



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 2025

Table of Contents

Condensed interim consolidated statement of profit or loss and other comprehensive income	2
Condensed interim statements of financial position	6
Condensed interim statements of changes in equity	10
Condensed consolidated interim statement of cash flows	14
Notes to the condensed interim consolidated financial statements	16
Other information required by Appendix 7C of the Catalist Rules	27

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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 (“2HFY2025”) and Financial Year ended 31 December 2025 (“FY2025”)

	Note	Group			Group		
		2HFY2025 US\$'000	2HFY2024 US\$'000	Changes (%)	FY2025 US\$'000	FY2024 US\$'000	Changes (%)
Revenue	5	135,119	238,200	(43)	332,273	497,858	(33)
Cost of Sales		(117,016)	(223,114)	(48)	(305,238)	(468,230)	(35)
Gross profit		18,103	15,086	20	27,035	29,628	(9)
Other income/(loss), net		1,134	(192)	N/M	8,393	114	>100
Administrative expenses		(5,110)	(4,091)	25	(10,062)	(10,227)	(2)
Finance costs		(8,325)	(9,807)	(15)	(17,039)	(17,635)	(3)
Share of results of joint venture		486	160	>100	587	160	>100
Operating profit		6,288	1,156	>100	8,914	2,040	>100
Exceptional item		2,531	19,150	(87)	2,531	19,150	(87)
Profit before tax	6	8,819	20,306	(57)	11,445	21,190	(46)
Income tax expenses	8	(2,257)	(3,624)	(38)	(2,398)	(3,360)	(29)
Profit for the period/year		6,562	16,682	(61)	9,047	17,830	(49)
Other comprehensive profit: <i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences on translation of foreign operations		17	5	>100	(180)	87	N/M
Actuarial gain on post-employment benefit obligations		10	-*	N/M	8	-*	N/M
Other comprehensive gain/(loss) for the period/year, net of tax		27	5	>100	(172)	87	N/M
Total comprehensive income for the period/year		6,589	16,687	(61)	8,875	17,917	(50)

* Less than US\$1,000

Note:

(1) 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 ("2HFY2025") and Financial Year ended 31 December 2025 ("FY2025")

	Note	Group			Group		
		2HFY2025 US\$'000	2HFY2024 US\$'000	Changes (%)	FY2025 US\$'000	FY2024 US\$'000	Changes (%)
Profit for the period/year attributable to:							
Owners of the Company		7,095	17,962	(60)	10,650	20,398	(48)
Non-controlling interests		(533)	(1,280)	(58)	(1,603)	(2,568)	(38)
Profit for the period/year		6,562	16,682	(61)	9,047	17,830	(49)
Total comprehensive income for the period/year attributable to:							
Owners of the Company		7,122	17,967	(60)	10,478	20,485	(49)
Non-controlling interests		(533)	(1,280)	(58)	(1,603)	(2,568)	(38)
Total comprehensive income for the period/year		6,589	16,687	(61)	8,875	17,917	(50)
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)		0.59	1.48	(60)	0.88	1.68	(48)

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 ("2HFY2025") and Financial Year ended 31 December 2025 ("FY2025")

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\$332.3 million in FY2025, representing a decrease of 33% from US\$497.9 million in FY2024. The decrease was mainly attributable to the Shipyard and Newbuild Management Services segment, which saw a slowdown in the progress of ongoing newbuild projects during the year as a higher proportion of projects were in the advanced or completion stages. As revenue for this segment is recognised based on the percentage of completion method, lesser project progress in FY2025 resulted in reduced revenue recognition. In addition, the number of ongoing projects in FY2025 was lower as compared to FY2024. This was partially offset by an increase in revenue from the Vessel Chartering and Management segment, supported by the expanded fleet following vessel additions in FY2024. The improvement was also driven by higher charter rates and improved vessel utilisation.

The Vessel Chartering and Management segment and the Shipyard and Newbuild Management Services segment accounted for approximately 22% and 78% respectively of the Group's revenue in FY2025, as compared to approximately 9% and 91% respectively in FY2024.

(b) Gross profit

The Group recorded a gross profit of US\$27.0 million in FY2025, representing a decrease of US\$2.6 million or 9% from US\$29.6 million in FY2024. The decline in gross profit was mainly attributable to the Shipyard and Newbuild Management Services segment, which reported lower gross profit compared to the corresponding period in the previous financial year, while gross profit from the Vessel Chartering and Management segment increased.

The Group's Shipyard and Newbuild Management Services segment registered a decline in gross margin of 1.2% from 4.1% in FY2024 to 2.9% in FY2025, mainly due to higher project costs recognised. In contrast, the gross margin of the Vessel Chartering and Management segment remained comparable at approximately 24.9%.

(c) Other income/(loss), net

The Group recorded other income of US\$8.4 million in FY2025, compared to an income of US\$0.1 million in FY2024. The increase was mainly attributable to lower bad debts written off amounting to US\$0.7 million, a gain on disposal of assets of US\$3.9 million, and higher net foreign exchange gains of US\$3.1 million in FY2025. In addition, the loss recorded in FY2024 included a write-off of US\$0.6 million arising from the impairment on remeasurement of assets held for sale, which did not recur in FY2025.

(d) Administrative expenses

The decrease in administrative expenses by US\$0.1 million or 2% from US\$10.2 million in FY2024 to US\$10.1 million in FY2025 was mainly attributable to lower professional fees.

(e) Finance costs

Finance costs amounted to US\$17.0 million in FY2025, compared to US\$17.6 million in FY2024. The slight decrease was mainly attributable to lower loan interest rates in FY2025. This was partially offset by higher interest expense arising from the drawdown of advances from shareholder and interest on lease liabilities, following the recognition of new right-of-use ("ROU") assets during FY2025 and at the end of the corresponding period in FY2024.

Vallianz Holdings Limited and its Subsidiaries

Condensed unaudited interim consolidated statement of profit or loss and other comprehensive income For the Six Months ("2HFY2025") and Financial Year ended 31 December 2025 ("FY2025")

(f) Share of results of joint venture

The Group recorded a share of profit of US\$0.6 million from its joint venture in FY2025. The joint venture, which was acquired in August 2024, continued to contribute positively to the Group's performance, driven by stable vessel chartering and provision of ancillary services in FY2025.

The Group's share of results is recognised based on the equity method of accounting, in accordance with SFRS(I) 1-28 *Investment in Associates and Joint Venture*.

(g) Exceptional item

The exceptional net gain of US\$2.5 million in FY2025 was primarily attributable to the gain arising from restructuring one of the Group's term loans, while the exceptional gain of US\$19.2 million in FY2024 was mainly due 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, partially offset by a loss on deconsolidation of subsidiaries of US\$1.8 million.

(h) Profit attributable to owners of the Company

As a result of the above, the Group registered a lower profit attributable to owners of the Company of US\$10.7 million in FY2025 as compared to US\$20.4 million in FY2024.

Vallianz Holdings Limited and its Subsidiaries

Condensed unaudited interim statements of financial position
As at 31 December 2025

	Note	Group		Company	
		As at		As at	
		31 Dec 2025 US\$'000	31 Dec 2024 US\$'000	31 Dec 2025 US\$'000	31 Dec 2024 US\$'000
ASSETS					
Current assets					
Cash and cash equivalents		7,623	11,988	30	210
Trade receivables		106,937	36,980	-	-
Other receivables		53,670	125,629	377,934	486,551
Inventories		1,053	424	-	-
Contract assets		83,160	36,822	-	-
Financial assets at fair value through other comprehensive income	11	-	27,308	-	-
		<u>252,443</u>	<u>239,151</u>	<u>377,964</u>	<u>486,761</u>
Asset held for sale	12	-	950	-	-
Total current assets		<u>252,443</u>	<u>240,101</u>	<u>377,964</u>	<u>486,761</u>
Non-current assets					
Property, plant and equipment	13	89,327	89,486	-	1
Right-of-use assets		70,537	62,383	-	-
Financial assets at fair value through other comprehensive income	11	60,853	60,853	-	-
Subsidiaries		-	-	500	500
Joint ventures		825	234	-	-
Deferred tax assets		785	-	-	-
Other receivables		-	14,055	-	-
Total non-current assets		<u>222,327</u>	<u>227,011</u>	<u>500</u>	<u>501</u>
Total assets		<u>474,770</u>	<u>467,112</u>	<u>378,464</u>	<u>487,262</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 2025

	Note	Group		Company	
		As at		As at	
		31 Dec 2025 US\$'000	31 Dec 2024 US\$'000	31 Dec 2025 US\$'000	31 Dec 2024 US\$'000
LIABILITIES AND EQUITY					
Current liabilities					
Term loans	15	10,212	28,426	443	-
Trade payables		77,001	29,963	-	-
Other payables		139,762	92,062	193,184	299,730
Contract liabilities		14,385	91,389	-	-
Lease liabilities		12,902	15,483	-	-
Income tax payable		285	1,644	-	-
Total current liabilities		<u>254,547</u>	<u>258,967</u>	<u>193,627</u>	<u>299,730</u>
Non-current liabilities					
Term loans	15	83,663	88,235	2,619	-
Other payables		381	-	381	-
Retirement benefit obligation		668	586	-	-
Lease liabilities		31,089	34,675	-	-
Deferred tax liabilities		3,798	1,215	-	-
Total non-current liabilities		<u>119,599</u>	<u>124,711</u>	<u>3,000</u>	<u>-</u>
Total liabilities		<u>374,146</u>	<u>383,678</u>	<u>196,627</u>	<u>299,730</u>
Equity					
Share capital	16	382,274	382,274	382,274	382,274
Foreign currency translation reserve		(183)	(3)	-	-
Shareholder's advances		121,911	113,596	121,911	113,596
Other reserve		(613)	(621)	28	28
Accumulated losses		(378,039)	(388,689)	(322,376)	(308,366)
Equity attributable to owners of the Company and capital securities holders		<u>125,350</u>	<u>106,557</u>	<u>181,837</u>	<u>187,532</u>
Non-controlling interests		<u>(24,726)</u>	<u>(23,123)</u>	<u>-</u>	<u>-</u>
Total equity		<u>100,624</u>	<u>83,434</u>	<u>181,837</u>	<u>187,532</u>
Total equity and liabilities		<u>474,770</u>	<u>467,112</u>	<u>378,464</u>	<u>487,262</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 2025

Explanatory Notes to the condensed interim statements of financial position

(a) Trade and other receivables

Trade receivables increased from US\$37.0 million as at 31 December 2024 to US\$106.9 million as at 31 December 2025. The increase was mainly attributable to receivables arising from ongoing newbuild projects, which are billed and collected in accordance with the billing schedules and milestone-based payment terms. In addition, trade receivables from the Vessel Chartering and Management segment increased, driven by a higher level of vessel charter activities in FY2025.

Other receivables decreased to US\$53.7 million as at 31 December 2025 from US\$125.6 million as at 31 December 2024. 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.

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

As at 31 December 2024, financial assets at fair value through other comprehensive income ("FVOCI") – current comprised investments in unquoted preference shares. During FY2025, a partial redemption of US\$23.3 million was received following the disposal of the mortgaged vessel, of which the proceeds was applied towards the repayment of a term loan. Thereafter, a fair value loss was recognised on the remaining preference shares as no recoverable value remained following the restructuring of the remaining term loan. As a result, the carrying amount of these unquoted preference shares was US\$Nil as at 31 December 2025, compared to US\$27.3 million as at 31 December 2024.

(c) Asset held for sale

During FY2025, the Group completed the sale of a vessel that was classified as an asset held for sale as at 31 December 2024. The vessel had been remeasured to US\$950,000, being the lower of its carrying amount and fair value less costs to sell. The sale was completed for a net cash consideration of US\$950,000.

(d) Property, plant and equipment

Property, plant and equipment decreased slightly to US\$89.3 million as at 31 December 2025 from US\$89.5 million as at 31 December 2024. The depreciation expense recognised during the year was partially offset by additions during the year which mainly comprised purchase of new equipment, drydocking of certain vessels, leasehold improvements, and construction of a new floating dock.

(e) Right-of-use assets

Right-of-use assets increased to US\$70.5 million as at 31 December 2025 from US\$62.4 million as at 31 December 2024, mainly due to the recognition of new leases for shipyard and equipment assets during the year. The increase was partially offset by depreciation expenses recognised during the period.

(f) Joint ventures

The Group recorded a share of profit of US\$0.6 million in FY2025 from its joint venture, which increased its investment in joint venture from US\$0.2 million as at 31 December 2024 to US\$0.8 million as at 31 December 2025.

(g) Total current and non-current term loans

Total current and non-current borrowings decreased to US\$93.9 million as at 31 December 2025 from US\$116.7 million as at 31 December 2024, mainly due to repayment and restructuring of term loans during the year. This was partially offset by additional drawdowns during FY2025.

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 2025

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\$77.0 million as at 31 December 2025 from US\$30.0 million as at 31 December 2024. The increase was mainly attributable to higher charter hire expenses for vessels and the timing of payments to suppliers, which resulted in a lengthening of the payable cycle during the year.

Other payables increased to US\$139.8 million as at 31 December 2025 from US\$92.1 million as at 31 December 2024. The increase was primarily due to higher project-related accruals and provisions.

(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 decreased to US\$44.0 million as at 31 December 2025 from US\$50.2 million as at 31 December 2024, mainly due to repayments of lease liabilities and lease modifications during the year. This was partially offset by the recognition of new lease liabilities arising from the acquisition of right-of-use assets during the year.

Vallianz Holdings Limited and its Subsidiaries

Condensed unaudited interim statements of changes in equity
For the financial year ended 31 December 2025

Group

	Attributable to owners of the Company and capital securities holders						Non-controlling interests US\$'000	Total equity US\$'000
	Share capital US\$'000	Foreign currency translation reserve US\$'000	Shareholder's advances US\$'000	Other reserve US\$'000	Accumulated losses US\$'000	Total US\$'000		
Balance at 1 January 2025	382,274	(3)	113,596	(621)	(388,689)	106,557	(23,123)	83,434
Total comprehensive income								
Profit for the year	-	-	-	-	10,650	10,650	(1,603)	9,047
Other comprehensive loss for the year	-	(180)	-	8	-	(172)	-	(172)
Total	-	(180)	-	8	10,650	10,478	(1,603)	8,875
Transactions with owners and capital securities holders								
Deemed investment by a shareholder, net	-	-	8,315	-	-	8,315	-	8,315
Total	-	-	8,315	-	-	8,315	-	8,315
Balance at 31 December 2025	382,274	(183)	121,911	(613)	(378,039)	125,350	(24,726)	100,624

* 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 2025

Group (continued)

	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 2025

Company

	Share capital US\$'000	Shareholder's advances US\$'000	Other reserve US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 January 2025	382,274	113,596	28	(308,366)	187,532
Loss for the year, representing total comprehensive loss for the year	-	-	-	(14,010)	(14,010)
Transactions with owners and capital securities holders					
Deemed investment by a shareholder, net	-	8,315	-	-	8,315
Total	-	8,315	-	-	8,315
Balance at 31 December 2025	382,274	121,911	28	(322,376)	181,837

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 2025

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 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

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 2025**

	Group	
	FY2025 US\$'000	FY2024 US\$'000
Operating activities		
Profit before tax	11,445	21,190
Adjustments for:		
Loss allowance for trade and other receivables reversed	(1,675)	(31)
Bad debts written off	830	1,686
Creditors written back	(35)	(1,818)
Depreciation of property, plant and equipment	8,331	7,481
Depreciation of right-of-use assets	5,549	2,557
Finance costs	17,039	17,635
Gain from disposal of property, plant and equipment, net	(3,877)	-
Gain from early termination of lease	(52)	-
Interest income	(31)	(112)
Impairment loss on remeasurement of asset held for sale	-	640
Provision for post-employment benefit obligations	90	(14)
Share of profit of joint venture	(586)	(160)
Unrealised foreign exchange differences	(180)	87
Exceptional loss on deconsolidation of subsidiaries, net	-	1,809
Exceptional gain on settlement of convertible bonds	-	(15,312)
Exceptional gain on settlement of perpetual capital securities	-	(5,646)
Exceptional gain on loan restructuring	(2,531)	-
Operating cash flows before movements in working capital	<u>34,317</u>	<u>29,992</u>
Changes in working capital:		
Trade and other receivables	16,901	40,357
Trade and other payables	91,970	64,306
Inventories	(629)	(42)
Contract assets	(46,338)	(18,541)
Contract liabilities	(77,004)	(110,786)
Cash generated from operations	<u>19,217</u>	<u>5,286</u>
Income taxes paid	(1,639)	-
Net cash generated from operating activities	<u>17,578</u>	<u>5,286</u>
Investing activities		
Net cash outflow on deconsolidation of subsidiaries	-	(7)
Investment in joint venture	(5)	(73)
Interest received	31	112
Proceeds from disposal of equipment, net	9,485	-
Proceeds from redemption of investment in unquoted preference shares	23,308	4,421
Purchase of property, plant and equipment	(12,830)	(14,875)
Net cash generated from/(used in) investing activities	<u>19,989</u>	<u>(10,422)</u>
Financing activities		
Decrease in monies pledged to a bank	-	356
Interest paid	(8,579)	(6,319)
Proceeds from new term loans raised	5,585	249
Proceeds from shareholder's advance	8,315	66,813
Settlement of convertible bonds	-	(30,040)
Settlement of perpetual capital securities	-	(18,426)
Repayment of lease liabilities	(19,818)	(7,784)
Repayment of term loans	(27,435)	(9,006)
Net cash used in financing activities	<u>(41,932)</u>	<u>(4,157)</u>
Net decrease in cash and cash equivalents	(4,365)	(9,293)
Cash and cash equivalents at beginning of year	<u>11,988</u>	<u>21,281</u>
Cash and cash equivalents at end of year	<u>7,623</u>	<u>11,988</u>

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\$4.4 million from US\$12.0 million as at 31 December 2024 to US\$7.6 million as at 31 December 2025.
- (b) The Group generated net cash of US\$17.6 million from operating activities during FY2025. Net cash generated from investing activities amounted to US\$20.0 million in FY2025, mainly attributable to proceeds from the redemption of investments in unquoted preference shares and the disposal of plant and equipment, and partially offset by the purchase of property, plant and equipment. Net cash used in financing activities in FY2025 amounted to US\$42.0 million, mainly due to repayments of loans, interest payments, and payments of lease liabilities. This was partially offset by advances from shareholders of US\$8.3 million and drawdowns of new loans during the year.

Vallianz Holdings Limited and its Subsidiaries

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.

2. Basis of preparation

The condensed interim financial statements for the six months and financial year ended 31 December 2025 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 year ended 31 December 2024 (“**FY2024**”).

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 2025, the Group was in a net current liabilities position of US\$2,104,000. The Group has total borrowings of US\$93,875,000, of which US\$10,212,000 are classified as current liabilities. The Group recorded a net profit of US\$9,047,000 and net cash inflows from operations of US\$17,630,000 for the financial year ended 31 December 2025.

During the financial year, the Group breached certain financial covenants attached to its term loans. Waivers in respect of these covenant breaches have been obtained from the relevant lenders and remain valid up to 31 December 2026.

Notwithstanding the above, the Directors are of the opinion that the going concern assumption is appropriate in the preparation of the condensed interim consolidated financial statements for FY2025, after taking into account the following:

- (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 17 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\$121,911,000 as at 31 December 2025) 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.

Accordingly, the Directors are satisfied that the Group will be able to continue in operational existence for the foreseeable future.

**Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2025**

2.1 Going concern assumption (continued)

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 2025.

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 year ended 31 December 2024.

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.

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.

**Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2025**

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>Elimination US\$'000</u>	<u>Total US\$'000</u>
2HFY2025					
Revenue					
External sales	43,582	91,537	-	-	135,119
Inter-segment sales	-	-	3,581	(3,581)	-
	<u>43,582</u>	<u>91,537</u>	<u>3,581</u>	<u>(3,581)</u>	<u>135,119</u>
Results					
Segment results	12,498	4,695	(3,066)	-	14,127
Finance costs	(3,295)	(272)	(4,758)	-	(8,325)
Share of results of joint venture	486	-	-	-	486
Operating profit/(loss)	<u>9,689</u>	<u>4,423</u>	<u>(7,824)</u>	<u>-</u>	<u>6,288</u>
Exceptional item	-	-	2,531	-	2,531
Profit before tax					8,819
Income tax expense					(2,257)
Profit for the year					<u>6,562</u>
Segment assets and segment liabilities					
Segment assets	<u>169,404</u>	<u>208,860</u>	<u>96,506</u>	<u>-</u>	<u>474,770</u>
Segment liabilities	<u>162,832</u>	<u>194,020</u>	<u>13,496</u>	<u>-</u>	<u>370,348</u>
Deferred tax liabilities					3,798
Total liabilities					<u>374,146</u>
Other information					
Bad debts written off	269	39	46	-	354
Loss allowance for trade and other receivables reversed	(1,637)	(37)	-	-	(1,674)
Depreciation of property, plant and equipment	853	835	153	-	1,841
Net foreign exchange (gain)/loss	(6)	851	(1)	-	844
Additions to property, plant and equipment	<u>7,574</u>	<u>4,184</u>	<u>-</u>	<u>-</u>	<u>11,758</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 2025

<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>Elimination US\$'000</u>	<u>Total US\$'000</u>
2HFY2024					
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 (loss)/profit	<u>(2,246)</u>	<u>12,025</u>	<u>(8,623)</u>	<u>-</u>	<u>1,156</u>
Exceptional item	-	-	19,150	-	19,150
Profit before tax					20,306
Income tax expense					(3,624)
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>-</u>	<u>467,112</u>
Segment liabilities	<u>159,650</u>	<u>199,268</u>	<u>23,545</u>	<u>-</u>	<u>382,463</u>
Deferred tax liabilities					1,215
Total liabilities					<u>383,678</u>
Other information					
Bad debts written off/(recovered)	1,819	(76)	79	-	1,822
Loss allowance for trade and other receivables (reversed)/recognised	(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>-</u>	<u>10,140</u>
FY2025					
Revenue					
External sales	74,418	257,855	-	-	332,273
Inter-segment sales	3,593	-	4,703	(8,296)	-
	<u>78,011</u>	<u>257,855</u>	<u>4,703</u>	<u>(8,296)</u>	<u>332,273</u>
Results					
Segment results	21,788	10,008	(6,430)	-	25,366
Finance costs	(8,011)	(560)	(8,468)	-	(17,039)
Share of results of joint venture	587	-	-	-	587
Operating profit/(loss)	<u>14,364</u>	<u>9,448</u>	<u>(14,898)</u>	<u>-</u>	<u>8,914</u>
Exceptional item	-	-	2,531	-	2,531
Profit before tax					11,445
Income tax expense					(2,398)
Profit for the year					<u>9,047</u>
Segment assets and segment liabilities					
Segment assets	<u>169,404</u>	<u>208,860</u>	<u>96,506</u>	<u>-</u>	<u>474,770</u>
Segment liabilities	<u>162,832</u>	<u>194,020</u>	<u>13,496</u>	<u>-</u>	<u>370,348</u>
Deferred tax liabilities					3,798
Total liabilities					<u>374,146</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 2025

<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>Elimination US\$'000</u>	<u>Total US\$'000</u>
<u>FY2025</u>					
Other information					
Bad debts written off	269	515	46	-	830
Loss allowance for trade and other receivables reversed	(1,637)	(38)	-	-	(1,675)
Depreciation of property, plant and equipment	6,393	1,627	311	-	8,331
Net foreign exchange (gain)/loss	(87)	(2,525)	244	-	(2,368)
Net gain on disposal of property, plant and equipment	(3,877)	-	-	-	(3,877)
Additions to property, plant and equipment	7,759	4,208	863	-	12,830
<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	160	-	-	-	160
Operating profit/(loss)	3,535	15,614	(17,109)	-	2,040
Exceptional item	-	-	19,150	-	19,150
Profit before tax					21,190
Income tax expense					(3,360)
Profit for the year					17,830
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

Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2025

5. Disaggregation of Revenue

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.

	<u>Group</u>		<u>Group</u>	
	<u>2HFY2025</u>	<u>2HFY2024</u>	<u>FY2025</u>	<u>FY2024</u>
	US\$'000	US\$'000	US\$'000	US\$'000
At a point in time:				
Vessel chartering and management	8,134	417	19,859	3,808
Shipyard and newbuild management services	-	1,604	8	2,585
	8,134	2,021	19,867	6,393
Over time:				
Vessel chartering and management	35,448	18,882	54,559	39,987
Shipyard and newbuild management services	91,537	217,297	257,847	451,478
	126,985	236,179	312,406	491,465
	135,119	238,200	332,273	497,858

6. Profit before tax

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

	<u>Group</u>		<u>Group</u>	
	<u>2HFY2025</u>	<u>2HFY2024</u>	<u>FY2025</u>	<u>FY2024</u>
	US\$'000	US\$'000	US\$'000	US\$'000
Bad debts written off	354	1,822	830	1,686
Loss allowance for trade and other receivables reversed	(1,674)	(31)	(1,675)	(31)
Net foreign exchange loss/(gain)	844	385	(2,368)	663
Gain from disposal of equipment	-	-	(3,877)	-
Gain from early termination of lease	(52)	-	(52)	-
Exceptional loss on deconsolidation of subsidiaries, net	-	1,809	-	1,809
Impairment loss on remeasurement of asset held for sale	-	640	-	640
Exceptional gain on loan restructuring	(2,531)	-	(2,531)	-
Exceptional gain on settlement of convertible bond	-	(15,312)	-	(15,312)
Exceptional gain on settlement of perpetual capital securities	-	(5,646)	-	(5,646)
Depreciation of property, plant and equipment	1,841	3,931	8,331	7,481
Depreciation of right-of-use assets	2,713	1,328	5,549	2,557
Finance costs	8,325	9,807	17,039	17,635
	8,325	9,807	17,039	17,635

Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2025

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>2HFY2025</u>	<u>2HFY2024</u>	<u>FY2025</u>	<u>FY2024</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	11	7	21	7
Receipt of other goods and services	(9)	(703)	(74)	(703)
Related companies				
Charter hire expense	(6,542)	(1,543)	(14,826)	(1,598)
Loan interest	(4,621)	(3,864)	(8,315)	(5,549)
Payment made on behalf by	(97)	(8,169)	(974)	(8,231)
Payment made on behalf of	1,398	812	2,101	812
Shipyards and newbuild management services	36,409	89,486	135,795	318,838
Provision of other goods and services	403	352	896	654
Shareholder's advances	-	(51,104)	-	(66,813)
Receipt of other goods and services	(254)	(153)	(567)	(418)
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>2HFY2025</u>	<u>2HFY2024</u>	<u>FY2025</u>	<u>FY2024</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Current income tax expense	313	1,702	303	1,745
Deferred income tax (credit)/expense relating to origination and reversal of temporary differences	1,917	295	1,877	(12)
Withholding tax expense	27	1,627	218	1,627
Total tax expense	<u>2,257</u>	<u>3,624</u>	<u>2,398</u>	<u>3,360</u>

9. Dividends

No dividends were declared or paid by the Company in FY2025 and FY2024.

Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2025

10. Net Asset Value

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Net asset value (US\$'000)	<u>125,350</u>	<u>106,557</u>	<u>181,837</u>	<u>187,532</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 (US cents)	<u>10.35</u>	<u>8.79</u>	<u>15.01</u>	<u>15.48</u>
Net asset value less shareholder's advances (US\$'000)	<u>3,439</u>	<u>(7,039)</u>	<u>59,926</u>	<u>73,936</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 (US cents)	<u>0.28</u>	<u>(0.58)</u>	<u>4.95</u>	<u>6.10</u>

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

	Group	
	31 Dec 2025 US\$'000	31 Dec 2024 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	27,308	31,729
Redemption	(23,308)	(4,421)
Fair value loss	(4,000)	-
End of financial year	<u>-</u>	<u>27,308</u>
<u>Non-current assets</u>		
<i>Unquoted equity shares held in RVOS</i>		
Beginning and end of financial year	<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.

**Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2025**

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

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”).

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 at 31 December 2025, ROPL had redeemed a total of US\$105,529,000 of preference shares held by the Group, of which US\$23,308,000 (FY2024: US\$4,421,000) was redeemed during FY2025 through the disposal of the Vessel and applied towards repaying the Term Loan. This resulted in a fair value loss of US\$4,000,000 (FY2024: US\$Nil) being recognised on the remaining preference shares, as no recoverable value remained following the repayment of the Term Loan. Refer to Note 15 for further details on the arrangement for the Term Loan.

Since the financial period ended 31 March 2017, the Group has recognised an accumulated impairment loss of US\$45,471,000 on the unquoted preference shares which was recognised in prior years upon the completion of a review of the fair value of the carrying amount of the asset, following the entry of the issuer’s ultimate holding company into judicial management in July 2016.

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

	Group	
	31 Dec 2025	31 Dec 2024
	US\$’000	US\$’000
<i>Financial assets held at fair value through OCI</i>		
Cost	155,000	155,000
Redemption	(105,529)	(82,221)
Accumulated impairment recognised	(45,471)	(45,471)
Fair value loss	(4,000)	-
Carrying amount	-	27,308

**Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2025**

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

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.

12. Asset held for sale

During FY2025, the Group completed the sale of a vessel that had been classified as an asset held for sale as at 31 December 2024. The vessel had been remeasured to US\$0.95 million, being the lower of its carrying amount and fair value less costs to sell. The sale was completed for a net cash consideration of US\$0.95 million.

13. Property, plant and equipment

During FY2025, the Group acquired assets amounting to US\$12,830,000 (FY2024: US\$14,875,000).

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 additional impairment provided during the current reporting period (FY2024: US\$Nil).

14. Financial assets and financial liabilities

	Group		Company	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets				
Financial assets at amortised cost	141,021	66,101	377,964	486,761
Financial assets at fair value through OCI	60,853	88,161	-	-
Total	<u>201,874</u>	<u>154,262</u>	<u>377,964</u>	<u>486,761</u>
Financial liabilities				
Financial liabilities at amortised cost	270,931	212,112	196,246	299,730
Lease liabilities	43,991	50,158	-	-
Total	<u>314,922</u>	<u>262,270</u>	<u>196,246</u>	<u>299,730</u>

**Notes to the condensed unaudited interim consolidated financial statements
For the six months and financial year ended 31 December 2025**

15. Term Loans

	<u>Group</u>	
	<u>31 Dec 2025</u>	<u>31 Dec 2024</u>
	US\$'000	US\$'000
<u>Amount repayable within one year or on demand</u>		
- Secured	10,212	28,426
<u>Amount repayable after one year</u>		
- Secured	83,663	88,235

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.

During FY2025, the Group redeemed its unquoted preference shares amounting to US\$23,308,000, which was applied towards the repayment of one of its term loans. Concurrently, Resolute Pte Ltd ("RPL") entered into a restructuring arrangement with the financial institution in respect of the remaining balance of the same term loan, pursuant to which the Group undertook to pay an aggregate amount of US\$4,000,000 in instalments for the full and final settlement of the term loan. This resulted in a net gain on loan restructuring of US\$2,531,000, after taking into account the fair value loss of the unquoted preference shares, which served as the financial instrument for the term loan (refer to Note 11 for further details on the fair value loss of the unquoted preference shares).

During the financial year, the Group breached certain financial covenants attached to its term loans. Waivers in respect of these covenant breaches have been obtained from the relevant lenders and remain valid up to 31 December 2026.

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 2025 and 31 December 2024	1,211,620	382,274

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2025 and 31 December 2024.

The Company did not hold any treasury shares and outstanding convertibles as at 31 December 2025 and 31 December 2024.

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 2025**

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.

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	-	-	60,853
At 31 December 2025	-	-	<u>60,853</u>
Financial assets:			
Financial assets at FVTOCI			
- Unquoted equity shares	-	-	88,161
At 31 December 2024	-	-	<u>88,161</u>

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 2025**

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 2025 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 2025 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 2025.

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.

Over the next 12 months, the Group’s operating conditions are expected to remain subject to a combination of geopolitical developments, oil price volatility, and macroeconomic uncertainty, which may influence offshore activity levels and the timing of project awards. In this context, the Group remains focused on preserving operational resilience, cost discipline and strategic flexibility, while remaining attentive to developments and opportunities across its core markets.

In its January 2026 World Economic Outlook Update ⁽¹⁾, the International Monetary Fund projected global GDP growth at 3.3% in 2026 and 3.2% in 2027, broadly stable versus 2025, while global headline inflation is forecast to ease from an estimated 4.1% in 2025 to 3.8% in 2026 and 3.4% in 2027.

According to the International Energy Agency’s (IEA) January 2026 Oil Market Report ⁽²⁾, global oil supply is expected to continue expanding, with output projected at approximately 108.7 mb/d in 2026. The IEA has also highlighted the risk of a significant surplus of 4.25 mb/d in 1Q 2026 as supply exceeds demand.

**Other information required by Appendix 7C of the Catalyst Rules
For the financial year ended 31 December 2025**

In offshore marine services, Clarksons Research notes in its October 2025 “Offshore Review & Outlook” that OSV market conditions softened from the 2023-24 peaks, but remained above historical averages. The Clarksons OSV Rate Index has eased modestly from mid-2024 highs, yet continues to reflect elevated utilisation and rates relative to pre-pandemic levels, supported by tight fleet supply and limited newbuilding activity. While short-term volatility may persist due to project timing and macroeconomic uncertainty, underlying demand for offshore support vessels is expected to remain supported by active oil and gas regions across key regions such as the Middle East which is one of the Group’s key markets.

Within this environment, The Group will continue to focus on disciplined execution, fleet utilisation and cost control, while pursuing value-accretive opportunities across its core business lines in chartering, shipyard and newbuild management. In addition, The Group will actively pursue newbuild project management and shipbuilding-related opportunities. In parallel, the Group is expanding into maritime electrification and hybrid marine solutions, including electric and hybrid vessel systems and charging infrastructure, to position the Group for growth in the low-and zero-emission vessel segments alongside its traditional offshore support activities.

Footnotes:

⁽¹⁾ *January 2026 World Economic Outlook Updates: <https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026>*

⁽²⁾ *International Energy Agency’s (IEA) January 2026 Oil Market Report: <https://www.iea.org/reports/oil-market-report-january-2026>*

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 year.

(b) Corresponding period of the immediately preceding financial year

No dividend has been declared or recommended for the financial year ended 31 December 2025.

(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.

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 2025 to conserve cash in view of the current economic and interest rate environment.

Vallianz Holdings Limited and its Subsidiaries

Other information required by Appendix 7C of the Catalyst Rules For the financial year ended 31 December 2025

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 14 April 2025), which was approved by shareholders on 29 April 2025 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 defined in the circular to shareholders dated 14 April 2025) as approved by shareholders at the extraordinary general meeting held on 29 April 2025.

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 year ended 31 December 2025 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\$8,314,819	Not applicable
Other goods and services provided to the Group			
RHC Group	Controlling shareholder of the Company	Not applicable	US\$1,614,718
Other goods and services provided by the Group			
RHC Group	Controlling shareholder of the Company	US\$1,877,497	Not applicable
Chartering services provided to the Group			
RHC Group	Controlling shareholder of the Company	Not applicable	US\$12,906,186
Shipbuilding services provided by the Group			
RHC Group	Controlling shareholder of the Company	Not applicable	US\$19,450,915

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).

Vallianz Holdings Limited and its Subsidiaries

Other information required by Appendix 7C of the Catalist Rules For the financial year ended 31 December 2025

10. Breakdown of sales

	<u>FY2025</u>	<u>FY2024</u>	<u>Increase/ (Decrease)</u>
Revenue	US\$'000	US\$'000	%
(a) First half year	197,154	259,658	(24)
(b) Second half year	135,119	238,200	(43)
	<u>332,273</u>	<u>497,858</u>	(33)
Profit/(Loss) after tax before deducting non-controlling interests			
(a) First half year	2,485	1,148	>100
(b) Second half year	6,562	16,682	(45)
	<u>9,047</u>	<u>17,830</u>	(35)

Please refer to Explanatory Notes to the unaudited condensed interim financial statements for the financial year ended 31 December 2025 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 years ended 31 December 2025 and 31 December 2024.

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

During the financial year ended 31 December 2025, the following transaction occurred:

- (a) the incorporation of VC Power Pte. Ltd. ("VCPPL"), a joint venture between the Company's wholly-owned subsidiary, Vallianz Investment Capital Pte. Ltd. ("VICPL") and Chengrui Technology Singapore Pte. Ltd. ("CTSPL"). Pursuant to the joint venture agreement, VICPL acquired a 51% equity interest in VCPPL for a cash consideration of US\$5,100. The principal activities of VCPPL are to develop and deliver competitive electric and battery-powered solutions for the marine industry. Please refer to the Company's press release announced on 18 November 2025 for more details.

On behalf of the Board of Directors

Ling Yong Wah
Executive Director
Chief Executive Officer
26 February 2026

Kevin Wong Chee Fatt
Independent Non-Executive Director

26 February 2026