

UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013 (“FY 2013”)
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	Group		
	FY2013	FY2012	Change
	US\$'000	US\$'000	%
Revenue	19,985	11,519	73
Cost of sales	(4,958)	(1,765)	181
Gross profit	15,027	9,754	54
Other income	1,219	5,350	(77)
Administrative expenses	(3,734)	(5,820)	(36)
Finance costs	(3,092)	(3,802)	(19)
Share of profit of joint venture	1,621	-	nm
Profit before tax	11,041	5,482	101
Income tax expense	(728)	-	nm
Profit for the year	10,313	5,482	88
Profit for the year attributable to:			
Owners of the Company	7,493	2,411	211
Non-controlling interests	2,820	3,071	(8)
Total	10,313	5,482	
Other comprehensive income for the year, net of tax			
Exchange differences on translating foreign operations			
- gains arising during the year	252	1,412	(82)
- gains included in profit and loss upon liquidation of a subsidiary	(350)	-	nm
Total comprehensive income for the year	10,215	6,894	48
Total comprehensive income attributable to:			
Owners of the Company	7,395	3,131	136
Non-controlling interests	2,820	3,763	(25)
Total	10,215	6,894	

Note:

NM – Not Meaningful

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year.

Net profit for the period is determined after charging/(crediting) the following:

	Group	
	FY2013	FY2012
	US\$'000	US\$'000
Depreciation of plant and equipment	1,545	1,518
Share based payment expense	181	-
Finance costs	3,092	3,802
Loss on disposal of plant and equipment	1	16
Write-off of other receivables	-	1,134
Other income	(6)	(5,000)
Gain on disposal of investments	-	(323)
Gain on liquidation of subsidiary	(1,203)	-
Dividend income	(5,707)	(6,331)
Foreign exchange (gain)/loss	(143)	844

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statement of Financial Position

	Group		Company	
	31 Dec 2013 US\$'000	31 Dec 2012 US\$'000	31 Dec 2013 US\$'000	31 Dec 2012 US\$'000
Current assets				
Cash and cash equivalents	1,812	3,352	65	1,819
Trade receivables	5,662	432	-	-
Other receivables	5,335	3,282	10,868	8,035
Available-for-sale investments	86	86	86	86
	12,895	7,152	11,019	9,940
Non-current assets				
Plant and equipment	25,166	25,995	198	65
Subsidiaries	-	-	24,798	24,798
Joint venture	3,071	-	-	-
Available-for-sale investments	104,900	115,650	-	-
	133,137	141,645	24,996	24,863
Total assets	146,032	148,797	36,015	34,803
Current liabilities				
Term loans	15,258	14,169	-	-
Finance lease	23	-	23	-
Trade payables	2,559	-	-	-
Other payables	1,549	2,541	2,714	220
Income tax payable	728	-	-	-
	20,117	16,710	2,737	220
Non-current liabilities				
Term loans	53,797	69,055	-	-
Finance lease	19	-	19	-
	53,816	69,055	19	-
Total liabilities	73,933	85,765	2,756	220
Net assets	72,099	63,032	33,259	34,583
Capital and reserves				
Share capital	54,647	54,647	54,647	54,647
Foreign currency translation reserve	-	98	-	-
Employees' share option reserve	181	-	181	-
Accumulated losses	(12,098)	(19,115)	(21,569)	(20,064)
Equity attributable to owners of the Company	42,730	35,630	33,259	34,583
Non-controlling interests	29,369	27,402	-	-
Total equity	72,099	63,032	33,259	34,583

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

Group		Group	
As at 31 Dec 2013		As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
15,281	-	14,169	-

Amount repayable after one year

Group		Group	
As at 31 Dec 2013		As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
53,816	-	69,055	-

Details of any collateral

The Group's borrowings are secured by:

- (i) First legal mortgage over all the Group's vessels and motor vehicles
- (ii) Unquoted cumulative preference shares held by the Group

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated statements of cash flows

	Group	
	FY2013	FY2012
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	11,041	5,482
Adjustments for:		
Depreciation of plant and equipment	1,545	1,518
Gain on liquidation of subsidiary	(1,203)	-
Dividend income from available-for-sale investment	(5,707)	(6,352)
Gain on disposal of available-for-sale investment	-	(323)
Unrealised exchange loss	252	1,412
Finance costs	3,092	3,802
Loss on disposal of plant and equipment	1	16
Write-off of other receivables	-	1,134
Share based payment expense	181	-
Share of profit of joint venture	(1,621)	-
Operating cash flows before working capital changes	7,581	6,689
Trade and other receivables	(7,442)	6,025
Trade and other payables	1,567	(8,787)
Cash from operations	1,706	3,927
Income taxes paid	-	-
Net cash from operating activities	1,706	3,927
Cash flows from investing activities		
Dividends received	5,866	4,803
Proceeds from disposal of plant and equipment	55	1
Proceeds from redemption of preference shares	10,750	8,100
Proceeds from disposal of available-for-sale investment	-	1,013
Acquisition of investment in joint venture	(1,450)	-
Purchases of plant and equipment	(712)	(82)
Net cash from investing activities	14,509	13,835
Cash flows from financing activities		
Dividends paid	(476)	-
Interest paid	(3,092)	(3,775)
Repayment of term loans	(14,169)	(14,084)
Repayment of obligation under finance lease	(18)	-
Net cash used in financing activities	(17,755)	(17,859)
Net decrease in cash and cash equivalents	(1,540)	(97)
Cash and cash equivalents at beginning of year	3,352	3,449
Cash and cash equivalents at end of year	1,812	3,352

- 1(d)(i) **A statement (for the issuer and group) showing either**
(i) all changes in equity, or
(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity

Group	Share capital	Foreign currency translation reserve	Employees' share option reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2013	54,647	98	-	(19,115)	35,630	27,402	63,032
Total comprehensive income for the year							
Profit for the year	-	-	-	7,493	7,493	2,820	10,313
Other comprehensive income for the year	-	(98)	-	-	(98)	-	(98)
Total	-	(98)	-	7,493	7,395	2,820	10,215
Transactions with owners, recognised directly in equity							
Dividends paid	-	-	-	(476)	(476)	-	(476)
Recognition of share based payments	-	-	181	-	181	-	181
Liquidation of subsidiary	-	-	-	-	-	(853)	(853)
Total	-	-	181	(476)	(295)	(853)	(1,148)
At 31 December 2013	54,647	-	181	(12,098)	42,730	29,369	72,099
Group							
At 1 January 2012	54,647	(622)	-	(21,526)	32,499	23,639	56,138
Total comprehensive income for the year							
Profit for the year	-	-	-	2,411	2,411	3,763	6,174
Other comprehensive income for the year	-	720	-	-	720	-	720
Total	-	720	-	2,411	3,131	3,763	6,894
At 31 December 2012	54,647	98	-	(19,115)	35,630	27,402	63,032

1(d)(i) Statements of Changes in Equity (Cont'd)

Company	Share capital	Employees' share option reserve	Accumulated losses	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2013	54,647	-	(20,064)	34,583
Profit for the year, representing total comprehensive income for the year	-	-	(1,209)	(1,209)
Total	-	-	(1,209)	(1,209)
Transactions with owners, recognised directly in equity				
Dividends paid	-	-	(476)	(476)
Recognition of share based payments	-	181	-	181
Total	-	181	(476)	(295)
At 31 December 2013	54,647	181	(21,749)	33,079
Company				
At 1 January 2012	54,647	-	(22,300)	32,347
Profit for the year, representing total comprehensive income for the year	-	-	2,236	2,236
Total	-	-	2,236	2,236
At 31 December 2012	54,647	-	(20,064)	34,583

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

None.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Group and Company	
	31 Dec 2013 No. of shares ('000)	31 Dec 2012 No. of shares ('000)
The number of issued shares	1,189,412	1,189,412

There were no treasury shares as at 31 December 2013 and 31 December 2012.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Group does not have any treasury shares at the end of the financial year.

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

The financial statement have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those applied in the audited financial statement for the year ended 31 December 2012.

5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new or revised Financial Reportings Standard ("FRS") and the interpretation of FRS ("IFRS") that become effective for the entities with financial period commencing 1 January 2013. The adoption of the new and revised FRS and IFRS has no material impact on the unaudited financial statements for the financial year ended 31 December 2013.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	Financial year ended	
	31 Dec 2013	31 Dec 2012
<u>Earnings</u>		
Profit after tax (US\$'000)	7,493	2,411
<u>Number of shares</u>		
Weighted average number of shares for basic earnings per share ('000)	1,189,412	1,189,412
Effects of dilution from share options and awards ('000)	4,464	-
Weighted average number of shares for diluted earnings per share ('000)	1,193,876	1,189,412
<u>Earnings per share (US cents)</u>		
Basic	0.63	0.20
Diluted	0.63	0.20

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
 (b) **immediately preceding financial year.**

	Group		Company	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Net asset value (US\$'000)	42,730	35,630	33,259	34,583
Total number of shares issued ('000)	1,189,412	1,189,412	1,189,412	1,189,412
Net asset value per share (US cents)	3.59	3.00	2.80	2.91

8. **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 and liabilities of the group during the current financial period reported on.**

Review of Group Performance

Consolidated Statement of Comprehensive Income

(a) Revenue

The Group registered approximately US\$20.0 million of revenue for the financial year ended 31 December 2013 ("FY2013") representing an increase of 73% or US\$8.47 million when compared to the financial year ended 31 December 2012 ("FY2012"). The increase in revenue was due mainly to the growth in chartering, ship management and brokerage activities of the Group in FY2013.

(b) Cost of sales and gross profit

Cost of sales increased by US\$3.19 million, from US\$1.77 million in FY2012 to US\$4.96 million in FY2013. The increase in cost of sales is due mainly to chartering of a vessel in FY2013 and cost incurred relating to ship management activities of the Group.

The Group's gross profit increased by 54% or US\$5.27 million from US\$9.75 million in FY2012 to US\$15.03 million in FY2013.

(c) Other Income

Other income of US\$1.22 million in FY2013 was mainly due to gain on liquidation of a subsidiary.

(d) Administrative expenses

Administrative expenses decreased by 36% or US\$2.09 million to US\$3.73 million in FY2013 compared to FY2012. The higher expense incurred in FY2012 was mainly due to receivables written off and foreign exchange loss.

(e) Finance costs

Finance costs for the Group decreased by US\$710,000 from US\$3.80 million in FY2012 to US\$3.09 million. The decrease in finance costs was a result of the decrease in the Group's term loan balance.

8 Review of Group Performance (Cont'd)

(f) Profit for the year

The Group recorded a profit of US\$10.31 million for FY2013 as compared to US\$5.48 million for FY2012. The improvement in financial performance for FY2013 was mainly attributable to the growth in business activities and our joint venture share in the profits of Rawabi Swiber Offshore Services Co Ltd ("RSOS") which we acquired a 50% interest on 1 October 2013. Subsequent to year end, we entered into a new agreement with our Saudi joint venture partner, which will require the Group to consolidate the results of RSOS beginning FY2014.

Consolidated Statement of Financial Position

(g) Trade and other receivables

Trade and other receivables increased from US\$3.71 million as at 31 December 2012 to US\$11.0 million as at 31 December 2013. The increase in trade receivables is in line with the increase in the revenue of the Group.

(h) Available-for-sale investments

As at 31 December 2012 the Group had preferential shares in Resolute Offshore Pte Ltd valued at US\$115.65 million. Resolute Offshore Pte Ltd redeemed 107,500 preference shares for a total value of US\$10.75 million during the financial year ended 31 December 2013.

(i) Plant and equipment

The decrease in plant and equipment from US\$26.0 million as at 31 December 2012 to US\$25.17 million as at 31 December 2013 is due mainly to depreciation on the Group's vessels and other equipment.

(j) Total current and non-current borrowings

Total current & non-current term borrowings decreased from US\$83.22 million as at 31 December 2012 to US\$69.05 million as at 31 December 2013 due to the repayment of the Group's various loans. The amortisation profiles of these loans caused the Group to record a working capital deficit of US\$7.22 million as at 31 December 2013.

(k) Trade and other payables

The Group's trade and other payables increased by approximately US\$1.57 million from US\$2.54 million as at 31 December 2012 to US\$4.11 million as at 31 December 2013. The increase is consistent with the growth of the group business.

Consolidated Statement of Cash Flows

Cash and cash equivalents decreased from US\$3.35 million as at 31 December 2012 to US\$1.81 million as at 31 December 2013.

(l) Cash flow from operating activities

The Group's net cash inflow from operating activities for FY2013 amounted to US\$1.71 million. This comprised operating cash flows before working capital changes of US\$7.58 million, and adjusted for net working capital outflows of US\$5.87 million.

(m) Cash flow from investing activities

Net cash generated from investing activities amounted to US\$14.51 million for FY2013 due to the proceeds from the redemption of 107,500 preference shares and US\$5.87 million of dividends received from the Group's available-for-sale investment. In additions, the Group incurred an expenditure of US\$712,000 for purchase of plant and equipment mainly due to drydocking of a vessel.

(n) Cash flow used in financing activities

Net cash used in financing activities amounted to US\$17.76 million in FY2013 due mainly to repayments of bank borrowings and interest.

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

Not applicable.

10. **A commentary at the date of 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.**

The Group has established its business presence in the area of marine asset ownership, chartering and fleet corporate management services in Asia and the Middle East, regions where offshore exploration and production (“E&P”) work is expected to grow.

This is due to the structural demand for oil, ongoing development of oil fields and the potential for new oil discovery at these regions. These growth drivers, along with the industry’s expectation that oil prices will oscillate favorably, support E&P spending by offshore and international operators as well as national oil and gas companies in Asia and the Middle East. In addition, the increase in delivery of offshore oil rigs will also support vessel utilisation rates of offshore support vessels. All these augur well for Vallianz’s vessel fleet, which comprises 26 offshore support vessels.

As such, the Group will continue to focus on acquiring long term income producing assets that will provide stable and predictable income, and a good asset base from which it can expand upon. The Group believes that there will be a number of opportunities in the future for the Group to capitalise on and is cautiously optimistic of the outlook on the oil and gas industry.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of dividend	Interim dividend
Dividend type	Cash
Dividend rate	US\$0.0004 per ordinary share
Tax rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Yes. The following dividend was proposed and paid for the financial year ended 31 December 2012 :

Name of dividend	First and Final
Dividend type	Cash
Dividend rate	US\$0.0004 per ordinary share
Tax rate	Tax exempt (one-tier)

(c) Date Payable

To be announced at a later date

(d) Book Closure Date.

To be announced at a later date.

12. **If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

13. Interested person transaction

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 year 31 December 2013 which exceeds the stipulated threshold except as disclosed below:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Chartering		
Swiber and its subsidiaries	US\$5,073,500 ⁽¹⁾	US\$1,821,000
Corporate services		
Swiber and its subsidiaries	Nil	US\$288,000
Marine brokerage services		
Swiber and its subsidiaries	US\$539,926	US\$1,232,132
Ship management services		
Swiber and its subsidiaries	US\$1,157,300	US\$3,036,800
Other		
Swiber and its subsidiaries	US\$1,450,000	Nil

⁽¹⁾The transaction relates to chartering income for the year ended 31 December 2013. No shareholder approval was obtained because all terms of the charter party agreement entered into between Vallianz Marine Pte. Ltd. ("Vallianz Marine") and Newcruz Offshore Marine Pte Ltd were finalized and signed prior to the Company acquiring the 51% interest in Vallianz Marine and before Swiber Holdings Limited became an interested party as in Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalyst).

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Vessel chartering & broking US\$'000	Vessel management US\$'000	Investment holding US\$'000	Total US\$'000
2013				
Revenue				
External sales	8,672	5,616	5,697	19,985
Total revenue	<u>8,672</u>	<u>5,616</u>	<u>5,697</u>	<u>19,985</u>
Results				
Segment results	4,093	4,373	3,986	12,452
Unallocated income				60
Finance costs				(3,092)
Share of profit of joint venture				<u>1,621</u>
Profit before tax				11,041
Income tax				<u>(728)</u>
Profit for the year				<u><u>10,313</u></u>
2012				
Revenue				
External sales	5,188	-	6,331	11,519
Total revenue	<u>5,188</u>	<u>-</u>	<u>6,331</u>	<u>11,519</u>
Results				
Segment results	2,974	-	6,310	9,284
Finance costs				<u>(3,802)</u>
Profit before tax				5,482
Income tax				-
Profit for the year				<u><u>5,482</u></u>

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to para 8 and 14 above.

16. Breakdown of sales

	Group		
	31 Dec 2013	31 Dec 2012	Increase / decrease
	US\$'000	US\$'000	%
(a) Sales reported for first half year	7,467	5,943	26%
(b) Operating profit after tax before deducting minority interest reported for first half year	4,128	3,298	25%
(c) Sales reported for second half year	12,518	5,576	124%
(d) Operating profit after tax before deducting minority interest reported for second half year	6,185	2,184	183%

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

	31 Dec 2013	31 Dec 2012
	US\$'000	US\$'000
Ordinary	476	476
Total	476	476

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(10) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors of Vallianz Holdings Limited (the "Company") would like to confirm that none of the persons occupying managerial positions in the Company or its principal subsidiaries are related to a Director or Chief Executive Officer or Substantial Shareholder of the Company, for the financial year ended 31 December 2013.

BY ORDER OF THE BOARD

Lee Bee Fong
Company Secretary
13 February 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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