breakdown of sales

	FP2023 US\$'000	FY2023 US\$'000	Increase/ (Decrease) %
Revenue			
(a) First half year	118,706	54,893	>100
(b) Second half year ²	95,967	94,281	2
	214,673	149,174	44
Profit/(Loss) after tax before deducting non-controlling interests			
(a) First half year	(3,485)	(4,783)	(27)
(b) Second half year ²	3,530	(6,493)	N/M ⁽¹⁾
	45	(11,276)	N/M ⁽¹⁾

Notes:

(1) N/M – Not meaningful

(2) Due to the change in financial year end as disclosed in Note 1, the second half year in FP2023 comprises the 3-month period from 1 October 2023 to 31 December 2023. The corresponding comparative period in FY2023 comprises the 6-month period from 1 October 2022 to 31 March 2023.

Please refer to Explanatory Notes to the unaudited condensed interim financial statements for the financial year ended 31 December 2023 for the review of the performance and factors leading to the material change in the contributions to turnover and earnings by the operating segments.

11. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

<u>Group</u>	FP2023 US\$	FY2023 US\$
Ordinary dividend - interim	-	-
Ordinary dividend - final	-	-
	-	-

Vallianz Holdings Limited and its Subsidiaries

Other information required by Appendix 7C of the Catalist Rules For the financial period ended 31 December 2023

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there were no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

13. Disclosures pursuant to Rule 706A of the Catalist Rules

(a) During the financial period ended 31 December 2023, the following subsidiaries have been struck off from the register pursuant to Section 151BA of the Labuan Companies Act 1990 (LCA 1990) on 11 May 2023:

- (i) OER Services Ltd, an indirect wholly-owned subsidiary of the Company held through OER Holdings Pte. Ltd.; and
- (ii) Vallianz Capital Ltd, a wholly-owned subsidiary of the Company.

(b) Subsequent to 31 December 2023, the following transactions occurred:

- (i) the incorporation of Vallianz Energy Shipbuilding Pte. Ltd. ("VESPL") 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.

On behalf of the Board of Directors

Ling Yong Wah
Executive Director
Chief Executive Officer
29 February 2024

Kevin Wong Chee Fatt
Independent Non-Executive Director

29 February 2024