



**VALLIANZ HOLDINGS LIMITED**

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**Unaudited Financial Statements**  
**For the Financial Year Ended 31 March 2023**

**ANNOUNCEMENT IN RELATION TO UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 ("FY2023")**

**A Condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	Group		Change %
		FY2023 US\$'000	FY2022 US\$'000	
<b>Revenue</b>	4	149,174	64,150	133
Cost of sales		(138,785)	(68,646)	102
<b>Gross Profit</b>		<b>10,389</b>	(4,496)	331
Other income		2,058	8,951	(77)
Administrative expenses		(7,972)	(7,365)	8
Other operating expenses		(3,669)	(2,609)	41
Finance costs		(7,626)	(6,081)	25
Share of results of associates		-	8,052	(100)
<b>Operating loss</b>		<b>(6,820)</b>	(3,548)	(92)
<b>Exceptional item</b>		<b>(3,195)</b>	-	nm
<b>Loss before tax</b>	7	<b>(10,015)</b>	(3,548)	182
Income tax (expense)/credit	8	(1,350)	70	NM
<b>Loss for the year</b>		<b>(11,365)</b>	<b>(3,478)</b>	227
<b>Other comprehensive income/(loss):</b>				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		(68)	22	NM
Other comprehensive income/(loss) for the year, net of tax		(68)	22	NM
<b>Total comprehensive loss for the year</b>		<b>(11,433)</b>	<b>(3,456)</b>	231
<b>Loss for the year attributable to:</b>				
Owners of the Company		(9,477)	(2,365)	301
Non-controlling interests		(1,888)	(1,113)	70
Total		<b>(11,365)</b>	<b>(3,478)</b>	227
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company		(9,545)	(2,343)	307
Non-controlling interests		(1,888)	(1,113)	70
Total		<b>(11,433)</b>	<b>(3,456)</b>	231
<b>Loss per share (US cents)</b>				
Basic		(0.78)	(0.20)	
Diluted		(0.78)	(0.20)	

Note: nm – Not Meaningful

## B Condensed interim statements of financial position

	Note	Group		Company	
		31 Mar 2023 US\$'000	31 Mar 2022 US\$'000	31 Mar 2023 US\$'000	31 Mar 2022 US\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		20,778	6,835	574	139
Trade receivables		6,678	9,509	-	-
Other receivables		49,361	35,429	500,040	470,738
Inventories		-	744	-	-
Contract assets		588	760	-	-
Financial assets at fair value through other comprehensive income	11 (a)	31,729	31,729	-	-
Total current assets		109,134	85,006	500,613	470,877
<b>Non-current assets</b>					
Monies pledged with banks		372	699	-	-
Property, plant and equipment	12	74,728	66,983	2	21
Right-of-use assets		469	368	-	-
Financial assets at fair value through other comprehensive income	11 (b)	60,853	60,853	-	-
Subsidiaries		-	-	454	404
Other receivables		14,843	14,843	-	-
Total non-current assets		151,265	143,746	456	425
<b>Total assets</b>		<b>260,399</b>	<b>228,752</b>	<b>501,069</b>	<b>471,302</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Term loans	13	32,269	32,209	-	-
Trade payables		8,139	20,726	-	1
Other payables		21,586	21,864	370,603	335,782
Contract liabilities		62,523	31,529	-	-
Finance lease payables		-	4	-	-
Lease liabilities		151	237	-	-
Income tax payable		70	100	-	-
Total current liabilities		124,738	106,669	370,603	335,783
<b>Non-current liabilities</b>					
Term loans	13	89,364	91,365	-	-
Retirement benefit obligation		605	582	-	-
Finance lease payables		-	18	-	-
Lease liabilities		353	142	-	-
Deferred tax liabilities		1,449	1,613	-	-
Convertible bonds		44,553	43,840	44,553	43,840
Total non-current liabilities		136,324	137,560	44,553	43,840
<b>Capital and reserves</b>					
Share capital	14	382,274	382,274	382,274	382,274
Perpetual capital securities		22,500	22,500	22,500	22,500
Foreign currency translation reserve		(74)	(24)	-	-
Other reserve		(625)	(607)	28	28
Shareholder's advances	15	39,838	13,675	-	-
Convertible bonds		6,763	6,679	6,763	6,679
Accumulated losses		(428,944)	(419,467)	(325,652)	(319,802)
Equity attributable to owners of the Company and capital securities holders	10	21,732	5,030	85,913	91,679
Non-controlling interests		(22,395)	(20,507)	-	-
Total equity		(663)	(15,477)	85,913	91,679
<b>Total liabilities and equity</b>		<b>260,399</b>	<b>228,752</b>	<b>501,069</b>	<b>471,302</b>

## C Condensed interim statements of changes in equity

### Group

	Share capital	Foreign currency translation reserve	Other reserve	Shareholder's advances	Accumulated losses	Perpetual capital securities	Convertible bonds	Equity attributable to owners of the Company and capital issued to securities holders	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 April 2022	382,274	(24)	(607)	13,675	(419,467)	22,500	6,679	5,030	(20,507)	(15,477)
<b>Total comprehensive loss for the year</b>										
Loss for the year	-	-	-	-	(9,477)	-	-	(9,477)	(1,888)	(11,365)
Other comprehensive income for the year	-	(50)	(18)	-	-	-	-	(68)	-	(68)
Total	-	(50)	(18)	-	(9,477)	-	-	(9,545)	(1,888)	(11,433)
<b>Transactions with owners, recognised directly in equity</b>										
Deemed investment by a shareholder	-	-	-	26,163	-	-	-	26,163	-	26,163
Total	-	-	-	26,163	-	-	-	26,163	-	26,163
Recognition of equity component of convertible bonds	-	-	-	-	-	-	84	84	-	84
<b>At 31 March 2023</b>	<b>382,274</b>	<b>(74)</b>	<b>(625)</b>	<b>39,838</b>	<b>(428,944)</b>	<b>22,500</b>	<b>6,763</b>	<b>21,732</b>	<b>(22,395)</b>	<b>(663)</b>

**C Condensed interim statements of changes in equity (cont'd)**

	Share capital	Foreign currency translation reserve	Other reserve	Shareholder's advances	Accumulated losses	Perpetual capital securities	Convertible bonds	Equity attributable to owners of the Company and capital issued to securities holders	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 April 2021	347,746	(46)	(607)	115,582	(417,102)	22,500	-	68,073	(19,894)	48,179
<b>Total comprehensive loss for the year</b>										
Loss for the year	-	-	-	-	(2,365)	-	-	(2,365)	(1,113)	(3,478)
Other comprehensive loss for the year	-	22	-	-	-	-	-	22	-	22
Total	-	22	-	-	(2,365)	-	-	(2,343)	(1,113)	(3,456)
<b>Transactions with owners, recognised directly in equity</b>										
Deemed repayment by shareholders, net	-	-	-	(67,379)	-	-	-	(67,379)	-	(67,379)
Conversion of shareholders' advances to ordinary shares	34,528	-	-	(34,528)	-	-	-	-	-	-
Allotment of shares to minority shareholders	-	-	-	-	-	-	-	-	500	500
Total	34,528	-	-	(101,907)	-	-	-	(67,379)	500	(66,879)
Recognition of equity component of convertible bonds	-	-	-	-	-	-	6,679	6,679	-	6,679
<b>At 31 March 2022</b>	<b>382,274</b>	<b>(24)</b>	<b>(607)</b>	<b>13,675</b>	<b>(419,467)</b>	<b>22,500</b>	<b>6,679</b>	<b>5,030</b>	<b>(20,507)</b>	<b>(15,477)</b>

**C Condensed interim statements of changes in equity (cont'd)**

**Company**

	Share capital	Other reserve	Shareholder's advances	Accumulated losses	Perpetual capital securities	Convertible bonds	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 April 2022	382,274	28	-	(319,802)	22,500	6,679	91,679
<b>Total comprehensive income for the year</b>							
Loss for the year	-	-	-	(5,850)	-	-	(5,850)
Total	-	-	-	(5,850)	-	-	(5,850)
<b>Transactions with owners, recognised directly in equity</b>							
Deemed repayment by a shareholder	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
Recognition of equity component of convertible bonds	-	-	-	-	-	84	84
<b>At 31 March 2023</b>	<b>382,274</b>	<b>28</b>	<b>-</b>	<b>(325,652)</b>	<b>22,500</b>	<b>6,763</b>	<b>85,913</b>
At 1 April 2021	347,746	28	108,251	(318,631)	22,500	-	159,894
<b>Total comprehensive loss for the year</b>							
Loss for the year	-	-	-	(1,171)	-	-	(1,171)
Total	-	-	-	(1,171)	-	-	(1,171)
<b>Transactions with owners, recognised directly in equity</b>							
Deemed repayment by shareholders	-	-	(73,723)	-	-	-	(73,723)
Conversion of shareholders' advances to ordinary shares	34,528	-	(34,528)	-	-	-	-
Total	34,528	-	(108,251)	-	-	-	(73,723)
Recognition of equity component of convertible bonds	-	-	-	-	-	6,679	6,679
<b>At 31 March 2022</b>	<b>382,274</b>	<b>28</b>	<b>-</b>	<b>(319,802)</b>	<b>22,500</b>	<b>6,679</b>	<b>91,679</b>

## D Condensed interim consolidated statement of cash flows

	Note	Group	
		FY2023 US\$'000	FY2022 US\$'000
<b>Operating activities</b>			
<b>Loss before tax</b>		(10,015)	(3,548)
<b>Adjustments for:</b>			
Loss allowance for trade and other receivables		1,924	961
Bad debts written off		328	1,040
Creditors written back		-	(2,253)
Depreciation of property, plant and equipment		6,155	5,837
Depreciation of right-of-use assets		233	232
Provision for retirement benefit obligation		23	46
Finance costs		7,626	6,081
Net loss on disposal of property, plant and equipment		2,480	-
Gain on disposal of associates		-	(6,383)
Share of results of associates		-	(8,052)
Unrealised foreign exchange differences		(51)	23
<b>Operating cash flows before working capital changes</b>		<b>8,703</b>	<b>(6,016)</b>
Trade and other receivables		(13,353)	(29,417)
Trade and other payables		(11,956)	22,393
Inventories		744	(19)
Contract assets		172	(760)
Contract liabilities		30,994	10,644
<b>Cash from (used in) operations</b>		<b>15,304</b>	<b>(3,175)</b>
Income taxes paid		(194)	(24)
<b>Net cash from (used in) operating activities</b>		<b>15,110</b>	<b>(3,199)</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(17,601)	(4,587)
Proceeds from disposal of investment in associates		-	2,850
Proceeds from disposal of property, plant and equipment		1,221	-
Dividend received		-	4,263
<b>Net cash (used in) from investing activities</b>		<b>(16,380)</b>	<b>2,526</b>
<b>Financing activities</b>			
Decrease in cash pledged		327	-
Interest paid		(2,632)	(1,549)
Proceeds from new bank loans raised		60	2,420
Proceeds from shareholder's advances		19,690	3,701
Principal payment of lease liability		(231)	(206)
Repayment of term loans		(2,001)	(4,071)
Issuance of shares by a subsidiary corporation to non-controlling interest		-	500
<b>Net cash from financing activities</b>		<b>15,213</b>	<b>795</b>
<b>Net increase in cash and cash equivalents</b>		<b>13,943</b>	<b>122</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>6,835</b>	<b>6,713</b>
<b>Cash and cash equivalents at end of year</b>		<b>20,778</b>	<b>6,835</b>

## **E Notes to the condensed interim consolidated financial statements**

### **1. Corporate information**

Vallianz Holdings Limited ("**Company**") is incorporated and domiciled in Singapore and whose shares are publicly traded on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). These condensed interim consolidated financial statements as at and for the financial year ended 31 March 2023 ("**FY2023**") comprise the Company and its subsidiaries (collectively, the "**Group**"). The primary activity of the Company is that of investment holding. The principal activities of the Group are those of vessel chartering, shipyard and vessel management services and investment holding.

### **2. Basis of preparation**

The condensed interim financial statements for FY2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understanding the changes in the Group's financial position and performance since the last annual financial statements for the year ended 31 March 2022 ("**FY2022**").

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States dollar which is the Company's functional currency, and all values are rounded to the nearest thousand ("**US\$'000**"), unless otherwise indicated.

#### **2.1 New and amended standards adopted by the Group**

A number of amendments to Standards have become applicable for the current reporting year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those Standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, the management of the Company ("**Management**") has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for FY2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Information about critical judgements, assumptions and estimation uncertainties in applying accounting policies that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are included in Note 12.1 – Impairment and valuation of property, plant and equipment.

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

### **4. Segment and revenue information**

Management had reviewed the consolidated results prepared in the following main business segments when making decisions about allocating resources and assessing performance of the Group:

- Segment 1: Vessel Chartering - Chartering of owned and third-party vessels.
- Segment 2: Shipyard and Vessel Management Services - In-house fabrication and engineering services such as ship building, fabrication works and ship repairs, as well as consultancy and vessel project management.
- Segment 3: Investment Holding - Holding investments for long-term purposes.

For the purposes of monitoring segment performance and allocating resources between segments, Management monitors the tangible and financial assets attributable to each segment on the types of revenue it generates. All assets and liabilities are allocated to reportable segments, except for deferred tax assets and deferred tax liabilities.



#### 4.1 Reportable segments

Information regarding the operations of each reportable segment is included below.

	Vessel chartering		Shipyard and vessel management services		Investment holding		Total	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Revenue</b>								
External sales	<b>64,832</b>	31,376	<b>84,342</b>	32,774	-	-	<b>149,174</b>	64,150
<b>Results</b>								
Segment results	<b>5,703</b>	(25)	<b>15</b>	6,754	<b>(4,912)</b>	(12,248)	<b>806</b>	(5,519)
Finance costs	<b>(3,470)</b>	(1,834)	<b>(176)</b>	-	<b>(3,981)</b>	(4,247)	<b>(7,626)</b>	(6,081)
<b>Operating profit/(loss) from ordinary activities and before share of results of associates</b>	<b>2,233</b>	(1,859)	<b>(161)</b>	6,754	<b>(8,893)</b>	(16,495)	<b>(6,820)</b>	(11,600)
Exceptional item	<b>(3,195)</b>	-	-	-	-	-	<b>(3,195)</b>	-
Share of results of associates	-	8,052	-	-	-	-	-	8,052
Loss before tax							<b>(10,015)</b>	(3,548)
Income tax (expense)/credit							<b>(1,350)</b>	70
Loss for the year							<b>(11,365)</b>	(3,478)

	Vessel chartering		Shipyard and vessel management services		Investment holding		Total	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Segment assets and segment liabilities</b>								
Segment assets	<b>75,157</b>	64,488	<b>79,812</b>	52,833	<b>105,431</b>	111,431	<b>260,399</b>	228,752
Segment liabilities	<b>95,749</b>	116,453	<b>71,623</b>	57,453	<b>92,241</b>	68,710	<b>259,613</b>	242,616
Deferred tax liabilities							<b>1,449</b>	1,613
Total liabilities							<b>261,062</b>	244,229

#### 4.1 Reportable segments (cont'd)

	Vessel chartering		Shipyard and vessel management services		Investment holding		Total	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Other information</b>								
Bad debts written off	328	1,040	-	-	-	-	328	1,040
Loss allowance for trade and other receivables	951	587	973	374	-	-	1,924	961
Depreciation of property, plant and equipment	4,366	4,178	1,623	1,555	166	104	6,155	5,837
Net foreign exchange loss	82	79	575	343	33	105	690	527
Net loss/(gain) on disposal of property, plant and equipment	2,495	-	-	-	(15)	-	2,480	-
Additions to property, plant and equipment	14,765	2,891	2,780	1,696	56	-	17,601	4,587

#### 4.2 Geographical information

The Directors of the Company consider that in view of the nature of the Group's businesses which operate across international waters and which cater to customers throughout the world, it is therefore not meaningful to allocate revenue and non-current assets based on geographical information as defined under SFRS(I) 8 *Operating Segments*.

#### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 March 2023 and 31 March 2022:

	Group		Company	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Financial assets</b>				
Financial assets at amortised cost	90,384	56,669	500,575	470,842
Financial assets at fair value through OCI	92,582	92,582	-	-
<b>Financial liabilities</b>				
Financial liabilities at amortised cost	195,911	241,533	415,156	379,623
Lease liabilities	504	401	-	-

## 6. Breakdown of sales and profit

	Group		
	FY2023 US\$'000	FY2022 US\$'000	Increase/(decrease) %
(a) Sales reported for first half year	54,893	23,125	137
(b) Loss after tax before deducting non-controlling interest for first half year	(4,783)	(9,709)	(51)
(c) Sales reported for second half year	94,281	41,025	130
(d) (Loss)/profit after tax before deducting non-controlling interest for second half year	(6,582)	6,231	(206)

## 7. Loss before tax

The following items have been included in arriving at loss before tax for the financial year :

	Group	
	FY2023 US\$'000	FY2022 US\$'000
Bad debts written off	328	1,040
Net foreign exchange loss	690	527
Net loss on disposal of property, plant and equipment	2,480	-
Loss allowance for trade and other receivables	1,924	961
Depreciation of property, plant and equipment	6,155	5,837
Depreciation of right-of-use assets	233	232
Finance costs	7,626	6,081
Share of results of associates	-	(8,052)
Gain on disposal of associates	-	(6,383)

## Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related corporations during the financial year:

	Group	
	FY2023 US\$'000	FY2022 US\$'000
<b>Ultimate holding company</b>		
Shareholder's advances from RHCL	(26,163)	(3,701)
Payment made by RHCL on behalf of the Group	(1,170)	(16,852)
Loan interest charged by RHCL	(1,285)	(3,682)
Provision of other goods and services	(198)	-
<b>Related companies</b>		
Provision of other goods and services	(335)	-
Project management income	9,443	-
Charter hire income	41,011	-
Charter hire expense	(6,597)	-
<b>Associate</b>		
Project management income	-	19,666
Charter hire income	-	1,100
Charter hire expense	-	(4,255)

## 8. Income tax (credit)/expense

The Group calculates the income tax expense for the financial year using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	Group	
	FY2023 US\$'000	FY2022 US\$'000
Current income tax credit	-	(70)
Underprovision of prior year income tax expense	1,350	-
	1,350	(70)

## 9. Dividends

No dividends have been declared or recommended for FY2023.

## 10. Net Asset Value

	Group		Company	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
Net asset value (US\$'000)	21,732	5,030	85,913	91,679
Total number of shares issued ('000)	1,211,620	1,211,620	1,211,620	1,211,620
Net asset value per share (US cents)	1.79	0.42	7.09	7.57
Net asset value, excluding perpetual capital securities (US\$'000)	(768)	(17,470)	63,413	69,179
Total number of shares issued ('000)	1,211,620	1,211,620	1,211,620	1,211,620
Net asset value per share, excluding perpetual capital securities (US cents)	(0.06)	(1.44)	5.23	5.71

## 11. (a) Financial assets at fair value through other comprehensive income (current assets)

Financial assets at fair value through other comprehensive income (current assets) comprise the following:

	Group	
	31 Mar 2023 US\$'000	31 Mar 2022 US\$'000
<b>Investment in equity instruments designated at fair value through other comprehensive income:</b>		
Unquoted preference shares	31,729	31,729

These investments in equity instruments are not held for trading. Accordingly, Management has elected to designate these investments in equity instruments as fair value through other comprehensive income ("FVTOCI") as Management believes that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

No investment in unquoted preference shares measured at FVTOCI has been disposed of during FY2023.

The above investments in unquoted preference shares is in relation to the cumulative preference shares issued by Resolute Offshore Pte Ltd ("ROPL"), a wholly-owned subsidiary of Swiber Holdings Limited ("SHL").

As a background, in 2011, the Group acquired the assets and liabilities from an unrelated party, CSOTL Offshore Limited ("CSOTL"). In the transaction, the vessel owned by CSOTL was transferred to ROPL in exchange for US\$155,000,000 of convertible bonds to be held by the Group. The Group had taken a bank loan which was secured against the said vessel held by ROPL ("Term Loan"). ROPL was subsequently disposed of by its original shareholders to SHL.

Pursuant to the above, the convertible bonds were converted to cumulative preference shares issued by ROPL to the Group, amounting to US\$155,000,000.

As at 31 March 2017, ROPL had redeemed a total of US\$77.8 million of the cumulative preference shares from the Group, resulting in a balance of US\$77.2 million. No further redemption was made thereafter.

The terms and conditions of the unquoted cumulative preference shares are set out below:

- (i) Non-convertible;
- (ii) Non-voting;
- (iii) Dividend rate of 5.2% per annum payable semi-annually at the discretion of issuer. No dividend will be paid on the ordinary shares of ROPL
- (iv) Right to redeem the preference shares lies with the issuer.

As at 31 March 2017, the Group triggered a technical default for the Term Loan of outstanding principal amount of US\$31,729,000, which remained outstanding as at 31 March 2023. The Group had accrued for the interest and penalty payable for this Term Loan which amounted to US\$6,531,000 as at 31 March 2023 (31 March 2022: US\$6,531,000) arising from the default. The principal and interest is secured over the vessel held by the issuer of the preference shares.

During FY2017, the Group had recognised an impairment loss of US\$45,471,000 on its unquoted preference shares subsequent to the completion of a review of fair value of its carrying amount of the asset consequent to the ultimate holding company of the issuer entering into judicial management in July 2016. The carrying amount of the preference shares is equivalent to the carrying amount of the Term Loan. No further impairment loss on the preference shares was recognised since FY2017.

The unquoted preference shares have been presented as current assets as it is the intention of Management to dispose the preference shares when appropriate. The Group is of the view that the adjusted net assets of the entity is a reasonable approximation of its fair value due to the nature of the assets and liabilities of the entity. This involves deriving the fair value of the preference shares by reference to the fair value of its issuer's assets and liabilities, comprising primarily the vessel held by ROPL.

Reconciliation of fair value measurement of the unquoted preference shares:

	Group	
	31 Mar 2023 US\$'000	31 Mar 2022 US\$'000
Cost of financial assets at fair value through other comprehensive income	77,200	77,200
Accumulated impairment recognised	(45,471)	(45,471)
Carrying amount	31,729	31,729

As the preference shares can be redeemed by the issuer based on the unpaid principal, the fair value of the unquoted preference shares is capped at the unpaid principal as at the end of each reporting period less any impairment losses.

## 11. (b) Financial assets at fair value through other comprehensive income (non-current assets)

This refers to the carrying amount of the Group's 19.77% interest in RVOS which amounted to US\$60.9 million as at 31 March 2023.

### Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - Inputs for the asset and liability that are not based on observable market data (unobservable inputs)

Assets measured at fair value are presented in the following table:

Group	Level 1	Level 2	Level 3	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>31 Mar 2023</b>				
<b>Financial assets</b>				
Financial assets at fair value through OCI (unquoted equity shares)	-	-	92,582	92,582
<b>31 Mar 2022</b>				
<b>Financial assets</b>				
Financial assets at fair value through OCI (unquoted equity shares)	-	-	92,582	92,582

## 12. Property, plant and equipment

During FY2023, the Group acquired PPE amounting to US\$17,601,000 (FY2022: US\$4,587,000) and disposed of PPE with carrying value amounting to US\$3,702,000 (FY2022: Nil).

### 12.1 Impairment and valuation of property, plant and equipment

The Group had considered the existence of impairment indicators and thereon assessed the recoverable amounts of vessels as at the end of each financial year end. The recoverable amounts were determined based on the valuations performed by independent vessel brokers which involve estimating the fair values less costs of disposal of the vessels. The valuation process involves significant judgement and estimations in the underlying assumptions to be applied. Amongst other matters, inputs and assumptions used in the valuations include, but not limited to, recent transaction prices for similar vessels, adjusted for the age and conditions of the respective vessels. There is no additional impairment provided during the financial year.

## 13. Borrowings

	Group	
	31 Mar 2023	31 Mar 2022
	US\$'000	US\$'000
<b>Amount repayable within one year or on demand</b>		
Secured	32,269	32,209
Unsecured	-	-
<b>Amount repayable after one year</b>		
Secured	89,364	91,365
Unsecured	-	-

### Details of any collateral

The Group's borrowings are secured by:

- mortgage over all the Group's property, vessels and equipment and a vessel held by a related company of a corporate shareholder;
- assignment of marine insurances in respect of some of the vessels;
- monies pledged;
- assignment of earnings/charter proceeds in respect of some of the vessels;
- corporate guarantees from the Company;
- the unquoted preference shares held by the Group;
- shares of subsidiary corporations incorporated in Singapore.

### Breach of a financial covenant and waivers obtained

As at 31 March 2023, the Group had breached a financial covenant under the Restructuring Agreement ("RA") dated 19 February 2021 entered into between the Group with DBS Bank Ltd ("DBS") and Malayan Banking Berhad, Singapore Branch ("Maybank").

The breach was that the total equity of the Group was a net liability of US\$663,000 as at 31 March 2023, which was less than the total equity of US\$30,000,000 stated in the RA.

The Group has obtained waivers from DBS and Maybank, to waive the breach of the financial covenant for the next 12 months to 31 March 2024.

## 14. Share capital

	Group and Company			
	31 Mar 2023		31 Mar 2022	
	Number of shares	Amount	Number of shares	Amount
	'000	US\$'000	'000	US\$'000
Share Capital	1,211,620	382,274	1,211,620	382,274

The Company did not hold any treasury shares as at 31 March 2023 (31 March 2022: Nil).

The Company's subsidiaries did not hold any shares in the Company as at 31 March 2023 and 31 March 2022 respectively.

## 15. Shareholder's advances

During FY2023, pursuant to the RHC Loan Agreement approved by the Company's shareholders on 27 April 2021, the Group received total shareholder's advances from its corporate shareholder, RHC, amounting to US\$26.2 million (31 March 2022: US\$3.7 million). US\$19.7 million was in the form of cash and the balance was net payables to RHC.

Shareholder's advances, subject to interest rate of 5% per annum, are classified as equity as Management is of the view that the Group does not have the contractual obligation to deliver cash or other financial assets or exchange financial assets or financial liabilities under conditions potentially unfavourable to the Group to settle these amounts owed to RHC.

## 16. Legal proceedings and arbitration

### 16.1 Breach of agreement by Index-Evergreen

The Company's subsidiary, Vallianz Shipbuilding & Engineering Pte Ltd ("**VSE**"), has on 4 May 2023 obtained a Court judgement against Index-Evergreen Carpentry & Marine Services Pte. Ltd. ("**Index-Evergreen**") for an amount of approximately S\$2.9 million ("**Judgement Debt**") for failure to contest its claims arising from the breaches of two contracts that it had signed with VSE, the first contract for an amount of S\$1.65 million in December 2020 in relation to a vessel called Rawabi 503, and the second contract for an amount of S\$0.25 million in April 2021 in relation to a vessel called Eco Spark.

All costs associated with the Judgement Debt of approximately of S\$2.9 million, have been provided for in the Group's financial results for FY2023.

Details of the above are set out in the press release dated 30 May 2023, as announced by the Company on SGXNet.

### 16.2 Arrest of vessel in Singapore

VSE entered into a contract with Aquaculture Centre of Excellence Pte Ltd ("**ACE**") in 2021 for the conversion of the vessel called Eco Spark. As there are outstanding monies due to VSE for their work done under the contract amounting S\$1.8 million (about US\$1.3 million), VSE has commenced proceedings in the Singapore High Court (in aid of arbitration) and successfully secured the arrest of the vessel. Arbitral proceedings to recover the outstanding monies due under the contract have commenced. Both sets of proceedings are ongoing and ACE is defending both proceedings.

The Company will provide further updates on any material developments as and when appropriate.

## OTHER INFORMATION REQUIRED BY LISTING RULE

### 1 Review

The condensed interim consolidated statement of financial position of the Group as at 31 March 2023 and the related condensed interim profit or loss and comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed.

### 2 Review of performance of the Group

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

##### (a) Revenue

The Group recorded revenue of approximately US\$149.2 million in FY2023, representing an increase of 133% from US\$64.2 million in FY2022 due mainly to higher contribution from the Vessel Chartering and the increase in Shipyard and Vessel Management Services segments.

The Vessel Chartering segment and the Shipyard and Vessel Management Services segment accounted for approximately 43% and 57% respectively of the Group's revenue in FY2023. In comparison, in FY2022, the contribution from the Vessel Chartering segment and the Shipyard and Vessel Management Services segment in FY2022 accounted for approximately 49% and 51% respectively.

##### (b) Gross profit

The Group registered a gross profit of US\$10.4 million in FY2023 as compared to a gross loss of US\$4.5 million in FY2022 due to the contributions from the Group's Vessel Chartering and Shipyard and Vessel Management Services segments.

The Group's Vessel Chartering registered a 9.3% gross margin in FY2023 as compared to a 7% negative gross margin in FY2022 due mainly to higher average daily charter rates in FY2023. Shipyard and Vessel Management Services segment recorded a 5% gross margin in FY2023 as compared to a 7% negative gross margin in FY2022, due mainly to the increase in contribution of the provision of consultancy and vessel project management services.

##### (c) Other income

Other income decreased to US\$2.1 million in FY2023 from US\$9.0 million in FY2022 due mainly to the absence of one-off gain on disposal of associates of US\$6.4 million which had occurred in FY2022.

##### (d) Administrative expenses

Administrative expenses in FY2023 remained comparable at US\$8.0 million as compared to US\$7.4 million recorded in FY2022.

##### (e) Other operating expenses

Other operating expenses increased to US\$3.7 million in FY2023 from US\$2.6 million in FY2022 due mainly to higher provision for doubtful debts that may not be recoverable.

##### (f) Finance costs

Finance costs in FY2023 increased to US\$7.6 million compared to US\$6.1 million in FY2022 due mainly to higher interest rates on term loans.

##### (g) Share of results of associates

Following the partial disposal of the Group's shareholding interest from 40.7% to 19.77% in RVOS on 12 January 2022, the Group's share of results of associates was Nil for FY2023 as compared to US\$8.1 million for FY2022.

##### (h) Exceptional item

During the financial year ended 31 March 2023, Samson Marine Pte Ltd, a wholly-owned subsidiary corporation disposed a vessel, Rawabi 18 that gave rise to a loss on disposal of US\$3,195,000. The disposal took into consideration the age, state of the vessel, high operating and up-keep costs of the vessel. Rawabi 18 was arrested in United Arab Emirates since FY2017 due to the non-repayment for bunkers supplied by World Fuel Services (Singapore) Pte Ltd ("WFS") while the vessel was under the charter of Swiber Offshore Construction Pte Ltd which has been placed under liquidation. A commercial settlement was arrived at with WFS on 10 June 2022 and the arrest was lifted on 30 June 2022.

##### (i) Net profit attributable to owners of the Company

As a result of the above, the Company registered a loss attributable to owners of the Company of US\$9.5 million in FY2023 as compared to a loss of US\$2.4 million in FY2022.

#### Statements of Financial Position

##### (j) Trade and other receivables

Trade receivables decreased to US\$6.7 million as at 31 March 2023 from US\$9.5 million as at 31 March 2022. This was due mainly to the Group's efforts in the collection of outstanding trade receivables.

Other receivables increased to US\$49.4 million as at 31 March 2023 from US\$35.4 million as at 31 March 2022. This was attributed mainly to the increase in down-payments made to third-party suppliers for the construction of new vessels.

##### (k) Property, plant and equipment

Property, plant and equipment increased to US\$74.7 million as at 31 March 2023 from US\$67.0 million as at 31 March 2022, due mainly to the purchase of a new vessel of US\$10.4 million, drydock for certain vessels of US\$4.5 million and the construction in progress of a Heavy Transport Vessel of US\$2.1 million, partially offset by the disposal of PPE with carrying value of US\$3.7 million and depreciation expense of US\$6.2 million.

**(l) Total current and non-current borrowings**

Total current and non-current borrowings decreased to US\$121.6 million as at 31 March 2023 from US\$123.6 million as at 31 March 2022. This was due mainly to the repayment of borrowings.

**(m) Trade and other payables**

The Group's trade payables decreased to US\$8.1 million as at 31 March 2023 from US\$20.7 million as at 31 March 2022, due mainly to timely payments to the suppliers. Other payables decreased to US\$21.6 million as at 31 March 2023 from US\$21.9 million as at 31 March 2022 due mainly to lower interest accrued on shareholder's advances during FY2023.

**(n) Contract liabilities**

The Group's contract liabilities increased by US\$31.0 million to US\$62.5 million as at 31 March 2023 from US\$31.5 million as at 31 March 2022, due to deposits received in advance for construction projects.

**Consolidated Statement of Cash Flows**

Cash and cash equivalents was US\$20.8 million as at 31 March 2023 as compared to US\$6.8 million as at 31 March 2022.

The Group generated net cash of US\$15.1 million from operating activities during FY2023. Net cash used in investing activities of US\$16.4 million for FY2023 was attributed to purchase of property, plant and equipment. Net cash generated from financing activities in FY2023 amounted to US\$15.2 million. This was attributed to advances from shareholder of US\$19.7 million (see Note 15) and offset partially by repayment of term loans of US\$2.0 million and payment of interest of US\$2.6 million.

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

Not applicable.

**4 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 global business environment is expected to remain challenging in 2023 amid ongoing global geopolitical tensions, economic uncertainties, inflationary pressures and rising interest rates.

In its latest World Economic Outlook released in April 2023, the International Monetary Fund ("IMF") forecasted global growth to slow from 3.4% in 2022 to 2.8% this year before accelerating to 3% in 2024. However, IMF warned there are also downside risks with heightened chances of a hard landing in a plausible alternative scenario that could see global growth decelerating to about 2.5% this year.

For the global oil market, OPEC said in its May 2023 Monthly Oil Market Report that world oil demand in 2023 is expected to grow 2.3% to 101.9 million barrels per day (mb/d) compared to 2022. However, OPEC said this forecast is subject to many uncertainties, including global economic developments and ongoing geopolitical tensions.

The offshore support vessels ("OSV") market has benefited from a higher level of offshore oil and gas activities backed by a recovery in oil prices and a return to pre-pandemic energy demand levels, coupled with a tight supply of available OSVs. This has led to an increase in the industry's vessel utilisation and upward momentum of day rates globally. Shipbroker Fearnley Offshore Supply expects the demand for most OSV types to increase further as more production facilities come online during the year.

While the outlook for the global OSV sector has brightened from previous years, the Group continues to maintain a cautious stance as the myriad uncertainties weighing on the global economy pose downside market risks in the months ahead. To build long term sustainability, Vallianz will continue to realign and enhance its core businesses to engineer a stronger foundation for the future.

In line with its goals to expand market share and tap into the transformation of the global energy industry, Vallianz has been executing plans to revitalise its core businesses. The Group continues to provide integrated solutions across five core pillars – offshore support vessel chartering, specialised heavy transport, shipyard and engineering, marine technology, and renewable energy.

Besides focusing on its traditional OSV market in the conventional oil & gas industry, Vallianz has also been taking steps to capitalise on renewable energy, decarbonisation and digitalisation trends in the offshore and marine sector to sharpen its competitive edge and broaden its business portfolio.

The Group will continue strengthening the operational capabilities of its OSV fleet and specialised heavy transport vessels that provide critical support to customers in the conventional and renewable energy sectors. Leveraging its extensive experience in the conventional offshore energy sector, the Group is exploring various opportunities to build vessels for offshore wind farms. The Group is also making inroads into the market for electric, energy-efficient, and zero / low carbon emissions vessels through strategic partnerships.

**5 Dividend information**

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

No.

**(b) Corresponding Period of the Immediate Preceding Financial Year**

No.

**(c) Date Payable**

Not applicable.

**(d) Books Closure Date**

Not applicable.



**6 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the current financial year reported as the Company is loss-making. In addition, with reference to the perpetual capital securities of US\$22.5 million issued by the Company in 2014, in the event that the Company wishes to declare dividends to ordinary shareholders, the Company will be required to first declare and pay all accumulated distributions (currently at a rate of 7.0% per annum) to the holder of the perpetual capital securities before the Company can declare dividends to ordinary shareholders.

**7 Interested person transactions**

In compliance with Chapter 9 of the SGX-ST Listing Manual (Section B: Rules of Catalist), there were no transactions with interested persons for FY2023 which exceeds the stipulated threshold except as disclosed below:

Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (including transactions less than S\$100,000 and excluding transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
<b>Interests on shareholder's advances provided to the Group</b>			
RHC Group	Major shareholder of the Company	US\$1,285,164 <sup>(1)</sup>	Not applicable
<b>Other goods and services provided to the Group</b>			
RHC Group	Major shareholder of the Company	Not applicable	US\$533,380
<b>Chartering services provided to the Group</b>			
RHC Group	Major shareholder of the Company	Not applicable	US\$6,597,379
<b>Chartering services provided by the Group</b>			
RHC Group	Major shareholder of the Company	Not applicable	US\$41,010,620
<b>Project management services provided by the Group</b>			
RHC Group	Major shareholder of the Company	Not applicable	US\$388,041,668
<b>Corporate services provided by the Group</b>			
Holmen Heavylift Offshore Pte. Ltd. ("HOL") and its subsidiaries ("HOL Group")	Associate of RHC <sup>(2)</sup>	Not applicable	US\$132,000
<b>Shipyard, Engineering, Fabrication Services and Facilities services provided by the Group</b>			
HOL Group	Associate of RHC <sup>(2)</sup>	Not applicable	US\$1,285,956
<b>Ship management services provided by the Group</b>			
HOL Group	Associate of RHC <sup>(2)</sup>	Not applicable	US\$396,000
<b>Interests payment paid for by the Group</b>			
HOL Group	Associate of RHC <sup>(2)</sup>	US\$1,580,953 <sup>(1)</sup>	Not applicable

Notes:

(1) These transactions with interested persons have been approved by the Company's shareholders at the EGM held on 27 April 2021, the details of which are set out in the circular to shareholders dated 12 April 2021.

Details of the shareholder's advances are set out in Note 15.

(2) HOL Group is presently 75% owned by the Group and 25% owned by Equatoriale Holdings Pte Ltd ("EHPL") (which is in turn majority owned by RHC Group) pursuant to the completion of an internal restructuring by SHL as part of the investment by RHC in EHPL as set out in the Company's announcement dated 8 June 2022.

**8 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). If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Catalist Rules, the Company confirms that there were no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**9 Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**Confirmation by the Board**

On behalf of the Board of Directors of the Company, I, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for FY2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ling Yong Wah  
Director  
Chief Executive Officer

**30 May 2023**

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*This document has been reviewed by the Company's Sponsor, Provenance Capital Pte. Ltd. It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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