



Vallianz Holdings Limited and its Subsidiaries

(Company Registration No.: 199206945E)

(Incorporated in the Republic of Singapore)

Condensed Unaudited Interim Financial Statements For the Six Months and Financial Year Ended 31 December 2024

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Vallianz Holdings Limited and its Subsidiaries

Condensed unaudited interim consolidated statement of profit or loss and other comprehensive income
For the Six Months (“2HFY2024”) and Financial Year ended 31 December 2024 (“FY2024”)

	Note	Group			Group		
		2HFY2024 ¹ US\$'000	2HFY2023 ¹ US\$'000	Changes (%)	FY2024 ¹ US\$'000	FP2023 ¹ US\$'000	Changes (%)
Revenue	5	238,200	187,454	27	497,858	214,673	>100
Cost of Sales		(223,114)	(167,724)	33	(468,230)	(196,280)	>100
Gross profit		15,086	19,730	(24)	29,628	18,393	61
Other (loss)/income, net		(192)	(4,926)	(96)	114	(3,997)	N/M
Administrative expenses		(4,091)	(5,445)	(25)	(10,227)	(7,250)	41
Finance costs		(9,807)	(8,488)	16	(17,635)	(9,262)	90
Share of results of joint venture		160	-	NM	160	-	N/M
Operating profit/(loss)		1,156	871	33	2,040	(2,116)	N/M
Exceptional item		19,150	2,031	>100	19,150	2,031	>100
Profit/(loss) before tax	6	20,306	2,902	>100	21,190	(85)	N/M
Income tax (expense)/credit	8	(3,624)	105	NM	(3,360)	130	N/M
Profit for the year/period		16,682	3,007	>100	17,830	45	>100
Other comprehensive profit/(loss): <i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences on translation of foreign operations		5	25	(80)	87	(16)	N/M
Actuarial gain on post-employment benefit obligations		-*	9	NM	-*	9	N/M
Other comprehensive gain/(loss) for the year/period, net of tax		5	34	(80)	87	(7)	N/M
Total comprehensive income for the year/period		16,687	3,041	>100	17,917	38	>100

* Less than US\$1,000

Note:

(1) FY2024 refers to the financial year from 1 January 2024 to 31 December 2024. FP2023 refers to the financial period from 1 April 2023 to 31 December 2023. 2HFY2024 refers to the financial period from 1 July 2024 to 31 December 2024. 2HFY2023 refer to the financial period from 1 July 2023 to 31 December 2023. Please refer to the Company's announcement dated 21 November 2023 for details on the Company's change in financial year end.

(2) N/M – Not meaningful

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 unaudited interim consolidated statement of profit or loss and other comprehensive income
For the Six Months (“2HFY2024”) and Financial Year ended 31 December 2024 (“FY2024”)

	Note	Group			Group		
		2HFY2024 ¹ US\$'000	2HFY2023 ¹ US\$'000	Changes (%)	FY2024 ¹ US\$'000	FP2023 ¹ US\$'000	Changes (%)
Profit for the year/period attributable to:							
Owners of the Company		17,962	4,098	>100	20,398	1,726	>100
Non-controlling interests		(1,280)	(1,091)	17	(2,568)	(1,681)	53
Profit for the year/period		16,682	3,007	>100	17,830	45	>100
Total comprehensive income for the year/period attributable to:							
Owners of the Company		17,967	4,123	>100	20,485	1,714	>100
Non-controlling interests		(1,280)	(1,082)	18	(2,568)	(1,676)	53
Total comprehensive income for the year/period		16,687	3,041	>100	17,917	38	>100
Earnings 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	-	1,211,620	1,211,620	-
Basic and diluted earnings per share (cents)		1.48	0.34	>100	1.68	0.14	>100

Note:

(1) FY2024 refers to the financial year from 1 January 2024 to 31 December 2024. FP2023 refers to the financial period from 1 April 2023 to 31 December 2023. 2HFY2024 refers to the financial period from 1 July 2024 to 31 December 2024. 2HFY2023 refer to the financial period from 1 July 2023 to 31 December 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 unaudited interim consolidated statement of profit or loss and other comprehensive income For the Six Months ("2HFY2024") and Financial Year ended 31 December 2024 ("FY2024")

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

(a) Revenue

The Group recorded revenue of approximately US\$497.9 million in FY2024, representing an increase of 132% from US\$214.7 million in FP2023. The growth in revenue was primarily driven by the Shipyard and Newbuild Management Services segment, largely due to the progress of newbuild projects in FY2024. Revenue for this segment is recognised using the percentage of completion method, reflecting the ongoing progress of these projects. Additionally, the expansion of the fleet in FY2024 enhanced revenue in the Vessel Chartering and Management segment, supported by higher charter rates and improved vessel utilisation. Furthermore, there was a rise in regional demand for submersible barges.

The Vessel Chartering and Management segment and the Shipyard and Newbuild Management Services segment accounted for approximately 9% and 91% respectively of the Group's revenue in FY2024, as compared to approximately 13% and 87% respectively in FP2023.

(b) Gross profit

The Group registered a gross profit of US\$29.6 million in FY2024 which was US\$11.2 million or 61% higher than that of US\$18.4 million in FP2023. Both Vessel Chartering and Management segment and Shipyard and Newbuild Management Services segment recorded increases in gross profit, with the latter segment being the major contributor.

The Group's Vessel Chartering and Management segment registered a 24.9% gross margin in FY2024 as compared to a 31.1% gross margin in FP2023, of which the decline was primarily attributable to higher vessel operating costs and repair and maintenance expenses. Additionally, the Shipyard and Newbuild Management Services segment registered a decline of 1.1% gross margin from 5.2% in FP2023 to 4.1% in FY2024, mainly due to higher project costs which were recognised based on actual costs incurred.

(c) Other income/(loss), net

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

(d) Administrative expenses

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

(e) Finance costs

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

Vallianz Holdings Limited and its Subsidiaries

Condensed unaudited interim consolidated statement of profit or loss and other comprehensive income For the Six Months ("2HFY2024") and Financial Year ended 31 December 2024 ("FY2024")

(f) **Share of results of joint venture**

During FY2024, the Group acquired a 49% equity stake in a joint venture (refer to the Company's announcement dated 16 August 2024 for more details) and recognised its share of results of the joint venture from acquisition date to the reporting date.

(g) **Exceptional item**

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

(h) **Profit attributable to owners of the Company**

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

Vallianz Holdings Limited and its Subsidiaries

Condensed unaudited interim statements of financial position
As at 31 December 2024

	Note	Group		Company	
		As at		As at	
		31 Dec 2024 US\$'000	31 Dec 2023 US\$'000	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
ASSETS					
Current assets					
Cash and cash equivalents		11,988	21,281	210	270
Trade receivables		36,980	47,752	-	-
Other receivables		125,629	163,482	486,551	513,016
Inventories		424	382	-	-
Contract assets		36,822	18,281	-	-
Financial assets at fair value through other comprehensive income	11	27,308	31,729	-	-
		<u>239,151</u>	<u>282,907</u>	<u>486,761</u>	<u>513,286</u>
Asset held for sale	12	950	-	-	-
Total current assets		<u>240,101</u>	<u>282,907</u>	<u>486,761</u>	<u>513,286</u>
Non-current assets					
Monies pledged with banks		-	356	-	-
Property, plant and equipment	13	89,486	83,815	1	3
Right-of-use assets		62,383	5,620	-	-
Financial assets at fair value through other comprehensive income	11	60,853	60,853	-	-
Subsidiaries		-	-	500	454
Joint venture		234	-	-	-
Other receivables		14,055	14,055	-	-
Total non-current assets		<u>227,011</u>	<u>164,699</u>	<u>501</u>	<u>457</u>
Total assets		<u>467,112</u>	<u>447,606</u>	<u>487,262</u>	<u>513,743</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 unaudited interim statements of financial position
As at 31 December 2024

	Note	Group		Company	
		As at		As at	
		31 Dec 2024 US\$'000	31 Dec 2023 US\$'000	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
LIABILITIES AND EQUITY					
Current liabilities					
Term loans	15	28,426	123,988	-	-
Trade payables		29,963	13,208	-	-
Other payables		92,062	51,090	299,730	347,391
Contract liabilities		91,389	202,175	-	-
Lease liabilities		15,483	1,866	-	-
Income tax payable		1,644	83	-	-
Total current liabilities		<u>258,967</u>	<u>392,410</u>	<u>299,730</u>	<u>347,391</u>
Non-current liabilities					
Term loans	15	88,235	1,430	-	-
Retirement benefit obligation		586	632	-	-
Lease liabilities		34,675	3,686	-	-
Deferred tax liabilities		1,215	1,195	-	-
Convertible bonds	16	-	41,845	-	41,845
Total non-current liabilities		<u>124,711</u>	<u>48,788</u>	<u>-</u>	<u>41,845</u>
Total liabilities		<u>383,678</u>	<u>441,198</u>	<u>299,730</u>	<u>389,236</u>
Equity					
Share capital	17	382,274	382,274	382,274	382,274
Perpetual capital securities	18	-	22,500	-	22,500
Foreign currency translation reserve		(3)	(90)	-	-
Shareholder's advances		113,596	46,783	113,596	46,783
Other reserve		(621)	(621)	28	28
Equity component of convertible bonds		-	5,919	-	5,919
Accumulated losses		(388,689)	(426,286)	(308,366)	(332,997)
Equity attributable to owners of the Company and capital securities holders		<u>106,557</u>	<u>30,479</u>	<u>187,532</u>	<u>124,507</u>
Non-controlling interests		<u>(23,123)</u>	<u>(24,071)</u>	<u>-</u>	<u>-</u>
Total equity		<u>83,434</u>	<u>6,408</u>	<u>187,532</u>	<u>124,507</u>
Total equity and liabilities		<u>467,112</u>	<u>447,606</u>	<u>487,262</u>	<u>513,743</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 unaudited interim statements of financial position As at 31 December 2024

Explanatory Notes to the condensed interim statements of financial position

(a) Trade and other receivables

The decrease in trade receivables from US\$47.8 million as at 31 December 2023 to US\$37.0 million as at 31 December 2024 was mainly attributable to the improvement in the average accounts receivable turnover from related parties for newbuild projects. However, this was partially offset by higher trade receivables in the Vessel Chartering and Management segment, driven by an increase in vessel charters in FY2024 compared to FP2023.

Other receivables (current) also decreased to US\$125.6 million as at 31 December 2024 from US\$163.5 million as at 31 December 2023. This was attributable mainly to the utilisation of down-payments and prepayments made to third-party suppliers for the construction of new vessels that is aligned with the progress of the newbuild projects and revenue recognised.

(b) Financial assets at fair value through other comprehensive income - current

The financial assets at fair value through other comprehensive income - current comprised investments in unquoted preference shares, for which the decrease from US\$31.7 million as at 31 December 2023 to US\$27.3 million as at 31 December 2024 was due to partial redemption of the unquoted preference shares.

(c) Asset held for sale

During FY2024, Management committed to a plan to sell a vessel. Accordingly, the vessel was presented as an "asset held for sale" and remeasured to the lower of its carrying amount and fair value less costs to sell of US\$950,000. Subsequent to 31 December 2024, the vessel was sold for a cash consideration of US\$1,000,000.

(d) Property, plant and equipment

Property, plant and equipment increased to US\$89.5 million as at 31 December 2024 from US\$83.8 million as at 31 December 2023, mainly due to the purchase of new vessels and equipment, drydocking for certain vessels and leasehold improvements. The increase was partially offset by depreciation expenses and reclassification to asset held-for-sale.

(e) Right-of-use assets

Right-of-use assets increased to US\$62.4 million as at 31 December 2024 from US\$5.6 million as at 31 December 2023, due to addition of leased vessels, partially offset by depreciation expenses.

(f) Joint venture

During FY2024, the Group acquired a 49% equity stake in a joint venture (refer to the Company's announcement dated 16 August 2024 for more details).

(g) Total current and non-current term loans

Total current and non-current borrowings decreased to US\$116.7 million as at 31 December 2024 from US\$125.4 million as at 31 December 2023, due mainly to repayment of term loans.

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 unaudited interim statements of financial position As at 31 December 2024

Explanatory Notes to the condensed interim statements of financial position (cont'd)

(h) Trade and other payables

The Group's trade payables increased to US\$29.9 million as at 31 December 2024 from US\$13.2 million as at 31 December 2023, which was mainly driven by higher procurement volumes and payments to third-party suppliers for newbuild projects, reflecting the increased activity in the Shipyard and Newbuild Management Services segment.

Other payables increased to US\$92.1 million as at 31 December 2024 from US\$51.1 million as at 31 December 2023, due mainly to higher project accruals and provisions which were recorded based on the progress of projects.

(i) Contract assets/(liabilities)

The change in contract assets/(liabilities) is aligned with the stage of progress of the newbuild projects in the Shipyard and Newbuild Services segment.

(j) Lease liabilities

Total current and non-current lease liabilities increased to US\$50.2 million as at 31 December 2024 from US\$5.6 million as at 31 December 2023, due mainly to new lease liabilities incurred in relation to acquisition of right-of-use assets.

(k) Convertible bonds

As at 31 December 2024, the Group had fully settled its convertible bonds.

(l) Perpetual securities

As at 31 December 2024, the Group had fully settled its perpetual securities.

Vallianz Holdings Limited and its Subsidiaries

Condensed unaudited interim statements of changes in equity
For the financial year ended 31 December 2024

Group

	Attributable to owners of the Company and capital securities holders							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			Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000			US\$'000
Balance at 1 January 2024	382,274	22,500	(90)	46,783	(621)	(426,286)	5,919	30,479	(24,071)	6,408
Total comprehensive income										
Profit for the year	-	-	-	-	-	20,398	-	20,398	(2,568)	17,830
Other comprehensive loss for the year	-	-	87	-	-*	-	-	87	-	87
Total	-	-	87	-	-	20,398	-	20,485	(2,568)	17,917
Transactions with owners and capital securities holders										
Deemed investment by a shareholder, net	-	-	-	66,813	-	-	-	66,813	-	66,813
Total	-	-	-	66,813	-	-	-	66,813	-	66,813
Deconsolidation of subsidiaries due to loss of control	-	-	-	-	-	-	-	-	3,516	3,516
Recognition of equity component of convertible bonds	-	-	-	-	-	-	30	30	-	30
Settlement of convertible bonds	-	-	-	-	-	5,949	(5,949)	-	-	-
Settlement of perpetual capital securities	-	(22,500)	-	-	-	11,250	-	(11,250)	-	(11,250)
Balance at 31 December 2024	382,274	-	(3)	113,596	(621)	(388,689)	-	106,557	(23,123)	83,434

* Less than US\$1,000

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 unaudited interim statements of changes in equity
For the financial year ended 31 December 2024

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 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 settlement 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

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Vallianz Holdings Limited and its Subsidiaries

Condensed unaudited interim statements of changes in equity
For the financial year ended 31 December 2024

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 January 2024	382,274	22,500	46,783	28	(332,997)	5,919	124,507
Profit for the year, representing total comprehensive loss for the year	-	-	-	-	7,432	-	7,432
Transactions with owners and capital securities holders							
Deemed investment by a shareholder, net	-	-	66,813	-	-	-	66,813
Total	-	-	66,813	-	-	-	66,813
Recognition of equity component of convertible bonds	-	-	-	-	-	30	30
Settlement of convertible bonds	-	-	-	-	5,949	(5,949)	-
Settlement of perpetual capital securities	-	(22,500)	-	-	11,250	-	(11,250)
Balance at 31 December 2024	382,274	-	113,596	28	(308,366)	-	187,532

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Vallianz Holdings Limited and its Subsidiaries

Condensed unaudited interim statements of changes in equity
For the financial year ended 31 December 2024

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 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 settlement 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 unaudited consolidated interim statement of cash flows
For the financial year ended 31 December 2024

	Group	
	FY2024 ¹ US\$'000	FP2023 ¹ US\$'000
Operating activities		
Profit/(loss) before tax	21,190	(85)
Adjustments for:		
Loss allowance for trade and other receivables reversed	(31)	(832)
Bad debts written off	1,686	3,084
Creditors written back	(1,818)	(505)
Depreciation of property, plant and equipment	7,481	5,573
Depreciation of right-of-use assets	2,557	804
Finance costs	17,635	9,262
Gain on strike-off of subsidiaries, net	-	(1)
Interest income	(112)	(349)
Impairment loss on remeasurement of asset held for sale	640	-
Property, plant and equipment written off	-	2,911
Provision for post-employment benefit obligations	(14)	44
Share of profit of joint venture	(160)	-
Unrealised foreign exchange differences	87	(18)
Exceptional loss on deconsolidation of subsidiaries, net	1,809	-
Exceptional gain on settlement of convertible bonds	(15,312)	(2,031)
Exceptional gain on settlement of perpetual capital securities	(5,646)	-
Operating cash flows before movements in working capital	<u>29,992</u>	<u>17,857</u>
Changes in working capital:		
Trade and other receivables	40,357	(148,372)
Trade and other payables	64,306	12,148
Inventories	(42)	548
Contract assets	(18,541)	(18,281)
Contract liabilities	(110,786)	150,608
Cash generated from operations	<u>5,286</u>	<u>14,508</u>
Income taxes paid	-	(114)
Net cash generated from operating activities	<u>5,286</u>	<u>14,394</u>
Investing activities		
Net cash outflow on deconsolidation of subsidiaries	(7)	-
Investment in joint venture	(73)	-
Interest received	112	349
Proceeds from redemption of investments in unquoted preference shares	4,421	-
Purchase of property, plant and equipment	(14,875)	(18,868)
Net cash used in investing activities	<u>(10,422)</u>	<u>(18,519)</u>
Financing activities		
Decrease in monies pledged to a bank	356	16
Interest paid	(6,319)	(5,112)
Proceeds from new term loans raised	249	4,545
Proceeds from shareholder's advance	66,813	10,800
Settlement of convertible bonds	(30,040)	(3,958)
Settlement of perpetual capital securities	(18,426)	-
Repayment of lease liabilities	(7,784)	(903)
Repayment of term loans	(9,006)	(760)
Net cash (used in)/generated from financing activities	<u>(4,157)</u>	<u>4,628</u>
Net (decrease)/increase in cash and cash equivalents	<u>(9,293)</u>	<u>503</u>
Cash and cash equivalents at beginning of year/period	<u>21,281</u>	<u>20,778</u>
Cash and cash equivalents at end of year/period	<u>11,988</u>	<u>21,281</u>

Note (1): FY2024 refers to the financial year from 1 January 2024 to 31 December 2024. FP2023 refers to the financial period from 1 April 2023 to 31 December 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

- (a) The Group's cash and cash equivalents decreased by US\$9.3 million from US\$21.3 million as at 31 December 2023 to US\$12.0 million as at 31 December 2024.
- (b) The Group generated net cash of US\$5.3 million in operating activities during FY2024. Net cash used in investing activities of US\$10.4 million for FY2024 was mainly attributable to purchase of property, plant and equipment and was partially offset by the proceeds from redemption of investments in unquoted preference shares. Net cash used in financing activities in FY2024 of US\$4.2 million was mainly attributable to settlement of convertible bonds and perpetual capital securities of US\$30.0 million and US\$18.4 million respectively, along with other payments related to loans, interest, and lease liabilities. It was being partially offset by advances from shareholder of US\$66.8 million, drawdown of new loans and reduction in monies pledged to a bank.

**Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2024**

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**”). 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 interim consolidated financial statements, comprising the Company and its subsidiaries (collectively, the “**Group**”), are as at and for the six months and financial year ended 31 December 2024. The comparative period covered is from 1 July 2023 to 31 December 2023 and from 1 April 2023 to 31 December 2023.

2. Basis of preparation

The condensed interim financial statements for the six months and financial year ended 31 December 2024 have been prepared in accordance with Singapore Reporting Standards (International) (“**SFRS(I)**”) 1-34 Interim Financial Reporting. 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 period ended 31 December 2023 (“**FP2023**”).

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 2024, the Group’s net current liabilities amounted to US\$18,866,000. The Group has total borrowings of US\$116,661,000, of which US\$28,426,000 are classified as current liabilities. The Group recorded a net profit of US\$17,830,000 and net cash inflows from operations of US\$5,286,000 during the financial year ended 31 December 2024.

As at 31 December 2024, the Group breached certain financial covenants imposed by two lenders of the term loans and obtained from these lenders a waiver for the breach till 31 December 2025.

2.1 Going concern assumption (continued)

The above constitutes events or conditions 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 FY2024 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 16 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\$113,596,000 as at 31 December 2024) as equity; and
- (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.

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 year ended 31 December 2024.

2.2 Use of estimates and judgements

In preparing the condensed interim 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 period ended 31 December 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 11 – Financial assets held at fair value through other comprehensive income and Note 13 – Impairment and valuation of property, plant and equipment.

**Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2024**

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

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:

- (a) Vessel chartering and management: chartering of vessels and third-party vessel management services;
- (b) 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
- (c) 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

<u>Group</u>	<u>Vessel Chartering and Management US\$'000</u>	<u>Shipyard and Newbuild Management Services US\$'000</u>	<u>Investment Holding US\$'000</u>	<u>Total US\$'000</u>
<u>2HFY2024</u>				
Revenue				
External sales	19,299	218,901	-	238,200
Results				
Segment results	753	12,086	(2,036)	10,803
Finance costs	(3,159)	(61)	(6,587)	(9,807)
Share of results of joint venture	160	-	-	160
Operating profit/(loss)	<u>(2,246)</u>	<u>12,025</u>	<u>(8,623)</u>	<u>1,156</u>
Exceptional item	-	-	19,150	19,150
Profit before tax				20,306
Income tax expense				<u>(3,624)</u>
Profit for the year				<u>16,682</u>
Segment assets and segment liabilities				
Segment assets	<u>162,866</u>	<u>197,780</u>	<u>106,466</u>	<u>467,112</u>
Segment liabilities	<u>159,650</u>	<u>199,268</u>	<u>23,545</u>	<u>382,463</u>
Deferred tax liabilities				1,215
Total liabilities				<u>383,678</u>

Vallianz Holdings Limited and its Subsidiaries

Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2024

<u>Group (continued)</u>	<u>Vessel Chartering and Management</u>	<u>Shipyard and Newbuild Management Services</u>	<u>Investment Business</u>	<u>Total</u>
<u>2HFY2024</u>				
Other information				
Bad debts written off	1,819	(76)	79	1,822
Loss allowance for trade and other receivables made/(reversed)	(80)	49	-	(31)
Depreciation of property, plant and equipment	3,103	796	32	3,931
Net foreign exchange (gain)/loss	(10)	332	63	385
Additions to property, plant and equipment	<u>8,895</u>	<u>1,245</u>	<u>-</u>	<u>10,140</u>
<u>2HFY2023</u>				
Revenue				
External sales	17,383	170,071	-	187,454
Results				
Segment results	10,260	3,345	(4,246)	9,359
Finance costs	<u>(3,013)</u>	<u>(83)</u>	<u>(5,392)</u>	<u>(8,488)</u>
Operating profit/(loss)	<u>7,247</u>	<u>3,262</u>	<u>(9,638)</u>	<u>871</u>
Exceptional item	-	-	2,031	<u>2,031</u>
Profit before tax				<u>2,902</u>
Income tax expense				<u>105</u>
Profit for the year				<u><u>3,007</u></u>
Segment assets and segment liabilities				
Segment assets	<u>109,475</u>	<u>234,002</u>	<u>104,129</u>	<u>447,606</u>
Segment liabilities	<u>100,567</u>	<u>259,787</u>	<u>79,649</u>	<u>440,003</u>
Deferred tax liabilities				<u>1,195</u>
Total liabilities				<u><u>441,198</u></u>
Other information				
Bad debts written off	8	1,693	1,383	3,084
Loss allowance for trade and other receivables made/(reversed)	959	(1,656)	-	(697)
Depreciation of property, plant and equipment	3,200	1,046	47	4,293
Net foreign exchange (gain)/loss	(282)	(55)	40	(267)
Additions to property, plant and equipment	<u>11,418</u>	<u>1,623</u>	<u>20</u>	<u>13,061</u>
<u>FY2024</u>				
Revenue				
External sales	43,795	454,063	-	497,858
Results				
Segment results	9,842	15,748	(6,075)	19,515
Finance costs	(6,467)	(134)	(11,034)	(17,635)
Share of results of joint venture	<u>160</u>	<u>-</u>	<u>-</u>	<u>160</u>
Operating profit/(loss)	<u>3,535</u>	<u>15,614</u>	<u>(17,109)</u>	<u>2,040</u>
Exceptional item	-	-	19,150	<u>19,150</u>
Profit before tax				<u>21,190</u>
Income tax expense				<u>(3,360)</u>
Profit for the year				<u><u>17,830</u></u>

Vallianz Holdings Limited and its Subsidiaries

Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2024

<u>Group (continued)</u>	<u>Vessel Chartering and Management US\$'000</u>	<u>Shipyard and Newbuild Management Services US\$'000</u>	<u>Investment Business US\$'000</u>	<u>Total US\$'000</u>
<u>FY2024</u>				
Segment assets and segment liabilities				
Segment assets	162,866	197,780	106,466	467,112
Segment liabilities	159,650	199,268	23,545	382,463
Deferred tax liabilities				1,215
Total liabilities				383,678
Other information				
Bad debts written off/(recovered)	1,819	(212)	79	1,686
Loss allowance for trade and other receivables (reversed)/recognised	(80)	49	-	(31)
Depreciation of property, plant and equipment	5,795	1,625	61	7,481
Net foreign exchange loss	162	438	63	663
Additions to property, plant and equipment	13,295	1,554	26	14,875
<u>FP2023</u>				
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 expense				130
Profit for the period				45
Segment assets and segment liabilities				
Segment assets	109,475	234,002	104,129	447,606
Segment liabilities	100,567	259,787	79,649	440,003
Deferred tax liabilities				1,195
Total liabilities				441,198
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 (gain)/loss	(137)	151	42	56
Additions to property, plant and equipment	16,092	2,752	24	18,868

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.

Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2024

5. Disaggregation of Revenue

	<u>Group</u>		<u>Group</u>	
	<u>2HFY2024</u>	<u>2HFY2023</u>	<u>FY2024</u>	<u>FP2023</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Charter hire income (time and bareboat charter)	19,299	17,383	43,795	27,766
Shipyard and newbuild management services income	218,901	170,071	454,063	186,907
	<u>238,200</u>	<u>187,454</u>	<u>497,858</u>	<u>214,673</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 recognised at point in time.

6. (Profit)/loss before tax

(Profit)/loss for the period/year has been arrived at after charging/(crediting):

	<u>Group</u>		<u>Group</u>	
	<u>2HFY2024</u>	<u>2HFY2023</u>	<u>FY2024</u>	<u>FP2023</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Bad debts written off	1,822	3,084	1,686	3,084
Loss allowance for trade and other receivables reversed	(31)	(697)	(31)	(832)
Net foreign exchange loss/(gain)	385	(267)	663	56
Gain on strike-off of subsidiaries	-	(1)	-	(1)
Exceptional loss on deconsolidation of subsidiaries, net	1,809	-	1,809	-
Impairment loss on remeasurement of asset held for sale	640	-	640	-
Property, plant and equipment written off	-	2,911	-	2,911
Exceptional gain on settlement of convertible bond	(15,312)	(2,031)	(15,312)	(2,031)
Exceptional gain on settlement of perpetual capital securities	(5,646)	-	(5,646)	-
Depreciation of property, plant and equipment	3,931	4,293	7,481	5,573
Depreciation of right-of-use assets	1,328	746	2,557	804
Finance costs	9,807	8,488	17,635	9,262

7. Related party transactions

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

	<u>Group</u>		<u>Group</u>	
	<u>2HFY2024</u>	<u>2HFY2023</u>	<u>FY2024</u>	<u>FP2023</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Ultimate holding company				
Payment made on behalf of	7	-	7	-
Receipt of other goods and services	(703)	-	(703)	-

Vallianz Holdings Limited and its Subsidiaries

Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2024

7. Related party transactions (continued)

	<u>Group</u>		<u>Group</u>	
	<u>2HFY2024</u>	<u>2HFY2023</u>	<u>FY2024</u>	<u>FP2023</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Related companies				
Charter hire income	-	10,434	-	10,434
Charter hire expense	(1,543)	-	(1,598)	-
Loan interest	(3,864)	(580)	(5,549)	(867)
Payment made on behalf by	(8,169)	(126)	(8,231)	(126)
Payment made on behalf of	812	5,081	812	5,081
Project management income	89,486	141,085	318,838	152,277
Project management expenses	-	(3,690)	-	(3,690)
Provision of other goods and services	352	451	654	647
Shareholder's advances	(51,104)	(9,800)	(66,813)	(10,800)
Receipt of other goods and services	(153)	(538)	(418)	(611)
Additions to right-of-use assets	34,659	-	34,659	-

8. Income tax expense/(credit)

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 expense/(credit) in the condensed interim consolidated statement of profit or loss are:

	<u>Group</u>		<u>Group</u>	
	<u>2HFY2024</u>	<u>2HFY2023</u>	<u>FY2024</u>	<u>FP2023</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Current income tax expense	3,329	57	3,372	66
Deferred income tax credit relating to origination and reversal of temporary differences	295	(162)	(12)	(196)
Total tax expense/(credit)	3,624	(105)	3,360	(130)

9. Dividends

No dividends were declared or paid by the Company in FY2024 and FP2023.

10. Net Asset Value

	<u>Group</u>		<u>Company</u>	
	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>	<u>31 Dec 2024</u>	<u>31 Dec 2023</u>
Net asset value (US\$'000)	106,557	30,479	187,532	124,507
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)	8.79	2.52	15.48	10.28

Notes to the condensed unaudited interim consolidated financial statements
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10. Net Asset Value (continued)

	Group		Company	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Net asset value less shareholder's advances and perpetual capital securities (US\$'000)	<u>(7,039)</u>	<u>(38,804)</u>	<u>73,936</u>	<u>55,224</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/(liability) value per share, excluding shareholder's advances and perpetual capital securities (US cents)	<u>(0.58)</u>	<u>(3.20)</u>	<u>6.10</u>	<u>4.56</u>

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

	Group	
	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Investment in equity instruments designated at fair value through other comprehensive income ("FVTOCI")		
<u>Current assets</u>		
<i>Unquoted preference shares held in ROPL</i>		
Beginning of financial year/period	31,729	31,729
Redemption	<u>(4,421)</u>	<u>-</u>
End of financial year/period	<u>27,308</u>	<u>31,729</u>
<u>Non-current assets</u>		
<i>Unquoted equity shares held in RVOS</i>		
Beginning and end of financial year/period	<u>60,853</u>	<u>60,853</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 and unquoted equity shares measured at FVOCI has been disposed of during the current and previous reporting period.

Unquoted preference shares

The investments in unquoted preference shares represent preference shares issued by a 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 ("Vessel") 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 Vessel held by ROPL ("Term Loan").

**Notes to the condensed unaudited interim consolidated financial statements
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11. Financial assets held at fair value through other comprehensive income (continued)

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 preference shares issued by ROPL amounting to US\$155,000,000.

The terms and conditions of the unquoted 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. Redemption amount comprises the par value.

As of 31 December 2024, ROPL had redeemed a total of US\$82,200,000 in preference shares from the Group, of which US\$4,421,000 was redeemed during FY2024 (FP2023: US\$nil).

Since the financial period ended 31 March 2017, the Group triggered a technical default for the Term Loan for which the carrying amount as at 31 December 2024 was US\$27,308,000 (31 December 2023: US\$31,729,000).

During the financial period ended 31 March 2017, the Group recognised an impairment loss of US\$45,471,000 on the unquoted preference shares subsequent to the completion of a review of its 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 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 2024</u>	<u>31 Dec 2023</u>
	US\$'000	US\$'000
<i>Financial assets held at fair value through OCI</i>		
Cost	155,000	155,000
Redemption	(82,221)	(77,800)
Accumulated impairment recognised	(45,471)	(45,471)
Carrying amount	<u>27,308</u>	<u>31,729</u>

Unquoted equity shares

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

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.

**Notes to the condensed unaudited interim consolidated financial statements
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12. Asset held for sale

During FY2024, Management committed to a plan to sell a vessel. Accordingly, the vessel was presented as an “asset held for sale” and remeasured to the lower of its carrying amount and fair value less costs to sell at US\$950,000. Consequently, an impairment loss of US\$640,000 was recognised and included in “other income/(loss), net”.

Subsequent to 31 December 2024, the vessel was sold for a cash consideration of US\$1,000,000.

13. Property, plant and equipment

During FY2024, the Group acquired assets amounting to US\$14,875,000 (FP2023: US\$18,868,000) and reclassified a vessel whose carrying amount was US\$1,590,000 (FP2023: US\$nil) to asset held-for-sale.

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 additional impairment provided during the current reporting period (FP2023: US\$nil).

14. Financial assets and financial liabilities

	Group		Company	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	US\$'000	US\$'000	US\$'000	US\$'000
<i>Financial assets</i>				
Financial assets at amortised cost	66,101	88,972	486,761	513,286
Financial assets at fair value through OCI	88,161	92,582	-	-
Total	<u>154,262</u>	<u>181,554</u>	<u>486,761</u>	<u>513,286</u>
<i>Financial liabilities</i>				
Financial liabilities at amortised cost	212,112	215,978	299,730	389,236
Lease liabilities	50,158	5,552	-	-
Total	<u>262,270</u>	<u>221,530</u>	<u>299,730</u>	<u>389,236</u>

15. Borrowings

	Group	
	31 Dec 2024	31 Dec 2023
	US\$'000	US\$'000
<u>Amount repayable within one year or on demand</u>		
- Secured	<u>28,426</u>	<u>123,988</u>
<u>Amount repayable after one year</u>		
- Secured	<u>88,235</u>	<u>1,430</u>

**Notes to the condensed unaudited interim consolidated financial statements
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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 investment in unquoted preference shares held by the Group; and
- 7) The shares of subsidiary corporations incorporated in Singapore.

16. Convertible bonds

During FY2024, the Company fully settled the convertible bonds.

Pursuant to the settlement of the convertible bonds, inter alia:

- (a) the Company made a payment of US\$30,040,000 to the convertible bond holder; and
- (b) the convertible bonds have been irrevocably cancelled by the Company and are void and of no further effect thereafter.

Accordingly, pursuant to the completion, there is full and final settlement of the convertible bonds and the convertible bonds holder waives any and all claims, rights and title that it may have in respect of the convertible bonds.

17. Share capital

	Group and Company	
	No. of shares	US\$'000
<u>Issued and fully paid, with no par value</u>		
At 31 December 2024 and 31 December 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 2024 and 31 December 2023.

The Company did not hold any treasury shares and outstanding convertibles as at 31 December 2024 and 31 December 2023.

There is no change in share capital since the end of the previous period reported on.

**Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2024**

18. Perpetual securities

During FY2024, the Company entered into a deed of settlement with a financial institution who is the financier of the perpetual securities holder (the “**Financier**”) to fully settle the perpetual securities which was completed in FY2024.

Pursuant to the settlement of the perpetual securities, inter alia:

- (a) the Company made a payment of US\$18,426,000 to the Financier; and
- (b) the perpetual securities holder has unconditionally, irrevocably and absolutely transferred to the Company all its rights, title, interest, remedies and benefits in and to the perpetual securities.

Accordingly, pursuant to the completion, there is full and final settlement of the perpetual securities and the perpetual securities holder no longer has any rights or title in or to the perpetual securities.

19. 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.

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 FVTOCI			
- Unquoted equity shares	-	-	88,161
At 31 December 2024	-	-	88,161
Financial assets:			
Financial assets at FVTOCI			
- Unquoted equity shares	-	-	92,582
At 31 December 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 year ended 31 December 2024**

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 2024 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 six months and financial year ended 31 December 2024 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 year ended 31 December 2024.

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 into 2025, the global business landscape will be shaped by ongoing geopolitical tensions and uncertainties in the interest rate environment.

According to the January 2025 World Economic Outlook Update from the International Monetary Fund (IMF), global economic growth is expected to remain at 3.3% for both 2025 and 2026, reflecting subdued potential growth post-pandemic. The IMF also highlighted a steady decline in inflation, reaching 3.5% in 2025. This is below the historical average of 3.7% recorded between 2000 and 2019 that indicates a return toward central bank targets.

In the oil sector, the International Energy Agency (IEA) reported in December 2024 that global oil supply is on track to increase by 630,000 barrels per day (bpd) in 2024 and by 1.9 million bpd in 2025, bringing total production to 104.8 million bpd. This growth is primarily driven by non-OPEC+ nations, including the United States, Brazil, Guyana, Canada, and Argentina.

**Other information required by Appendix 7C of the Catalyst Rules
For the financial year ended 31 December 2024**

The offshore support vessel (OSV) market saw robust growth in early 2024, with the Clarksons OSV Rate Index reaching record highs. However, rates softened in the latter half of the year. Despite this fluctuation, the outlook for 2025 remains strong, with capital investments in offshore oil and gas projects expected to reach \$123.1 billion, representing a 50% increase from the lower investment levels of 2024. This rise in spending is anticipated to boost demand for OSVs, subsea vessels, and rigs.

The global OSV market expanded significantly, reaching approximately USD 17.8 billion in 2023. This growth was driven by increased offshore oil and gas exploration, rising investments in offshore wind energy, and advancements in vessel technology. Market forecasts predict a compound annual growth rate (CAGR) of 6.8% between 2024 and 2032, potentially reaching USD 32.20 billion by 2032.

While the OSV sector continues to recover, the Group remains cautious amid prevailing global uncertainties that may hinder industry growth. Rising operating expenses, including costs for crew, fuel, and equipment, coupled with higher capital costs due to elevated interest rates, pose ongoing challenges.

The Group provides integrated solutions across five core business areas: OSV chartering, specialized heavy transport, shipyard and engineering, marine technology, and renewable energy. The Group remains committed to strengthening its core operations, expanding market presence, and strategically positioning itself for the evolving global energy sector.

With its OSVs deployed across various offshore engineering, procurement, construction, and installation projects in Asia and the Middle East, the Group aims to expand its fleet to capitalise on strong market demand and favorable day charter rates.

Beyond traditional offshore oil and gas services, the Group is actively seeking opportunities in renewable energy, decarbonization, and digitalisation trends within the offshore and marine industries to strengthen its competitive edge and expand its business portfolio. The Group remains committed to exploring and establishing strategic partnerships to enter the markets for electric, energy-efficient, and low- or zero-emission vessels serving the renewable energy sector.

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 period ended 31 December 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.

Vallianz Holdings Limited and its Subsidiaries

Other information required by Appendix 7C of the Catalist Rules For the financial year ended 31 December 2024

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 year ended 31 December 2024 to conserve cash in view of the current economic and interest rate environment.

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 12 April 2024), which was approved by shareholders on 29 April 2024 to cover all ongoing transactions with RHC Group other than interest on shareholder's advance from RHC Group. Interest on shareholder's advance from RHC Group is in relation to the RHC Loan Agreement as approved by shareholders at the extraordinary general meeting held on 27 April 2021.

In compliance with Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalist), there were no transactions with interested persons for the financial year ended 31 December 2024 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	Not applicable	US\$5,548,860
Other goods and services provided to the Group			
RHC Group	Controlling shareholder of the Company	Not applicable	US\$9,338,007
Other goods and services provided by the Group			
RHC Group	Controlling shareholder of the Company	Not applicable	US\$1,942,391
Chartering services provided to the Group			
RHC Group	Controlling shareholder of the Company	Not applicable	US\$46,490,358
Shipbuilding services provided by the Group			
RHC Group	Controlling shareholder of the Company	Not applicable	US\$25,095,196

**Other information required by Appendix 7C of the Catalist Rules
For the financial year ended 31 December 2024**

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

	FY2024	FY2023	Increase/ (Decrease)
Revenue	US\$'000	US\$'000	%
(a) First half year ^(b)	259,658	81,321	>100
(b) Second half year ^(c)	238,200	187,454	>100
	<u>497,858</u>	<u>268,775</u>	>100
Profit/(Loss) after tax before deducting non-controlling interests			
(a) First half year ^(b)	1,148	(1,948)	N/M ^(a)
(b) Second half year ^(c)	16,682	3,007	>100
	<u>17,830</u>	<u>1,059</u>	>100

Notes:

(a) N/M – Not meaningful

(b) Due to the change in financial year end as disclosed in Note 1, the first half year in FY2024 comprises the 6-month period from 1 January 2024 to 30 June 2024. The corresponding comparative period comprises the 6-month period from 1 January 2023 to 30 June 2023.

(c) Due to the change in financial year end as disclosed in Note 1, the second half year in FY2024 comprises the 6-month period from 1 July 2024 to 31 December 2024. The corresponding comparative period comprises the 6-month period from 1 July 2023 to 31 December 2023.

Please refer to Explanatory Notes to the unaudited condensed interim financial statements for the financial year ended 31 December 2024 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:

No dividends were declared for the financial year/period ended 31 December 2024 and 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 year ended 31 December 2024, the following transactions occurred:

- (i) the incorporation of Vallianz Energy Shipbuilding Pte. Ltd. (“VESPL”) 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:
 - 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 indirectly owned subsidiary of the Company held through OER Holdings Pte. Ltd.; and
 - 3. OER Services Pte. Ltd., an indirectly owned subsidiary of the company held through OER Holdings Pte. Ltd.
- (iii) Deepsea Leader Venture (L) Inc., a joint venture held through Vallianz International Pte. Ltd. had been struck off from the register pursuant to Section 151BA of the Labuan Companies Act 1990 (LCA 1990).
- (iv) the acquisition of a 49% equity stake in Marineast Vallianz Offshore Company Limited (“MVO”) for a cash consideration of THB2.5 million (approximately US\$74,000). The principal activities of MVO are the provision of marine vessel services supporting offshore energy projects. Please refer to the Company’s announcement dated 16 August 2024 for more details.

On behalf of the Board of Directors

Ling Yong Wah
Executive Director
Chief Executive Officer
21 February 2025

Kevin Wong Chee Fatt
Independent Non-Executive Director

21 February 2025