

UNAUDITED FULL-YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012
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		
	FY2012	FY2011	Change
	US\$'000	US\$'000	%
	(unaudited)	(unaudited)	
Continuing operations			
Revenue	11,519	5,878	96
Cost of sales	(1,765)	(1,405)	26
Gross profit	<u>9,754</u>	<u>4,473</u>	118
Other income *	5,350	2,086	156
Administrative expenses *	(5,820)	(2,326)	150
Finance income	-	1	NM
Finance expenses	(3,802)	(2,769)	37
Profit from continuing operations	<u>5,482</u>	<u>1,465</u>	274
Income tax expense	-	-	
Profit for the year	<u>5,482</u>	<u>1,465</u>	274
Other comprehensive income for the year, net of tax			
Exchange differences on translation of foreign operations representing other comprehensive for the year, net of tax	1,412	(1,405)	(200)
Total comprehensive income for the year	<u>6,894</u>	<u>60</u>	11,390
Profit for the year attributable to:			
Owners of the Company	2,411	794	204
Non-controlling interests	3,071	671	358
Total	<u>5,482</u>	<u>1,465</u>	274
Total comprehensive income attributable to:			
Owners of the Company	3,131	172	1,720
Non-controlling interests	3,763	(112)	(3,460)
Total	<u>6,894</u>	<u>60</u>	11,390

Note:

NM – Not Meaningful

* Foreign exchange losses of US\$844,000 (FY2012) are included under "Administrative expenses" while foreign exchange gains of US\$1.99 million (FY2011) are included under "Other income"

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

	Group	
	FY2012	FY2011
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Depreciation of plant and equipment	1,518	953
Interest expense	3,802	2,769
Loss on disposal of plant and equipment	3	117
Plant and equipment written off	13	-
Write-off of receivables	1,134	-
Reversal of accrual	(5,000)	-
Gain on disposal of available-for-sale investment	(323)	-
Dividend income	(6,352)	(2,334)
Interest income	-	(1)
Foreign exchange loss/(gain)	844	(1,987)

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	
	FY 2012 US\$'000	FY 2011 US\$'000	FY 2012 US\$'000	FY 2011 US\$'000
Non-current assets				
Plant and equipment	25,995	27,448	65	10
Investment in subsidiaries	-	-	24,798	24,798
Available-for-sale investments	115,650	124,440	-	690
	141,645	151,888	24,863	25,498
Current assets				
Trade receivable	432	2,294	-	91
Other receivables	3,282	7,030	29	90
Due from subsidiaries (non-trade)	-	-	8,006	5,353
Available-for-sale investments	86	86	86	86
Cash and bank balances	3,352	3,449	1,819	1,868
	7,152	12,859	9,940	7,488
Total assets	148,797	164,747	34,803	32,986
Non-current liability				
Term loans	69,055	83,224	-	-
Current liabilities				
Trade payables	-	2,434	-	-
Other payables	2,541	8,867	220	639
Term loans	14,169	14,084	-	-
	16,710	25,385	220	639
Total liabilities	85,765	108,609	220	639
Net assets	63,032	56,138	34,583	32,347
Equity				
Share capital	54,647	54,647	54,647	54,647
Foreign currency translation reserve	98	(622)	-	-
Accumulated losses	(19,115)	(21,526)	(20,064)	(22,300)
Equity attributable to owners of the company	35,630	32,499	34,583	32,347
Non-controlling interests	27,402	23,639	-	-
Total equity	63,032	56,138	34,583	32,347

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 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
14,169	-	14,084	-

Amount repayable after one year

Group		Group	
As at 31 Dec 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
69,055	-	83,224	-

Details of any collateral

The Group's borrowings are secured by:

- (i) First legal mortgage over all the Group's vessels
- (ii) Corporate guarantee given by the Company and its major shareholder
- (iii) Assignment of marine insurances of certain vessels
- (iv) Assignment of earnings/charter proceeds of certain vessels
- (v) 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	
	FY 2012	FY2011
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before income tax	5,482	1,465
Adjustments for:		
Dividends received	(6,352)	(2,334)
Gain on disposal of available-for-sale investment	(323)	-
Loss on disposal of associate	-	16
Interest expenses	3,802	2,769
Depreciation of plant and equipment	1,518	953
Unrealised exchange loss/(gain)	1,412	(1,594)
Write off of receivable	1,134	-
Write off on plant and equipment	13	-
Loss on disposal of plant and equipment	3	117
Interest income	-	(1)
Discount on acquisition	-	(24)
Operating cash flows before working capital changes	6,689	1,367
Trade and other receivables	3,853	(1,600)
Trade and other payables	(6,615)	927
Cash generated from operations	3,927	694
Income taxes paid	-	-
Net cash from operating activities	3,927	694
Cash flows from investing activities		
Acquisition of subsidiaries	-	(19,693)
Purchase of available-for-sale investments	-	(84,859)
Proceeds from disposal of an associate	-	933
Proceeds from disposal of intangible asset	-	29
Dividends received	4,803	1,858
Proceeds from disposal of plant and equipment	1	20
Proceeds from redemption of preference shares	8,100	-
Proceeds from disposal of available-for-sale investment	1,013	-
Purchase of plant and equipment	(82)	-
Net cash from/(used in) investing activities	13,835	(101,712)

* Amount less than US\$1,000

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

Consolidated statements of cash flow (cont'd)

	Group	
	FY 2012 US\$'000	FY 2011 US\$'000
Cash flows from financing activities		
Interest paid	(3,775)	(2,769)
Proceeds from share placement	-	23,170
Transaction costs on issuance of shares	-	(32)
Proceeds from new bank loans raised	-	84,229
Repayment of term loans	(14,084)	(4,163)
Net cash (used in)/from financing activities	(17,859)	100,435
Net effect of exchange rate changes due to cash and cash balances	-	(4)
Net decrease in cash and cash equivalents	(97)	(587)
Cash and cash equivalents at beginning of the year	3,449	4,036
Cash and cash equivalents at end of the year	3,352	3,449

- 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.

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 2011	31,509	-	(22,320)	9,189	-	9,189
Total comprehensive income for the year	-	(622)	794	172	(112)	60
Issuance of shares, net of transaction costs	23,138	-	-	23,138	-	23,138
Acquisition of subsidiaries by non-controlling shareholders	-	-	-	-	23,751	23,751
At 31 December 2011	54,647	(622)	(21,526)	32,499	23,639	56,138
Total comprehensive income for the year	-	720	2,411	3,131	3,763	6,894
At 31 December 2012	54,647	98	(19,115)	35,630	27,402	63,032

Company	Share capital US\$'000	Accumulated losses US\$'000	Total equity US\$'000
At 1 January 2011	31,509	(22,644)	8,865
Total comprehensive income for the year	-	344	344
Issuance of shares, net of transaction costs	23,138	-	23,138
At 31 December 2011	54,647	(22,300)	32,347
Total comprehensive income for the year	-	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 2012	31 Dec 2011
	No. of shares	No. of shares
	('000)	('000)
The number of issue shares	1,189,412	1,189,412

There were no treasury shares as at 31 December 2012 and 31 December 2011.

- 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.

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 2011.

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 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 during the financial period commencing 1 January 2012. The adoption of the new and revised FRSs and INT IFRSs has no material impact on the unaudited financial statements for the year ended 31 December 2012.

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 2012	31 Dec 2011
Profit after tax (US\$'000)	2,411	794
<u>Basic</u>		
Weighted average number of shares applicable to basic earnings per share ('000)	1,189,412	1,189,412
Earnings per share (US\$ cents)	0.20	0.07

Diluted

No diluted earnings per share for financial years ended 31 December 2012 and 31 December 2011 is disclosed as there were no dilutive potential ordinary shares for the year.

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 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
Net assets value (US\$'000)	35,630	32,499	34,583	32,347
Total number of shares issued ('000)	1,189,412	1,189,412	1,189,412	1,189,412
Net assets value per share (US\$ cents per share)	3.00	2.73	2.91	2.72

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's revenue increased by US\$5.64 million for the financial year ended 31 December 2012 ("FY 2012") when compared to the corresponding financial year ended 31 December 2011 ("FY 2011"). The Group incurred higher charter revenue and dividends due to the Group completing its first full twelve months of operation, as compared to FY 2011 where majority of the revenue was incurred in the second half of FY 2011.

The vessel chartering and broking segment of the business accounted for US\$5.19 million in revenue for the year, while the Group's investment holding segment generated the remaining US\$6.33 million.

(b) Cost of sales and gross profit

The Group's gross profit for the year increased by US\$5.28 million from US\$4.47 million in FY 2011 to US\$9.75 million in FY 2012. Depreciation of the various vessels accounted for most of cost of sales, recording cost of sales of US\$1.48 million in FY 2012 and US\$937,000 in FY 2011.

(c) Other income

Other income increased by US\$3.26 million from US\$2.09 million in FY 2011 to US\$5.35 million in FY 2012. Other income during FY2012 was mainly derived from the reversal of various cost accruals raised in June 2011 and the gain on disposal of its investment in Atlantis Navigation AS, as compared to FY2011 where US\$1.99 million of foreign exchange gains were derived.

(d) Administrative expenses

Administrative expenses increased from US\$2.33 million in FY 2011 to US\$5.82 million in FY 2012. The increase was due to higher overhead costs, foreign exchange losses, write-off of receivables of US\$1.13 million, and a subsidiary's one-off cost adjustment of US \$1.5 million.

(e) Finance expenses

Finance expense of the Group increased from US\$2.77 million in FY 2011 to US\$3.80 million in FY 2012. The increase in finance expense was due to the Group incurring loan interest for the full twelve months as compared to the prior year where interest expense was only incurred during the second half of FY2011 after the Group's business acquisitions were completed.

(f) Profit for the year

Profit for the year increased by US\$4.01 million from US\$1.47 million in FY 2011 to US\$5.48 million in FY2012. The increase in profit was mainly due to the Group's revenue performance – receiving larger dividends on its investments made as well as receiving higher charter revenue from the Group's subsidiary, Vallianz Marine Pte Ltd, which completed its first full twelve months of operation under the Group.

(g) Comprehensive income for the year

Comprehensive income of the Group increased from US\$60,000 in FY2011 to a profit of US\$6.89 million in FY2012. The drastic increase in comprehensive income was due to two main factors - the Group's increased profit of US\$4.01 million as well as a US\$2.82 million turnaround in exchange differences. For the current period, exchange differences on the translation of foreign operations relate to the Group's investment in CSOTL Offshore Co and the appreciating US dollar against the Thai Baht.

Consolidated Statement of Financial Position

(h) Plant and equipment

The decrease in plant and equipment from US\$27.45 million as at 31 December 2011 to US\$26.00 million in FY 2012 was due to depreciation costs on the Group's vessels and other equipment.

(i) Available-for-sale investment

As at 31 December 2011 the Group had preferential shares in Resolute Offshore Pte Ltd valued at US\$123.75 million. During FY2012, Resolute Offshore Pte Ltd redeemed 81,000 preference shares for a total value of US\$8.10 million.

The Group also disposed of its shareholding in Atlantis Navigation AS during the period, recording a US\$323,000 gain on the sale of its investment.

(j) Trade and other receivables

Trade and other receivables decreased from US\$9.32 million as at 31 December 2011 to US\$3.71 million in FY2012 due to US\$1.13 million write-off of a subsidiary's foreign tax receivable, and also the improvement in collection of receivables and settlement of outstanding debts.

(k) Term loans

Term loans decreased from US\$97.31 million as at 31 December 2011 to US\$83.22 million as at 31 December 2012 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\$9.56 million as at 31 December 2012.

(l) Trade and other payables

The Group's trade and other payables decreased by approximately US\$8.76 million from US\$11.30 million as at 31 December 2011 to US\$2.54 million as at 31 December 2012 mainly due to the reversal of various cost accruals raised in June 2011. For FY 2011, US\$8.39 million of trade and other payables belonged to one of the Group's subsidiaries which has since become dormant.

Consolidated Statement of Cash Flows

Cash and cash equivalents increased from US\$3.45 million as at 31 December 2011 to US\$3.35 million as at 31 December 2012.

(m) Cash flow from operating activities

The Group's net cash inflow from operating activities for FY2012 amounted to US\$3.93 million. This comprised of operating cash flow before working capital changes of US\$6.69 million, and adjusted for net working capital outflows of US\$2.76 million. For FY2011, cash flow from operating activities amounted to US\$694,000 which related to the Group assuming additional receivable and payable balances as part of the various business acquisitions made in June 2011.

(n) Cash flow from/(used in) investing activities

Net cash generated from investing activities amounted to US\$13.84 million in FY2012 due to the proceeds from the redemption of 81,000 preference shares and US\$4.80 million of dividends received from the Group's available-for-sale investments. The Group also recorded sale proceeds of US\$1.01 million from the disposal of its investment in Atlantis Navigation AS.

(o) Cash flow (used in)/from financing activities

Net cash used in financing activities amounted to US\$17.86 million in FY2012 due to various repayments on bank borrowings of US\$14.08 million and interest paid of US\$3.78 million.

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 will continue to make investments with a focus on acquiring long term income producing assets. These investments not only provide stable and predictable income, but also give the Group a good asset base to which it can expand upon.

We believe that there will be a number of opportunities in the future for the Group to capitalize on. The Group is cautiously optimistic for 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.

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 15 April 2013, the following ordinary dividend has been proposed:

Name of dividend	First and Final
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

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date Payable

The date payable for the proposed first and final dividend will be announced at a later date subject to shareholders' approval to be obtained at the forthcoming Annual General Meeting to be held on 15 April 2013.

(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 Catalist), there were no transactions with interested persons for the year ended 31 December 2012 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)
Newcruz Offshore Marine Pte Ltd	US\$5,087,400 ⁽¹⁾	Nil
Swiber Holdings Ltd	Nil	US\$308,160 ⁽²⁾

⁽¹⁾Newcruz Offshore Marine Pte Ltd is a subsidiary of Swiber Holdings Limited, a controlling shareholder of the Company.

The transaction relates to chartering income for the year ended 31 December 2012. 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 Catalist).

⁽²⁾Swiber Holdings Ltd is a controlling shareholder of the Company.

The transaction relates to the provision of corporate management services provided to the Group.

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	Investment holding US\$'000	Total US\$'000
2012			
Revenue			
External sales	5,188	6,331	11,519
Total revenue	<u>5,188</u>	<u>6,331</u>	<u>11,519</u>
Results			
Segment results	2,974	6,310	9,284
Finance costs	(586)	(3,216)	(3,802)
Profit before income tax			5,482
Income tax			-
Profit for the year			<u>5,482</u>
2011			
Revenue			
External sales	3,554	2,324	5,878
Total revenue	<u>3,554</u>	<u>2,324</u>	<u>5,878</u>
Results			
Segment results	2,064	2,170	4,234
Finance costs	(1,139)	(1,630)	(2,769)
Profit before income tax			1,465
Income tax			-
Profit for the year			<u>1,465</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 2012	31 Dec 2011	Increase / decrease %
	US\$'000	US\$'000	
(a) Sales reported for first half year	5,943	852	598%
(b) Operating profit after tax before deducting minority interest reported for first half year	3,298	141	2239%
(c) Sales reported for second half year	5,576	5,026	11%
(d) Operating profit after tax before deducting minority interest reported for second half year	2,184	1,324	65%

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 2012	31 Dec 2011
	US\$'000	US\$'000
Ordinary	500	-
Total	500	-

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 2012.

BY ORDER OF THE BOARD

Lee Bee Fong
Company Secretary
27 February 2013

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 Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange 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.
Telephone number: 6389 3000 Email: bernard.lui@stamfordlaw.com.sg.