



**Sustainability Report
FY2022**

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CEO MESSAGE

Dear Stakeholders,

Vallianz Holdings Limited (“**Vallianz**” or the “**Company**” and together with our subsidiaries, the “**Group**”), would like to present our Sustainability Report (the “**Report**”) for the financial year ended 31 March 2022 (“**FY2022**”).

This Report demonstrates to our stakeholders our commitment to creating a sustainable business model, where adopting the best sustainable practices in the economics, environment, social and governance (“**EESG**”) areas are fundamental to our business.

Our Focus on Sustainability

The Board has been involved in the Group’s sustainability efforts by actively overseeing Management’s responsibilities of identifying, managing, and monitoring material EESG topics. As such, the Group will continue to address our challenges and drive long-term growth while mitigating the environmental and social risks that might have a negative financial impact on our business.

In 2021, the Group committed to support the 17 United Nations Sustainable Development Goals (“**UN SDGs**”) and has linked these goals with our material sustainability activities. In 2022, we continue to support the UN SDGs and strive to commit to play our part in achieving these global goals.

In FY2022, the Company has continued to adopt the Global Reporting Initiative (“**GRI**”) reporting framework.

While we have incorporated a sustainability philosophy and mindset within our business, we understand the additional need to articulate and convey our efforts in this area to our stakeholders and the public. We hope that this Report would achieve such an objective.

Global Challenges

The post-COVID-19 global pandemic and the Russia-Ukraine conflict have impacted our society and business in unprecedented ways. Although gradual recovery from the impact of the COVID-19 pandemic is underway, the Russia-Ukraine war brings more uncertainty at this time such as a surge in fuel prices, resource shortages and so on. This is coupled with other economic factors such as rising inflation rates and labour costs.

Despite the challenges, it has made us more aware that as a Group, we should pay more attention to sustainability, social well-being, environmental climate actions and to pursue long-term sustainable delivery in our businesses.

For companies operating in the global energy industry, the steep and sudden decline in global oil demand brought about by the pandemic had a devastating impact across the entire value chain. As crude oil prices plummeted, the Organization of Petroleum Exporting Countries (“**OPEC**”) and its allies responded by cutting production to support the market and keeping a lid on crude oil inventories. This had a ripple effect across the



global supply chain as it caused a slowdown in exploration activities, deferment of new projects and a general decline in the demand for oilfield support services.

We will continue to strengthen our network in the Middle East region during this challenging period to prepare the Group for a recovery in offshore activities when the time comes. Simultaneously, as we pursue our business development plans, we keep a close watch on operational costs and continually work to enhance the Group's operational efficiency.

Moving forward, the Board will continue to support the Group to create long-term value for our stakeholders through responsible business practices for a sustainable future.

Ling Yong Wah

Chief Executive Officer



BOARD STATEMENT

Vallianz, together with our subsidiaries, hold the highest standards of professional conduct, accountability and transparency. We continue to conduct our businesses responsibly and integrate sustainability into our operations to achieve the best possible outcomes for all our stakeholders. We strive to maintain a safe working environment good corporate governance practices with zero tolerance for corruption or fraud, and further our participation in environmental conservation activities.

This sustainability report details how Vallianz, as a group, manages our material ESG impacts to create a positive value for our stakeholders. The board has reviewed and endorsed this sustainability report.

SUPPORT OF THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

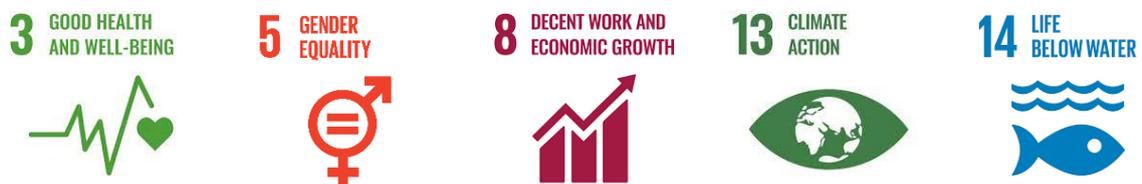
The UN SDGs provide a shared roadmap for governments, private sectors and civil society organizations to address the most pressing social and environmental issues faced by our society today.

The UN SDGs aim to end poverty, protect the planet and ensure peace and prosperity for all people by 2030.



Source: Image from United Nations (<https://sdgs.un.org/goals>)

At Vallianz, we are committed to playing our part in supporting the 17 global goals. In FY2022, we mapped the 17 goals over our material topics and decided to focus on the following goals in our sustainable business strategy.



ABOUT THIS REPORT

Vallianz is proud to present its fifth annual Sustainability Report for FY2022.

Sustainability is part of our group's key strategy to create long-term value for all our stakeholders. The Group recognized the importance of Economic, Environmental, Social and Governance ("EESG") areas in creating sustainable value for our businesses and our stakeholders. We adopt the principles of sustainability throughout our value chain and continue to build sustainable practices in every aspect of the Group's businesses to achieve high levels of integrity and excellence in our operations.

This Report provides a comprehensive understanding of our annual performance on sustainability. This Report shall be read together with the Vallianz FY2022 Annual Report.

Reporting Framework

This Report is prepared with reference to the Global Reporting Initiative ("GRI") Standards and is aligned with the reporting requirements of Singapore Exchange listing rules (711A and 711B).

The Group has decided to refer to the GRI Standards for preparing our sustainability reporting because they are the most internationally recognized guidelines and widely adopted standards worldwide.

Reporting Scope and Period

This Report covers Vallianz's sustainability performance for FY2022 from 1 April 2021 to 31 March 2022.

The performance and data reflected in this Report cover the Group's main operations in Singapore, the Middle East and Indonesia.

Report Accessibility

As part of our Group's strategy to reduce our environmental footprint and the impact on the environment, the hard copy version of this Report will not be made available.

The Report is only available in PDF format which can be downloaded from our website: <http://www.vallianzholdings.com/sr.html>, as well as on the SGXNET.

Feedback

Feedback from the Company's stakeholders is imperative to our Group's continued improvement and growth.



We welcome views on this Report from stakeholders. Please send feedback and enquiries to <http://www.vallianzholdings.com/contact.html>.

Independent Assurance

The data and information provided in this Report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure data and information accuracy.

Hence, there is no independent external assurance for this Report.

Corporate Profile

We are Vallianz

Vallianz Holdings Limited (“**Vallianz**” and together with its subsidiaries, the “**Group**”) and its associated companies are well-established providers of offshore support vessels (“**OSVs**”) and integrated offshore marine solutions to serve the needs of the global energy industry.

For close to 30 years, the Group and its associated companies have answered the needs of the global energy industry through well-implemented integrated offshore marine solutions with a progressive yet pragmatic vision, and a team of highly motivated industry experts working in close collaboration with every customer.

We are a publicly listed enterprise registered in Singapore with an international footprint, spanning markets across the Middle East, Asia Pacific and Gulf of Mexico. To provide adaptive solutions in an environment of rapidly evolving needs, the Group owns a fleet of 10 OSVs which comprise anchor handling tugs with supply capabilities, platform supply vessels, submersible launch barges, , flat top cargo barges and towing tugs.

The Group also owns a shipyard in Batam, Indonesia, which serves as a marine base for vessel docking, repairs and maintenance works. Our shipyard possesses strong in-house fabrication and engineering capabilities such as shipbuilding and fabrication works, which are part of the downstream services that are fully dedicated to supporting our subsidiaries, partners and customers. This further enhances our value proposition by broadening the spectrum of our marine services and takes us closer to our core focus on delivering operational and service excellence.

Our Business Location

From our headquarters in Singapore, Vallianz has developed a local presence in key geographical markets to provide fast, effective support and adaptive solutions to our customers better to capture business opportunities in the global energy industry.

Today, the Group's market presence extends into the Middle East, Asia Pacific and Gulf of Mexico. We have established offices in Singapore, Mexico, Taiwan and Indonesia.

Our HQ Address

1 Harbourfront Avenue
#06-08 Keppel Bay Tower
Singapore 098632

Other Business Location

Mexico

México (CDMX)

Vallianz Marine México S.A. de C.V.
Av. Álvaro Obregón #124
Colonia Roma Norte
Alcaldía Cuauhtémoc
Ciudad de México, México
C.P. 06700

México (Cd. del Carmen)

Vallianz Marine México S.A. de C.V.
Calle 35-D S/N entre Gustavo
Ferrer y Josefa Capdepon,
Fracc. Malibrán
Ciudad del Carmen, Campeche
México, C.P. 24197

Indonesia

Indonesia (Batam) – Shipyard

PT. United Sindo Perkasa
Jalan Raya Pelabuhan
Kabil, Kecamatan Nongsa
Kota Batam 29467, Indonesia

Taiwan

PT United Sindo Perkasa Branch Office

14F.-20F., No. 26 , Sec 1,
Keelung Road, Xinyi District
Taipei City 110, Taiwan (R.O.C)

Our Core Business

At Vallianz, we focus on providing integrated business solutions in shipping.

We cover the following five key business operations.



Specialized Offshore Support



Heavy Transport Vessels



Shipbuilding, Engineering & Fabrication



Marine Technology



Renewables & Sustainable Energy

Specialized Offshore Support

Vallianz currently owns and operates 10 OSVs, which are available for charter to fulfil the growing demand of the global offshore energy market. The Group's vessels are deployed for offshore projects in the Middle East, Asia Pacific and Gulf of Mexico. To enhance our market competitiveness, we are focused on forging trusting partnerships with our customers, instilling systematic vigour to deliver executional excellence, and creating adaptive solutions to respond to our customers' evolving needs. The Group is continually assessing plans to expand our range of vessels and modernize our fleet to the latest standards.

Heavy Transport Vessels

The Group owns and operates a fleet of Semi-Submersible Heavy Transportation barges under its Holmen Division, with overall length ranging from 140-160 metres. These unique barges are capable of performing a wide range of offshore operations, including topside installation using the float-over method, jacket launches, submersible heavy lift, and transport of floating cargo. The multi-functional architecture of the barges makes it simple and quick to configure for any unique project requirement, allowing for rapid mobilization and deployment.

Shipbuilding, Engineering & Fabrication

The Group's subsidiary, PT. United Sindo Perkasa, operates a shipyard located in the Kabil Industry Zone of Batam, Indonesia, which provides full end-to-end solutions for all aspects of shipbuilding, ship conversions and ship repairs, with vessels ranging from OSVs like Anchor Handling Tug Boats ("AHTS") and Multi-Purpose Support Vessels ("MPSV") to Research Vessels and even Offshore Floating Fish Farms. The shipyard is supported by a specialized in-house engineering division which allows the Group to



provide turnkey engineering solutions and services to our clients. Leveraging on our expertise in shipbuilding and engineering, we provide fabrication services for offshore and onshore structures such as pipe and pipe spool fabrication and installation as well as structure steel fabrication for our customers in the marine and renewable sectors.

Marine Technology

Vallianz believes that in this ever-changing marine climate, vessel digitalization and alternative marine technology are the pillars of a sustainable marine future.

As such, the Group works with our customers and partners to provide advanced solutions such as marine electrification using battery systems, alternative fuel and green design turnkey engineering solutions, as well as vessel digitalization using digital remote monitoring systems.

Renewables & Sustainable Energy

Vallianz supports decarbonization by embracing industry-leading advancements within our existing business lines and infrastructure to work positively for more efficient, reliable, and sustainable operations. We are aligned with various progressive energy and solution partners to bring about a sustainable future. Vallianz has embarked on harnessing the power of renewables to support our energy transformation journey through the alignment with various portfolios in the wind and alternative energy sectors, designing our vessels with zero-emission or net-zero emission capabilities in mind, through the incorporation of battery solutions and alternative fuels integration.

Vallianz is also broadening our services in offshore renewables by the provision of Service Operations Vessels (“SOV”), Crew Transfer Vessels (“CTV”), DP2 Heavy Transport Vessels (“HTV”) and fabrication of offshore wind structures such as monopiles and jackets.

BUSINESS MEMBERSHIP

Membership Association

	<p>Vallianz joined SSA in 2021 to be a part of a collective voice representing the interests of the Singapore maritime industry at the local, regional, and international levels. This allows us to participate in forums and dialogue sessions with key regulatory agencies and International Maritime Organization and not only impact the development of regulatory and operational issues but also drive key initiatives of interest to the Singapore maritime industry. Additionally, participation in such sessions allows Vallianz to get first-hand information on regulatory updates and the latest industry developments. Furthermore, the SSA functions as an established network of national and global industry members, therefore increasing Vallianz's visibility and bridging potential partnerships and relationships.</p>
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Relevant Certifications

Vallianz is the Document of Compliance Holder Singapore flag and Tuvalu Flag. All our vessels comply with International Safety Management (“ISM”) Code, which is published by International Maritime Organisation (“IMO”).

Document of Compliance (ISM Code)	
Singapore Flag Issued by Bureau Veritas	Issued on 14 October 2020 Valid till 3 April 2024
Tuvalu Flag Issued by Bureau Veritas	Issued on 14 October 2020 Valid till 3 April 2024

ISO Management System	
ISO 9001: 2015 Quality Management System	- Issued on 2 November 2020 - Expires on 1 November 2023
ISO 14001:2015 Environmental Management System	- Issued on 2 November 2020 - Expires on 1 November 2023
ISO 45001: 2018 Health & Safety Management System	- Issued on 2 November 2020 - Expires on 1 November 2023



OUR BRAND

Brand Promise

Engineered for Energy Transformation

Brand Story

In a new world of energy transformation, we explore the frontiers of possibilities with an unwavering dedication to realize our client's aspirations.

By harnessing our strengths across a range of dynamic assets and engineering capabilities, we forge new paths and solutions with uncompromising executional excellence.

Above all, we care deeply about our clients and communities, and to advance the world's sustainability ambitions ever closer.

Brand Values

- Inspiring Trust: Constructing solid partnerships of collaboration
- Systematic Vigour: Every meticulous detail grounded in executional excellence
- Adaptive Solutions: Meeting evolving challenges with dynamic solutions

Corporate Social Responsibility

Care Corner Singapore

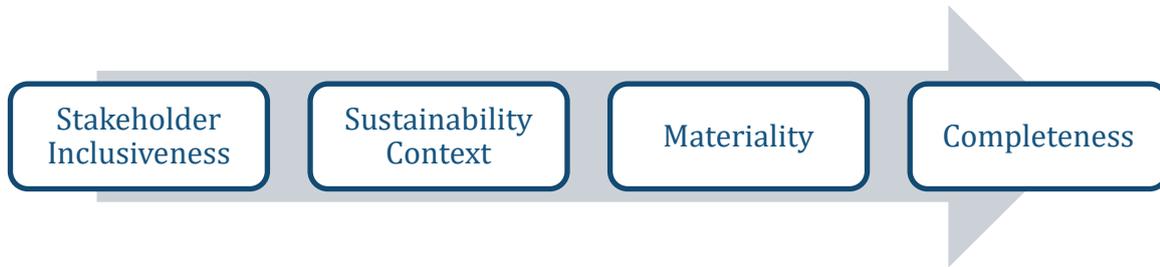
2022 marks the 11th year of Vallianz partnering with Care Corner Seniors Services Ltd (“CCSS”). CCSS operates a total of 7 Active Ageing Centres, 1 Active Ageing Care Hub Centre, 1 Senior Activity Centre, 2 Senior Care Centres and 1 Social Day Care For The Elderly – 10 in Toa Payoh and 2 in Woodlands.

Over the years, Vallianz has organized annual Lunar New Year dinners for the Seniors of CCSS and Vallianz staff. In 2022, adhering to the safe management measures, Vallianz sponsored a Lunar New Year lunch instead, with the distribution of red packets and packed meals to the Seniors at these CCSS centres in Toa Payoh and Woodlands. Also in 2022, Vallianz has increased the number of Seniors sponsored by 30%.

Vallianz continues to support the daily Hot Meals Program, ensuring that the Seniors of Care Corner have access to nutritious and delicious food. Mooncakes were also distributed to the Seniors during the Mid-Autumn Festival. The Vallianz team hopes that with these gestures, the Seniors of Care Corner will be able to enjoy the festivals in the comfort of their own homes.

Our Reporting Approach

The content of this Report is defined by the 4 Content Reporting Principles established by GRI as follows:



Principles	Objectives
Stakeholder Inclusiveness	Defining stakeholders and explaining how the Group has responded to their expectations and interests.
Sustainability Context	Presenting the Group's performance in the wider context of sustainability.
Materiality	Identifying the Group's significant EESG factors.
Completeness	Disclosing significant EESG factors and boundaries to assess the Group's performance in the reporting period.

Stakeholder Engagement

Our stakeholders are people or entities directly or indirectly influenced by our business operations and outcomes, or who can significantly impact our businesses.

At Vallianz, we regularly engage our stakeholders to collect their feedback. We believe that their voices are crucial to our strategic and business planning. It is considered valuable insight for the Group to continue growing on our sustainability performance.

We regularly engage our stakeholders through a variety of channels. Our approach of stakeholder engagement is outlined in the following table:

STAKEHOLDERS	ENGAGEMENT CHANNELS	STAKEHOLDER FOCUS
Customers	<ul style="list-style-type: none"> Feedback channels, including emails and hotlines Site visits Informal feedback sessions 	<ul style="list-style-type: none"> Excellent service Economic performance Occupational health and safety
Suppliers	<ul style="list-style-type: none"> Regular meetings and dialogue sessions Supplier evaluations Health Safety Environment (“HSE”) questionnaires for key contractors 	<ul style="list-style-type: none"> Good relationships Fair market practices Timely payments Growth prospects
Employees	<ul style="list-style-type: none"> Induction program for new employees Company events Informal feedback channels Performance appraisals 	<ul style="list-style-type: none"> Fair employment practices Opportunities to learn and grow Recognition of efforts Occupational health and safety
Shareholders and investors	<ul style="list-style-type: none"> Annual general meetings Annual reports Half and full-year results announcements SGXNet announcements Circulars to Shareholders 	<ul style="list-style-type: none"> Financial performance Investment returns Transparency and timely reporting
Government and regulators	<ul style="list-style-type: none"> Participation in discussions and consultations Seminars by local government agencies 	<ul style="list-style-type: none"> Adherence to laws and regulations Timely reporting of issues Sharing of industry best practices
Community	<ul style="list-style-type: none"> Community outreach activities Engagement with community projects and charities 	<ul style="list-style-type: none"> Social responsibility Environmental Responsibility



Feedback from key stakeholders forms a crucial part of our strategic and business planning and is viewed as valuable insight for our Group to continuously improve its sustainability performance.

The material topics we have evaluated in FY2022 are the potential impact on the environment, society, stakeholders, and the Group's operational activities.

The Board and senior management aim to conduct an annual review of the Group's material topics as well as monitor the performance of the key material topics as part of the Group's efforts towards sustainable developments.

Material Topic Identification

We continue to adhere to the GRI standards for conducting the materiality assessment of our operational impact analysis. Our material topics are identified based on our key stakeholders' interests and the feedback we collected during our stakeholders' engagement.

Our Management re-evaluated the topics from FY2021, and all topics were deemed material to the Group. We consider those topics as key material issues for the Group as they represent significant EESG impacts or substantively influence stakeholders' assessments and decisions.

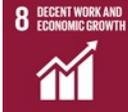
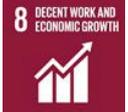
We use the following steps to determine our material topics, and which we assessed on an ongoing basis.



In FY2022, we continue integrating the UN SDG into our materiality assessment process.

Material Topics	Key Stakeholders	Description	Target	UN SDGs
Economic & Governance				
Economic Performance (GRI 201-1)	Shareholders and investors Customers	The economic performance and the value generated and distributed to communities where our businesses operate.	To maintain our competitive edge and continue to deliver sustainable growth through securing long-term charter contracts and focusing efforts on driving new service innovations and business offerings.	8 DECENT WORK AND ECONOMIC GROWTH 
Environment				
Environmental Protection (GRI 307-1)	Government and regulators Community	Environmental protection is paramount to our sustainability efforts. The Group is committed to adopting environmentally efficient and sustainable business methods, such as sourcing from ethically and environmentally friendly suppliers and ensuring no violation of various regional environmental	<ul style="list-style-type: none"> Continuous improvements in energy efficiency and energy management. Comply with the relevant International and local environmental laws and regulations. 	13 CLIMATE ACTION  14 LIFE BELOW WATER 



		laws and regulations where we operate in.		
Social				
Occupational Health and Safety (GRI 403-9)	Customers Employees	Safety is essential to our operations, and we continuously strive to improve our safety practices.	<ul style="list-style-type: none"> • Remain focused on operating safely and healthily to ensure that no employee will be inflicted with accidents or injuries. • Comply with the safety laws and regulations. 	
Talent Management (GRI 404-1)	Employees	Employees are our greatest asset. We undertake fair employment practices to achieve a diverse and inclusive environment for our employees, regardless of race, gender or religion.	<ul style="list-style-type: none"> • To provide equal employment opportunities, regardless of age or gender. • To retain exceptional employees and to create a higher-performing workforce. 	 
Regulatory and Legal Compliance (GRI 419-1)	Shareholders and investors Government and regulators	Implement effective measures to ensure that Vallianz is in full compliance with applicable laws and regulations to reduce any adverse impact to stakeholders.	<ul style="list-style-type: none"> • Adhere to Company's zero-tolerance policy towards fraud, corruption, and unethical actions. • Comply and maintain the relevant legal rules and regulations. 	

ECONOMIC PERFORMANCE & GOVERNANCE

Key Material Topic

- Business Conduct
- Fair Market Practice
- Economic Performance

GRI Topic

GRI 201-1 Economic Performance
GRI 205-3 Anti-Corruption

UN SDGs we contribute to

8 DECENT WORK AND
ECONOMIC GROWTH



BUSINESS CONDUCT

Business Ethics and Integrity

In Vallianz, our core business value is building up a culture where we are committed to operating our business responsibly. We remain dedicated in upholding our business ethics and integrity to the highest level, enforcing a system where there is no tolerance for fraud, corruption and unethical actions.

Our Code of Business Conduct and Ethics is built on our commitment to ethical business conduct and regulatory compliance.

We ensure that all our business units comply with the relevant laws and regulations to address EESG issues, including environmental and social regulations, personal data security, employment rights and regulations, and income tax laws.

Any material violation of rules and regulations could significantly impact the Group and its reputation. In view of this, the Group adheres to high corporate governance standards and ensures compliance with all applicable rules and regulations.

In FY2022, there were no material breaches of any laws and regulations.

WHISTLEBLOWING

Vallianz has zero tolerance for fraud, bribery and corruption.

The Group has established a whistleblowing policy to ensure that business is conducted ethically and complies with the best practices set out in the Group's policies.

Whistleblowing channels have been established to give employees a confidential and dedicated channel to report any issues or areas of concern to the Audit Committee.

In FY2022, there were no reported incidents.

CONFLICT OF INTEREST

Every key management and staff is required to promptly declare any conflict or potential conflict of interest, whether direct or indirect, in relation to any transactions or proposed transactions with the Group as soon as practicable after the relevant facts have come to his/her knowledge.

The Group's conflict of interest policy is reviewed periodically and communicated to all key management and staff.

Governance Structure

At Vallianz, the governance of sustainability is integrated into our corporate governance structure. The Board of Directors (“**Board**”) has oversight over the management and the implementation of sustainability strategies.

The Board plays an active role in driving sustainability and works closely with senior management to develop strategies, policies, goals and targets to support the sustainable growth of the business. Furthermore, the Board also sets the overall direction for the Group.

The Board is committed to upholding high corporate governance standards and has placed high importance on its corporate governance processes and systems to ensure greater transparency, accountability and maximization of long-term shareholder value. The Company recognizes the importance of good corporate governance which is imperative for sustained growth and investors’ confidence.

This statement outlines Vallianz’s corporate governance processes and activities that are in place with specific reference to the Code of Corporate Governance 2018 (the “**Code**”) and the disclosure guide (the “**Guide**”) developed by Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The Group is generally in compliance with the principles and provisions as set out in the Code and the Guide. Where there are deviations from the Code and the Guide, the Board had disclosed such deviations and the reasons for such deviations in the annual report for FY2022, and had considered that alternative practices adopted by the Group are sufficient to meet the underlying objectives of the Code and the Guide.

The Company is headed by an effective Board which is collectively responsible and works with the Management for the long-term success of the Company. The Board manages potential risks through the review and approval of policies and procedures. The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company. The Management ensures that controls or mitigating measures are in place for the identified risks within the Group and business operations. The Audit Committee of the Company provides independent oversight of the effectiveness of the risk management process.

The Board comprises Directors who provide core competencies in accounting and finance, business experience, industry knowledge, strategic planning and legal knowledge. Where appropriate, the Directors receive relevant briefings from time to time on new updates in relation to regulatory changes to accounting standards, listing rules, corporate governance, and other regulations or statutory requirements.

The independent and non-executive Directors of the Company constructively challenge and assist in developing proposals on strategy; as well as support the Board in reviewing the performance of the Management in meeting the agreed goals and objectives and monitoring the reporting of performance. Meetings are held regularly to discuss any matters without the presence of Management, as and when circumstances require.



Each key executive at the Group's leadership is highly experienced in this industry, and collectively as a whole, is able to handle all operational matters of the Group competently.

Regulatory and Legal Compliance

Vallianz is committed to complying with relevant laws and regulations as we operate in the highly regulated OSV and chartering industries. Besides establishing whistleblowing and anti-corruption policies, we also have a legal policy that states the Group's commitment to conduct business with integrity, fairness, impartiality, ethically and adequately.

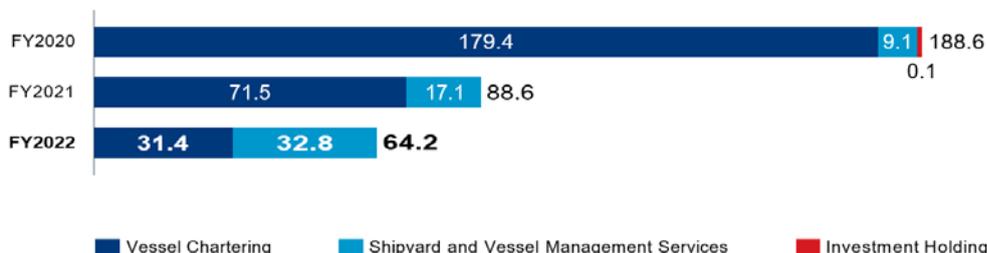
We monitor our existing customers and vendors periodically. This ensures that we stay vigilant and remain up to date with the latest international sanctions.

Our compliance guidelines and policy requirements are aligned with industry standards and requirements. Also, we focus on our community responsibilities as corporate citizens. We take these responsibilities very seriously, including paying our fair share of taxes, corporate income taxes, and social contributions. Our commitment to these responsibilities is also embodied in our corporate culture. Tax payments to the relevant authorities are in accordance with applicable anti-corruption laws and regulations, rules and regulations.

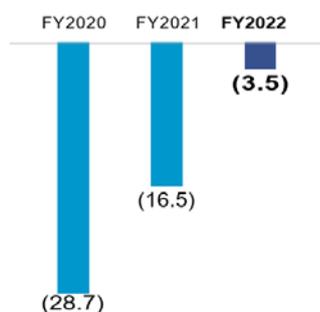
We are pleased to report that there was no reported incidence of non-compliance with the local anti-corruption laws, rules and regulations across the Group in FY2022. We aim to maintain zero violation of the laws, rules and regulations for FY2023 and beyond.

Economic Performance

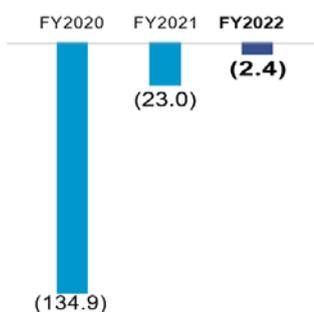
Revenue (US\$ Million)



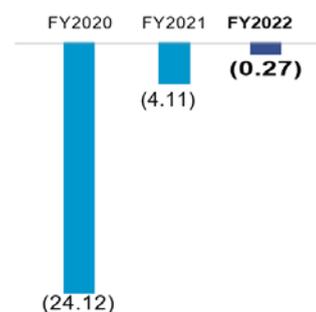
Operating Profit / (Loss) Before Tax And Exceptional Expenses (US\$ Million)



Net Profit / (Loss) Attributable To Owners Of The Company (US\$ Million)



Earnings / (Loss) Per Share (US Cents)



Net Asset Value Per Share (US Cents)



Net Gearing Ratio (Times)



Financial Review

During FY2021, the Group deconsolidated the financial results of RVOS with effect from 1 October 2020. The reasons for the deconsolidation were set out in the Company's announcement dated 30 May 2022 in relation to the unaudited financial statements of the Group for FY2022.

As a result, RVOS was accounted for and its results consolidated as a wholly-owned subsidiary in the first half of FY2021. In the second half of FY2021, RVOS' results were equity accounted for as an "Investment in Associate". Specifically, the results of RVOS were equity accounted on the basis of the Group having full economic interest in RVOS for the third quarter of FY2021. In the last quarter of FY2021, the results of RVOS were equity accounted on the basis of the Group having 40.7% interest in RVOS.

In comparison, for the first nine months of FY2022, the results of RVOS were equity accounted on the basis of the Group having 40.7% interest in RVOS. In the last quarter of FY2022, the Group accounted for RVOS as a financial asset at fair value through other comprehensive income ("FVTOCI") under non-current assets. This accounting treatment commenced from 1 January 2022 following the Group's disposal of a 20.93% stake in RVOS to Rawabi Energy Company. Subsequent to this disposal, the Group holds a 19.77% stake in RVOS.

Consolidated Statement of Profit or Loss

In FY2022, the Group recorded revenue of US\$64.2 million, down 28% from US\$88.6 million in FY2021, due mainly to the deconsolidation of RVOS.

Excluding the revenue contribution from RVOS in FY2021, the Group's revenue would have increased by approximately 109% year-on-year in FY2022. This was driven by the vessel chartering segment which registered a 95% increase in revenue to US\$31.4 million in FY2022 from the Group's Singapore fleet, compared to US\$16.1 million in FY2021. Revenue from the shipyard and vessel management services segment also grew to US\$32.8 million in FY2022 from US\$14.6 million in FY2021. This was in tandem with higher revenue recognition of projects secured by our shipyard in Batam, Indonesia during FY2021.

As a result, the vessel chartering segment contributed approximately 49% to the Group revenue in FY2022, with the remaining 51% from the provision of shipyard and vessel management services segment. In FY2021, the vessel chartering segment accounted for 81% of Group revenue as it included revenue from RVOS. Excluding RVOS' revenue contribution in FY2021, the vessel chartering segment and shipyard and vessel management services segment would have accounted for around 52% and 48% of total revenue respectively in FY2021.

In FY2022, the Group registered a gross loss of US\$4.5 million in FY2022 as compared to a gross profit of US\$2.3 million in FY2021, due mainly to the deconsolidation of RVOS. If contribution from RVOS was excluded, the Group would have incurred a gross loss of US\$8.8 million in FY2021.

The vessel chartering segment recorded a negative gross profit margin of 7% in FY2022 as compared to a negative gross profit margin of 65% in FY2021 after excluding the contribution from RVOS, due mainly to higher utilization rate and/or higher average daily charter rates for our vessel fleet in Singapore in FY2022.

The shipyard and vessel management services segment registered a negative gross profit margin of 7% in FY2022 compared to a negative 0.1% in FY2021, due mainly to the competitive pricing of projects secured previously when the shipbuilding market was weak, coupled with slight cost overruns.

Net other income in FY2022 increased significantly to US\$6.3 million in FY2022 from US\$0.9 million in FY2021 due mainly to the gain on disposal of the Group's 20.93% stake in RVOS.

Administrative expenses in FY2022 decreased to US\$7.4 million from US\$10.4 million in FY2021, attributed mainly to the deconsolidation of RVOS' financial results. Excluding RVOS, administrative expenses in FY2021 would have been US\$7.3 million.

Finance costs fell to US\$6.1 million in FY2022 from US\$17.5 million in FY2021 due mainly to the deconsolidation of RVOS' financial results, lower interest incurred on shareholder's advances due to lower outstanding amount owing to Rawabi Holding Company and lower interest rates on vessel loans.

The Group recorded a gain of US\$8.0 million from its share of results of associate in FY2022, attributable to RVOS. As RVOS has ceased to be an associate of the Group from 1 January 2022, the Group had accounted RVOS as a financial asset at FVTOCI under non-current assets in the last quarter of FY2022.

As a result of the above factors and the absence of an exceptional item of US\$8.5 million incurred in FY2021 (due mainly to a one-off compensation paid to a vendor for debts incurred since 2016), the Group narrowed its net loss attributable to owners of the Company considerably to US\$2.4 million in FY2022 as compared to US\$23.0 million in FY2021.

Statement of Financial Position

As at 31 March 2022, trade receivables increased to US\$9.5 million from US\$7.4 million as at 31 March 2021. This was in line with the increased chartering revenue from the Group's Singapore fleet and higher revenue from the shipyard and vessel management services segment in FY2022. Other receivables as at 31 March 2022 climbed to US\$35.4 million from US\$10.1 million as at 31 March 2021, attributed mainly to an increase in down-payments made to third-party suppliers for the construction of new vessels.

Property, plant and equipment declined marginally to US\$67.0 million as at 31 March 2022 from US\$68.2 million as at 31 March 2021, due mainly to depreciation expenses of US\$5.8 million, offset partially by additions of US\$4.6 million.

As a result of the reclassification of RVOS from investment in associate to financial assets at FVTOCI, the Group recorded financial assets at FVTOCI (non-current) of US\$60.9 million as at 31 March 2022.

The total current and non-current term loans, which comprised largely of bank borrowings for vessels, decreased to US\$123.6 million as at 31 March 2022 from US\$175.2 million as at 31 March 2021. This was due mainly to the conversion of US\$50 million of these term loans to convertible bonds following the completion of the Group's



debt-restructuring exercise with its lenders during FY2022. The US\$50 million convertible bonds are recorded US\$43.8 million under non-current liabilities and US\$6.7 million under capital and reserves in accordance with the accounting standard SFRS(I) 1-32. Further details of the debt restructuring exercise and the convertible bonds are set out in the Company's circular to shareholders dated 7 June 2021.

The Group's trade payables decreased to US\$20.7 million as at 31 March 2022 from US\$36.6 million as at 31 March 2021, due mainly to advance payment received by the Company for project management services of US\$12.1 million, and accrual of interest of US\$3.7 million in relation to shareholder's advances during FY2022.

Consolidated Statement of Cash Flows

In FY2022, net cash used in operating activities was US\$3.2 million, net cash generated from investing activities was US\$2.5 million and net cash generated from financing activities was US\$0.8 million.

As a result, the Group's cash and cash equivalents as at 31 March 2022 remained largely unchanged at US\$6.8 million compared to US\$6.7 million as at 31 March 2021.

ENVIRONMENT

Key Material Topic

- Environmental Compliance
- Energy & GHG Emission
- Waste Management

GRI Topic

GRI 307-1 Environmental Compliance

UN SDGs we Contribute to

13 CLIMATE ACTION



14 LIFE BELOW WATER



Environmental Protection

Vallianz remains dedicated to our long-term responsibility to protect the environment. We consistently review our policies and practices to optimize energy, water and waste management.

Through energy-efficient practices and adhering to the “Reduce, Reuse and Recycle” principles. We make every effort to conduct our business sustainably, and reduce the minimum environmental impact level.



In FY2022, the Group has made certain efforts and set certain targets in these areas:

Reduce Environmental Footprint	<ul style="list-style-type: none"> • Development of vessels with hybrid battery solutions, to reduce carbon emissions of vessels by at least 28-30% (for newbuilds and conversion of existing vessels). • Aligning net zero carbon emission targets with global standards by 2050, through vessels powered by alternative fuel. • Development of semi-unmanned vessels technology and remote-monitoring digitization (reducing the need for high number of crew per vessel, decreasing the carbon footprint of high rotation frequency of crew).
Energy	<ul style="list-style-type: none"> • Development of Zero-Emission Battery Tug. • Development of Battery Hybrid AHTS. • Development of Hydrogen Propelled vessels. • Collaboration with Solar / Wind market players for generation of cost-effective alternative fuel for usage.
Emission	<ul style="list-style-type: none"> • The entire fleet owned by the Group has complied with IMO 2020 (<0.05% Sulphur) and is currently using Marine Gas Oil.

FY2022 Performance

We are pleased to announce that there was no reported non-compliance with environmental laws and regulations for FY2022.

FY2023 Target

In FY2023, we strive to ensure that there are zero reported incidences of non-compliance with environmental laws and regulations.

Developments in Energy Transitions



- 1) **Development of E-VOLT Electric Tug**
 - a. 60-80T bollard pull Fully electric harbour tug.
 - b. Signing of MOU with Seatech, ABS and SHIFT done in February 2022.
 - c. Steel cutting done on February 2022.



- 2) **Operations Hub (Digitalization)**

Remote monitoring of vessel's key equipment through sensors by data consolidation and monitoring through a central system, using analytics to optimize the vessels' efficiency.



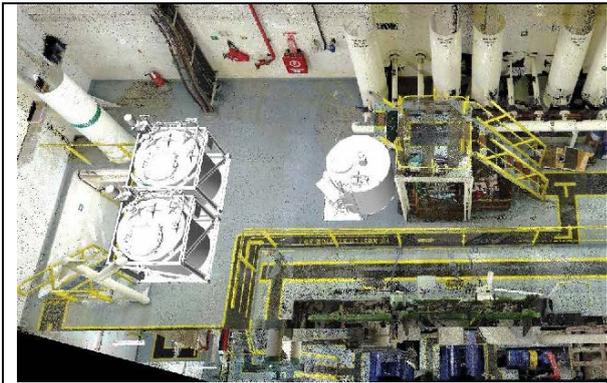
- 3) **Digital Twinning (Digitalization)**

Vessel walkthrough using 3D scanning technology to produce a 3D digital twin model for technical/operational support, and also marketing purposes. Links and embedded documents on key components in the 3D model allow viewers to navigate and monitor the important components of the vessel.



- 4) **Remote Fuel Oil and Bunker Monitoring**

Outfitting vessels with FuelTrax's Electronic Fuel Management System ("EFMS") to ensure accurate fuel usage transparency and emissions tracking, to enable better fuel consumption and OPEX savings.



5) Ballast Water Treatment System ("BWTS")

Outfitting of Scienco/FAST's InTank's BWTS ongoing on the Holmen Semi-Submersible fleet for treatment of Ballast Water before discharge to sea. Outfitting of similar BWTS systems to other sea-going vessels with worldwide operations in compliance with IMO standards.

6) Development of Heavy Transport Vessel for the windfarm sector with Ulstein

- a. Engagement of Ulstein Design and Solutions for the design of the DP2 Heavy Transport Vessel, with zero emission capability.
- b. Equipped with battery storage system and ammonia dual-fuelled engines.
- c. Large deck area and huge deadweight at a draft allowing entry to most worldwide ports.



7) Development of Service Operation Vessel ("SOV") for windfarms

- a. Collaboration with Royal IHC on the design and construction of a next-generation SOV to support the operations and maintenance of offshore windfarms.
- b. Designed to meet the evolving needs of the offshore windfarms.
- c. SOV designed to be ready for net zero emission operations from battery storage system and alternative fuel engines.

SOCIAL

Key Material Topic

- Employment
- Occupational Health and Safety
- Training and Education
- Diversity and Equal Opportunity

GRI Topic

GRI 401-1 Employment
GRI 403-9 Occupational Health and Safety
GRI 404-1 Training and Education
GRI 405-1 Diversity and Equal Opportunity

UN SDGs we Contribute to



Occupational Health and Safety

At Vallianz, good health, prevention of accidents and protection of the environment is at the heart of our business. We are committed to providing a safe and healthy environment for all our employees, especially seafarers on our vessels and workers in our shipyards. Our investment in improving Occupational, Health, and Safety (“OHS”) policies and practices is an on-going process. This strong focus on safety serves as an enduring and differentiating competitive advantage.

In FY2022, we continuously operate in conformity with the various international recognized standards, including ISO 9001:2015 (Quality), ISO 45001:2018 (OHS), ISO 14001:2015 (Environment), and the International Safety Management (“ISM”) Code. The ISM Code is the International Maritime Organization (“IMO”) requirement for safe ship management and pollution prevention. Compliance with local legislation relating to health and safety standards are also in place.

We are pleased to announce that our shipyard, PT-USP has achieved 2.3 Million Manhours worked without Lost Time Incident (“LTI”) as at end April 2022. Up to a similar period our vessels crew, in Vallianz Offshore Marine (“VOM”), has achieved 1.4 Million Manhours.

In June 2021, we launched our behavioural-based safety programme, SCOUT (‘See’, ‘Correct’, ‘Open’, ‘Unsafe’, ‘Tell’). Since the launch, our shipyard staff has performed 2,305 SCOUT observations and our vessel crews have performed 2,658 SCOUT observations. Every observation made is an affirmation of our safety culture. The application of SCOUT provides a positive reinforcement to change from unsafe or at-risk behaviour to safe behaviour. SCOUT serves as an efficient tool to prevent accidents by establishing four levels of control:



It also provides a source of safety data collection and analysis so that intervention for targeted improvement in workplace safety can be carried out without relying on reactive accident data. The success of our SCOUT programme is clearly reflected in the reduction of accidents as shown in our safety data above.

Our focus in preventive measures also includes a comprehensive Risk Assessment process. To ensure a sustainable safe working environment, every individual in our organization is given safety training, including SCOUT and Risk Management. In this manner, everyone can have ownership of our OHS objective of zero-incident.

In the last two years during the COVID-19 pandemic, Vallianz has successfully implemented several Safe Management Measures in all our offices, worksites and vessels to ensure that we continue to carry out our business without significant downtime. These measures continue to be implemented and adjusted according to the prevailing circumstances to ensure a sustained business continuity.

Performance in HSE

HSE Performance	FY2022	FY2021
Fatality	0	0
Lost time Injury (“LTI”)	0	0
Medical Treatment Incident	0	0
Restricted Work-Date Cases (“RWDC”)	0	0
Property Damage	0	0
First Aid Cases	0	0
Occupational Illness	0	0
Near Miss	2	0
SCOUT CARD	2,763	1,253
No. of Days Lost For LTI	0	0
Total Man Hours Worked	1,204,872	568,464
Total Time Incident Frequency Rate	0	0
Total Recordable Incident Frequency Rate	0	0

We stay committed to our OHS efforts as we believe that the way to achieve our zero-incident target and long-term sustainability is our OHS efforts to focus on prevention measures. These include well-designed vessels and workplaces, competent staff and crew, good policies and procedures, and committed leadership.

Target for FY2023

In FY2023, we strive to maintain the excellent HSE performance we have achieved in FY2022 - Zero fatality and Zero Lost Time Injury by implementing the high level of HSE awareness training and SCOUT CARD Reporting for early unsafe act detection.

Talent Management

At Vallianz, we strive to optimize our available talent pool while continuously looking to add talent from outside our organization to add greater strength and depth to our overall human resources. This is a cornerstone of the Group's long-term human resources strategy.

To develop and strengthen our overall human resources framework, we continuously explore competitive compensation and retention schemes as well as re-skilling and up-skilling programmes, offering our employees a vibrant, inclusive, and progressive career with Vallianz.

Diversity and Equal Opportunity (Country, Gender)

We value our employees. Vallianz follows a policy of hiring, employing, training and compensating employees in a non-discriminatory way and without regard to race, gender, religion, age or nationality.

We have employees from diverse countries, including Singaporeans, Malaysians, Indonesians, Filipinos, South Koreans, Taiwanese, Indians, Vietnamese, and Mainland Chinese.

Employee Onboarding Experience – Buddy System

We have introduced a Buddy System in Vallianz as part of the talent management framework to integrate new employees into the Vallianz culture better and build a sense of belonging. The Buddy System is a knowledge-sharing method used to orient new employees. A team member is appointed as a buddy to the new employee during the first three (3) months of his/her employment. The intention is to acclimatize the new employee to Vallianz culture quickly and ensure that he/she is well cared for in the first 3 months by his/her buddy.

Wellness Program

We aim to introduce a holistic approach to talent management that focuses on work-related programmes and our employees' mental well-being. We periodically source and provide online wellness programmes seminars for all Vallianz employees.

Vallianz Internship Engagement Program

Vallianz has introduced the Vallianz Engagement Programme. This programme will help us identify interns who have shown outstanding work performances during their internship. Vallianz recognizes the importance of laying the foundation for tomorrow and growing our next generation within Vallianz. This talent-enabler programme aims to curate valuable and meaningful experiences for matriculating students and facilitate conversion into permanent hires at Vallianz.

Vallianz Leave Policy

We are currently reviewing our existing Leave Policy to benchmark ourselves better against other companies to enhance current entitlement. We will introduce Employee-



CareLeave such as Birthday Leave so that our employees can have a day off to celebrate their special day with their loved ones. Employees can also expect to receive incremental leave days at various stages of their employment with the Company.

Staggered Working Hours

Vallianz has also implemented a Flexible Work Arrangement scheme to encourage work-life balance where employees can stagger their working hours. Such an arrangement allows employees to vary their daily start and end times to support their work and personal commitments.

Employee Development

We invest in the training of our people for them to achieve their full potential. We also offer our talented employees opportunities to take on more challenging postings and transfers to groom them for greater responsibilities.

At Vallianz, we encourage lifelong learning among our employees to embrace the changes and prepare themselves for this ever-changing and dynamic industry. Employees will be sent for training whenever necessary to improve their skill sets.

Talent Management Performance in FY2022

Employee Relationship

As of 31 March 2022, the Group has a total workforce of 371 full-time employees comprising 299 males and 72 females. We have 91 employees based in Singapore and 280 employees based in Indonesia.

The Group saw a younger mix in FY2022 with 20% of the employees below the age of 30, 67% between the age of 31-50 and 13% above the age of 50.

The Group's male-to-female percentage ratio has remained similar in the past two years, where males and females account for about 80% and 20% respectively in our entire workforce. This is likely due to the fact that our Group is in businesses under the Marine and Engineering sectors, which have traditionally been male-dominated.

Total Workforce

Our Employees	FY2022	FY2021
Total Number of Employees		
All	371	259
Total Number of Employees by Region		
Singapore	91	71
Indonesia	280	188
Total Number of Employee, by Gender		
Male	299	210
Female	72	49
Total Number of Employee, by Contract		
Permanent	159	164
Contract	212	95
Total Number of Employee, By age group		
<30	74	43
30-50	247	185
>50	50	31

New hire

New Hire	FY2022	FY2021
Total Turnover Rate		
All	56	155
Average Training hour per employee, by Gender		
Male	34	129
Female	22	26

Turnover Rate

Turnover Rate	FY2022	FY2021
Total Turnover Rate		
All	10.2%	19.7%
Average Training hour per employee, by Gender		
Male	9.7%	20%
Female	12.5%	18.4%

Training

Training Hour	FY2022	FY2021
Total Training Hour		
All	733	438.5
Average Training Hour, Total		
Average	1.97	1.69
Average Training hour per employee, by Gender		
Male	2.05	1.48
Female	1.63	2.57

Only two years' performance of the Group has been provided as the group has undergone restructuring in FY2021.

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