

**UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2014 (“1Q2014”)**
**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 Profit or Loss and Other Comprehensive Income**

	<b>Group</b>		
	<b>1Q2014</b>	1Q2013	Change
	<b>US\$'000</b>	US\$'000	%
<b>Revenue</b>	<b>27,707</b>	2,726	916
Cost of sales	<b>(17,378)</b>	(370)	nm
<b>Gross profit</b>	<b>10,329</b>	2,356	338
Other income	<b>667</b>	6	nm
Administrative expenses	<b>(2,667)</b>	(214)	nm
Finance costs	<b>(2,232)</b>	(818)	173
<b>Profit before tax</b>	<b>6,097</b>	1,330	358
Income tax expense	<b>(649)</b>	-	nm
<b>Profit for the period</b>	<b>5,448</b>	1,330	310
<b>Profit for the year attributable to:</b>			
Owners of the Company	<b>4,730</b>	588	704
Redeemable convertible capital securities holders	<b>66</b>	-	nm
Non-controlling interests	<b>652</b>	742	(12)
<b>Total</b>	<b>5,448</b>	1,330	
<b>Other comprehensive income for the period, net of tax</b>			
Exchange differences on translating foreign operations	-	81	
<b>Total comprehensive income for the period</b>	<b>5,448</b>	1,411	286
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	<b>4,730</b>	630	651
Redeemable convertible capital securities holders	<b>66</b>	-	nm
Non-controlling interests	<b>652</b>	781	(17)
<b>Total</b>	<b>5,448</b>	1,411	

**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:

	<b>Group</b>	
	<b>1Q2014</b>	1Q2013
	<b>US\$'000</b>	US\$'000
Depreciation of plant and equipment	<b>2,821</b>	377
Dividend income	<b>(1,333)</b>	(1,475)
Finance costs	<b>2,232</b>	818
Foreign exchange loss /(gain)	<b>20</b>	(174)
Gain on bargain purchase	<b>(647)</b>	-
Other income	<b>(19)</b>	-
Provision for employee benefit	<b>33</b>	-
Share-based payment expense	<b>72</b>	-

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.**

**Statements of Financial Position**

	<b>Group</b>		<b>Company</b>	
	<b>31 Mar 2014</b> <b>US\$'000</b>	<b>31 Dec 2013</b> <b>US\$'000</b>	<b>31 Mar 2014</b> <b>US\$'000</b>	<b>31 Dec 2013</b> <b>US\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	17,370	1,812	12,184	65
Trade receivables	24,317	5,662	-	-
Other receivables	15,284	5,335	46,962	13,368
Inventories	781	-	-	-
Available-for-sale investments	86	86	86	86
	<b>57,838</b>	<b>12,895</b>	<b>59,232</b>	<b>13,519</b>
<b>Non-current assets</b>				
Available-for-sale investments	102,900	104,900	-	-
Plant and equipment	485,335	25,166	186	198
Subsidiaries	-	-	24,798	24,798
Joint venture	-	3,071	-	-
Associate	4	-	4	-
	<b>588,239</b>	<b>133,137</b>	<b>24,988</b>	<b>24,996</b>
<b>Total assets</b>	<b>646,077</b>	<b>146,032</b>	<b>84,220</b>	<b>38,515</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Term loans	72,730	15,258	-	-
Trade payables	39,303	2,559	-	-
Other payables	39,680	1,549	1,705	2,714
Finance lease	23	23	23	23
Income tax payable	1,377	728	-	-
	<b>153,113</b>	<b>20,117</b>	<b>1,728</b>	<b>2,737</b>
<b>Non-current liabilities</b>				
Term loans	323,653	53,797	-	-
Finance lease	13	19	13	19
Other payables	40,534	-	-	-
Retirement benefit obligation	269	-	-	-
	<b>364,469</b>	<b>53,816</b>	<b>13</b>	<b>19</b>
<b>Capital and reserves</b>				
Share capital	95,347	54,647	95,347	54,647
Redeemable convertible capital securities	7,370	-	7,370	-
Share options reserve	253	181	253	181
Accumulated losses	(8,214)	(12,098)	(20,491)	(19,069)
Equity attributable to owners of the Company	<b>94,756</b>	<b>42,730</b>	<b>82,479</b>	<b>35,759</b>
Non-controlling interests	33,739	29,369	-	-
<b>Total equity</b>	<b>128,495</b>	<b>72,099</b>	<b>82,479</b>	<b>35,759</b>
<b>Total liabilities and equity</b>	<b>646,077</b>	<b>146,032</b>	<b>84,220</b>	<b>38,515</b>

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

**Amount repayable in one year or less, or on demand**

<b>Group</b>		<b>Group</b>	
<b>As at 31 Mar 2014</b>		<b>As at 31 Dec 2013</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>72,753</b>	<b>-</b>	<b>15,281</b>	<b>-</b>

**Amount repayable after one year**

<b>Group</b>		<b>Group</b>	
<b>As at 31 Mar 2014</b>		<b>As at 31 Dec 2013</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>323,666</b>	<b>-</b>	<b>53,816</b>	<b>-</b>

**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 Statement of Cash Flows**

	<b>Group</b>	
	<b>1Q2014</b>	<b>1Q2013</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	6,097	1,330
<b>Adjustments for:</b>		
Depreciation of plant and equipment	2,821	377
Dividend income from available-for-sale investments	(1,333)	(1,475)
Finance costs	2,232	818
Gain on a bargain purchase	(647)	-
Share-based payment expense	72	-
Provision for employee benefit	33	-
Unrealised exchange loss	-	81
<b>Operating cash flows before working capital changes</b>	<b>9,275</b>	<b>1,131</b>
Trade and other receivables	(2,138)	(537)
Trade and other payables	(13,247)	(1,222)
Inventories	(143)	-
<b>Cash used in operations</b>	<b>(6,253)</b>	<b>(628)</b>
Income taxes paid	-	-
<b>Net cash used in operating activities</b>	<b>(6,253)</b>	<b>(628)</b>
<b>Cash flows from investing activities</b>		
Dividends received	1,390	1,549
Proceeds from redemption of preference shares	2,000	5,250
Acquisition of subsidiary	833	-
Investment in associate	(4)	-
Purchases of plant and equipment	(153,487)	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(149,268)</b>	<b>6,799</b>
<b>Cash flows from financing activities</b>		
Interest paid	(2,232)	(794)
Proceeds from new bank loans raised	133,600	-
Proceeds from new shares issue	12,804	-
Proceeds from issuance of redeemable convertible capital securities	35,200	-
Repayment of term loans	(8,287)	(3,534)
Repayment of obligation under finance lease	(6)	-
<b>Net cash generated from / (used in) financing activities</b>	<b>171,079</b>	<b>(4,328)</b>
<b>Net increase in cash and cash equivalents</b>	<b>15,558</b>	<b>1,843</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,812</b>	<b>3,352</b>
<b>Cash and cash equivalents at end of period</b>	<b>17,370</b>	<b>5,195</b>

- 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	Share options reserve	Accumulated losses	Equity attributable to owners of the Company	Redeemable convertible capital securities	Equity attributable to owners of the Company & redeemable convertible capital securities holders	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2014	54,647	181	(12,098)	42,730	-	42,730	29,369	72,099
Total comprehensive income for the period								
Profit for the period	-	-	4,730	4,730	66	4,796	652	5,448
Total	-	-	4,730	4,730	66	4,796	652	5,448
Transactions with owners, recognised directly in equity								
Dividends	-	-	(846)	(846)	-	(846)	-	(846)
Recognition of shares-based payments	-	72	-	72	-	72	-	72
Issue of share capital	12,804	-	-	12,804	-	12,804	-	12,804
Issue of redeemable convertible capital securities	-	-	-	-	35,200	35,200	-	35,200
Conversion of redeemable convertible capital securities to ordinary shares	27,896	-	-	27,896	(27,896)	-	-	-
Non-controlling interest arising from increase in control of investment	-	-	-	-	-	-	3,718	3,718
Total	40,700	72	(846)	39,926	7,304	47,230	3,718	50,948
<b>At 31 March 2014</b>	<b>95,347</b>	<b>253</b>	<b>(8,214)</b>	<b>87,386</b>	<b>7,370</b>	<b>94,756</b>	<b>33,739</b>	<b>128,495</b>

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

Group	Share capital	Foreign currency translation 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
At 1 January 2013	54,647	98	(19,115)	35,630	27,402	63,032
Total comprehensive income for the period						
Profit for the period	-	-	588	588	742	1,330
Other comprehensive income for the period	-	42	-	42	39	81
Total	-	42	588	630	781	1,411
Transactions with owners, recognised directly in equity						
Dividends paid	-	-	(476)	(476)	-	(476)
Total	-	-	(476)	(476)	-	(476)
<b>At 31 March 2013</b>	<b>54,647</b>	<b>140</b>	<b>(19,003)</b>	<b>35,784</b>	<b>28,183</b>	<b>63,967</b>

Company	Share capital	Share options reserve	Accumulated losses	Redeemable convertible capital securities	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2014	54,647	181	(19,069)	-	35,759
Total comprehensive income for the period					
Loss for the period	-	-	(576)	66	(510)
Total	-	-	(576)	66	(510)
Transactions with owners, recognised directly in equity					
Dividends	-	-	(846)	-	(846)
Recognition of shares-based payments	-	72	-	-	72
Issue of share capital	12,804	-	-	-	12,804
Issue of redeemable convertible capital securities	-	-	-	35,200	35,200
Conversion of redeemable convertible capital securities to ordinary shares	27,896	-	-	(27,896)	-
Total	40,700	72	(846)	7,304	47,230
<b>At 31 March 2014</b>	<b>95,347</b>	<b>253</b>	<b>(20,491)</b>	<b>7,370</b>	<b>82,479</b>

Company	Share capital	Share options reserve	Accumulated losses	Redeemable convertible capital securities	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2013	54,647	-	(20,064)	-	34,583
Total comprehensive income for the period					
Loss for the period	-	-	(230)	-	(230)
Total	-	-	(230)	-	(230)
Transactions with owners, recognised directly in equity					
Dividends	-	-	(476)	-	(476)
Total	-	-	(476)	-	(476)
<b>At 31 March 2013</b>	<b>54,647</b>	<b>-</b>	<b>(20,770)</b>	<b>-</b>	<b>33,877</b>

- 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.

#### Option Shares

On 02 October 2013, Vallianz Holdings Limited (the "**Company**") entered into an option agreement with Swiber Holdings Limited ("**Swiber**") to issue to Swiber an aggregate of 500,000,000 non-transferable share options (the "**Options**", and each, an "**Option**"), with each Option carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the "**Option Shares**") at the exercise price of S\$0.055 per Option.

Details of issued and allotment of Option Shares as below:

Date of issue & allotment	No. of Option Shares
10 March 2014	236,000,000
14 March 2014	55,000,000

As at 31 March 2014:

No. of issued and allotted Option Shares	291,000,000
No. of Option Shares that may be issued on exercise on Option	209,000,000

#### Redeemable Convertible Capital Securities

On 02 October 2013, the Company entered into a subscription agreement with Rawabi Holding Company Ltd ("**Rawabi**") to issue to Rawabi redeemable convertible capital securities ("**RCCS**") of a principal amount of US\$35,200,000. The RCCS is convertible into ordinary shares in the capital of the Company (the "**Conversion Shares**").

On 14 February 2014, the Company completed the issuance of the RCCS of a principal amount US\$35,200,000.

Details of issued and allotment of Conversion Shares as below:

Date of issue & allotment	No. of Conversion Shares
24 February 2014	509,000,000
12 March 2014	101,000,000
18 March 2014	24,000,000

As at 31 March 2014:

No. of issued and allotted Conversion Shares	634,000,000
No. of Conversion Shares that may be issued on conversion	166,000,000

- 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**

	<b>31 Mar 2014</b>	31 Dec 2013
	<b>No. of shares</b>	No. of shares
	<b>('000)</b>	('000)
The number of issued shares	<b>2,114,412</b>	1,189,412

There were no treasury shares as at 31 March 2014 and 31 December 2013.



**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 period.

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

The financial statements 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 statements for the year ended 31 December 2013.

**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 Reporting Standard ("**FRS**") and the interpretation of FRS ("**IFRS**") that become effective for the entities with financial period commencing 1 January 2014. The adoption of the new and revised FRS and IFRS has no material impact on the unaudited financial statements for the first quarter ended 31 March 2014.

**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.**

	<b>Group</b>	
	<b>1Q2014</b>	1Q2013
<u>Earnings</u>		
Profit after tax (US\$'000)	<b>4,730</b>	1,330
<u>Number of shares</u>		
Weighted average number of shares for basic earnings per share ('000)	<b>1,487,879</b>	1,189,412
Effects of dilution from share options and awards ('000)	<b>193,453</b>	-
Weighted average number of shares for diluted earnings per share ('000)	<b>1,681,332</b>	1,189,412
<u>Earnings per share (US cents)</u>		
Basic	<b>0.32</b>	0.11
Diluted	<b>0.29</b>	na

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.**

	<b>Group</b>		<b>Company</b>	
	<b>31 Mar 2014</b>	<b>31 Dec 2013</b>	<b>31 Mar 2014</b>	<b>31 Dec 2013</b>
Net asset value (US\$'000)	<b>94,756</b>	42,730	<b>82,479</b>	35,759
Total number of shares issued ('000)	<b>2,114,412</b>	1,189,412	<b>2,114,412</b>	1,189,412
Net asset value per share (US cents)	<b>4.48</b>	3.59	<b>3.90</b>	3.01

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**

**RSOS Consolidation**

Arising from agreements entered with the Saudi partner of our subsidiary Rawabi Swiber Offshore Services Co Ltd ("RSOS") subsequent to 31 December 2013, the Group started consolidating the results of RSOS since the beginning of the current financial period ended 31 March 2014 ("1Q2014") in line with FRS110. Prior to this, the Group had equity-accounted for the results of RSOS since its acquisition in October 2013. Consequently, the Group reported significantly higher figures during 1Q2014 when compared to the first 3 months ended 31 March 2013 ("1Q2013") for mainly the following items, namely:

- Revenue;
- Cost of sales and gross profit;
- Administrative expenses;
- Finance costs;
- Trade and other receivables;
- Plant and equipment;
- Current and non-current borrowings; and
- Trade and other payables.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

**(a) Revenue**

The Group registered approximately US\$27.71 million of revenue for 1Q2014 representing an increase of 916% or US\$24.98 million when compared to the 1Q2013. Charter revenue made up approximately 89% of the Group's 1Q2014 revenue.

**(b) Cost of sales and gross profit**

Cost of sales increased by US\$17.01 million, from US\$370,000 in 1Q2013 to US\$17.38 million in 1Q2014. Cost of sales comprises largely of vessel operating expenses in RSOS.

The Group's gross profit increased by 338% or US\$7.97 million from US\$2.36 million in 1Q2013 to US\$10.33 million in 1Q2014 largely due to positive contribution from RSOS.

## 8 Review of Group Performance (Cont'd)

### **(c) Other income**

Other income of US\$666,000 in 1Q2014 was mainly due to gain on bargain purchase as a result of consolidation RSOS.

### **(d) Administrative expenses**

Administrative expenses increased by US\$2.45 million to US\$2.67 million in 1Q2014 compared to 1Q2013. Administrative expenses comprise largely of staff and travel related expenses.

### **(e) Finance costs**

Finance costs for the Group increased by US\$1.41 million from US\$818,000 in 1Q2013 to US\$2.23 million in 1Q2014.

### **(f) Profit before tax**

The Group recorded a profit of US\$6.10 million for 1Q2014 as compared to US\$1.33 million for 1Q2013. The significant improvement in financial performance for 1Q2014 was mainly attributable to strong contribution from RSOS.

## **Statements of Financial Position**

### **(g) Trade and other receivables**

Trade and other receivables increased from US\$11.00 million as at 31 December 2013 to US\$39.60 million as at 31 March 2014.

### **(h) Available-for-sale investments**

As at 31 December 2013 the Group had preferential shares in Resolute Offshore Pte Ltd valued at US\$104.90 million. Resolute Offshore Pte Ltd redeemed 20,000 preference shares for a total value of US\$2.00 million during the quarter ended 31 March 2014.

### **(i) Plant and equipment**

Plant and equipment increased from US\$25.17 million as at 31 December 2013 to US\$485.34 million as at 31 March 2014. As explained earlier, this is due to the consolidation of vessel fleet owned by RSOS. Depreciation increased by US\$2.44 million from US\$377,000 to US\$2.28 million.

### **(j) Total current and non-current borrowings**

Total current and non-current term borrowings increased from US\$69.10 million as at 31 December 2013 to US\$396.42 million as at 31 March 2014 which comprises largely of bank borrowings for vessels owned by RSOS.

The average repayment period for the Group's vessel borrowings approximates 6 years, which is significantly shorter than the useful lives of the vessels which typically approximates 25 years. The short-term portion (i.e. repayable within the next 12 months) of the vessel borrowings are recorded as current liabilities, whereas the vessels' values of approximate US\$482.75 million are entirely recorded as non-current assets. This mismatch is one of the main reasons for the net current liabilities of US\$95.28 million registered by the Group as at 31 March 2014. The Group's short-term portion of borrowings used to finance vessels purchases amounted to approximately US\$60.7 million as at 31 March 2014.

Despite the net current liabilities position, the Group has not encountered any liquidity issues that resulted in any disruption of its operations. Nevertheless, the Group has been and will continue to proactively and prudently manage its working capital and capital expenditure needs as it navigates through this initial phase of its expansion and growth.

### **(k) Trade and other payables**

The Group's trade and other payables increased by approximately US\$115.41 million from US\$4.11 million as at 31 December 2013 to US\$119.52 million as at 31 March 2014. The increase is consistent with the growth of the Group business.

## 8 Review of Group Performance (Cont'd)

### **Consolidated Statement of Cash Flows**

Cash and cash equivalents increased from US\$1.81 million as at 31 December 2013 to US\$17.37 million as at 31 March 2014.

#### ***(l) Cash flow used in operating activities***

Despite registering positive operating cash inflows of US\$9.28 million, the Group's recorded net cash used in operating activities for 1Q2014 of US\$6.25 million after adjusting for the negative changes in net working capital of US\$15.53 million.

#### ***(m) Cash flow used in investing activities***

Net cash used in investing activities amounted to US\$149.27 million for 1Q2014 mainly due to capital expenditure of US\$153.49 million incurred mainly for the purchase of vessels.

#### ***(n) Cash flow generated from financing activities***

Net cash generated from financing activities amounted to US\$171.08 million in 1Q2014 due mainly to proceeds from new bank loans, shares issued and issuance of redeemable convertible capital securities.

## 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 expanded its geographical footprint across Asia Pacific, the Middle East and Latin America, providing extensive offshore marine services to oil majors and national oil companies worldwide.

The outlook for regions in which Vallianz operates in and intends to grow its presence in, remains bright. This is due to the structural demand for oil, ongoing development of oil fields and the potential for new oil discovery in these regions. These growth drivers, along with the industry's expectation that oil prices will oscillate favourably, support exploration and production spending by offshore and international operators as well as national oil and gas companies. In addition, the increase in delivery of offshore oil rigs will also support vessel utilisation rates of offshore support vessels.

Vallianz has established equity and debt financing to fund the Group's future growth plans and will unwaveringly continue in its strategy to expand and diversify its customer base, expand its asset base, pursue medium and long-term charters, with a focus on the best offshore support vessels. Vallianz has a young and best-in-class fleet of 28 offshore support vessels, of which Anchor Handling Tugs with Supply capability vessels ("AHTS") and Platform Supply Vessels ("PSV") are a strong feature, and intends to boost its vessel fleet to at least 50 vessels by 2016.

The Group believes that there are numerous opportunities in the future for the Group to capitalise on and is optimistic of the outlook on the oil and gas industry, and has confidently participated in the bidding for projects totalling to approximately US\$1.2 billion in Asia, Middle East and Latin America. Concurrently, the Group will also be looking to expand its geographical presence to new growth regions, for example West Africa.

## 11. **Dividend**

### **(a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on?

No.

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

No.

(c) **Date Payable**

Not applicable.

(d) **Book Closure Date.**

Not applicable.

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

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

**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 first quarter ended 31 March 2014 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 <b>under shareholders' mandate pursuant to Rule 920</b> )	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
<b>Chartering</b>		
Swiber and its subsidiaries	US\$1,343,800 <sup>(1)</sup>	Nil
<b>Corporate services</b>		
Swiber and its subsidiaries	Nil	US\$72,000
Rawabi Holdings Co Ltd	US\$23,586 <sup>(2)</sup>	NIL
<b>Marine brokerage services</b>		
Swiber and its subsidiaries	Nil	US\$86,020
<b>Ship management services</b>		
Swiber and its subsidiaries	Nil	US\$1,508,050
<b>Other</b>		
Rawabi Holdings Co Ltd	US\$254,133 <sup>(3)</sup>	Nil

Notes :

<sup>(1)</sup>The transaction relates to chartering income for the first quarter ended 31 March 2014. No shareholder approval was obtained because all terms of the charter party agreement entered into between Vallianz Samson Pte Ltd ("**VSPL**"), Vallianz Marine Pte. Ltd. ("**VMPL**") and Newcruz Offshore Marine Pte Ltd were finalized and signed prior to the Company acquiring the 51% interest in VMPL and VSPL, and before Swiber Holdings Limited became an interested party as in Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalyst).

<sup>(2)</sup>The transaction relates to holding support fee charged by Rawabi Holdings Co Limited ("**Rawabi**") for the first quarter ended 31 March 2014. No shareholder approval was obtained because all terms of the agreement entered into between Rawabi Swiber Offshore Services Co Ltd and Rawabi were finalized and signed prior to Rawabi becoming an interested party as in Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalyst).

<sup>(3)</sup>The transaction relates to construction cost of a camp facility in Kingdom of Saudi Arabia by Rawabi Holdings Co Limited ("**Rawabi**") for the first quarter ended 31 March 2014. No shareholder approval was obtained because all terms of the agreement entered into between Rawabi Swiber Offshore Services Co Ltd and Rawabi were finalized and signed prior to Rawabi becoming an interested party as in Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalyst).

**14. Statement by Directors pursuant to Rule 705(5) of the Listing Manual**

On behalf of the Board of Directors of the Company, we confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the first quarter financial results for the period ended 31 March 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Raymond Kim Goh  
Director  
Non-Executive Chairman

Yeo Chee Neng  
Director  
Chief Executive Officer

**BY ORDER OF THE BOARD**

Lee Bee Fong  
Company Secretary  
07 May 2014

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*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.*

*The contact person for the Sponsor is Mr. Bernard Lui.  
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