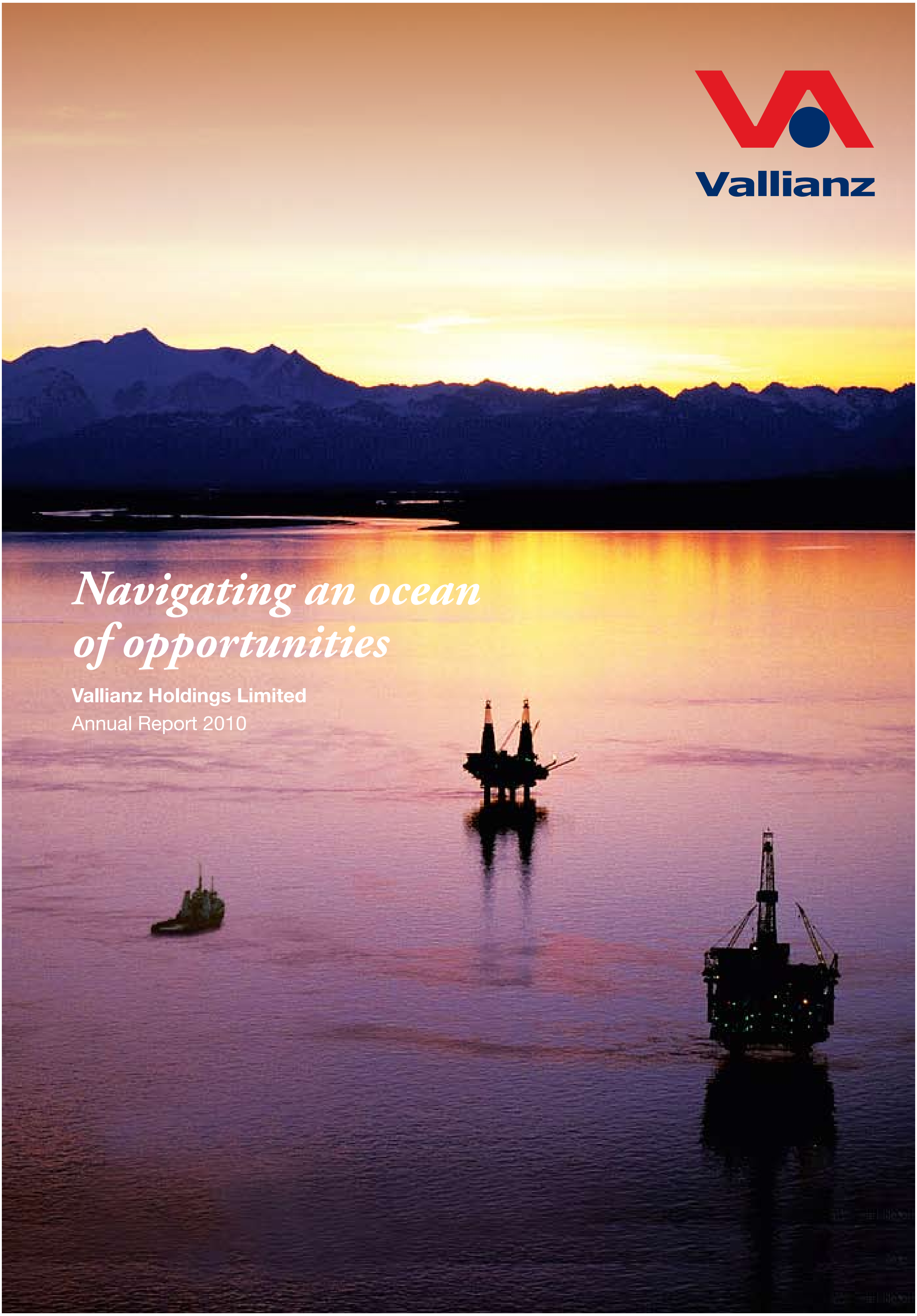


Vallianz

Navigating an ocean of opportunities

Vallianz Holdings Limited

Annual Report 2010

ABOUT VALLIANZ HOLDINGS LIMITED

Vallianz Holdings Limited, is a vessel and equipment owning company listed on the SGX-Catalist, providing marine support services, primarily vessel ownership, leasing and fleet corporate management since our transformation in August 2010. Equipped with valuable expertise, guided by a revitalised team, and a spirit of enterprise, we are now ready to make a mark in Singapore's shipping industry with a passion for excellence.

In line with our business transformation since August 2010, we are now focused on our goal of building ourselves as a marine support service company to the offshore oil & gas industry. Headquartered in Singapore, we have a strong board comprising of industry veterans with relevant and complementary track records. We will work to strengthen our team and hone our skills and technical expertise to build a resilient business model, and establish a track record in this fast growing industry.

Vision:

To be the lead provider of lease structures in the offshore and gas industry.

Mission:

To prudently expand our asset base of offshore marine vessels and pursue long-term charters as we expand and diversify our customer base.

Philosophy: Cause No Harm

Cause No Harm to OURSELVES as individuals
Cause No Harm to OTHERS
Cause No Harm to OUR EQUIPMENT AND MATERIALS
Cause No Harm to OTHERS' ASSETS
Cause No Harm to THE ENVIRONMENT
Cause No Harm to THE PLANET as a whole
Cause No Harm to FUTURE GENERATIONS

Contents

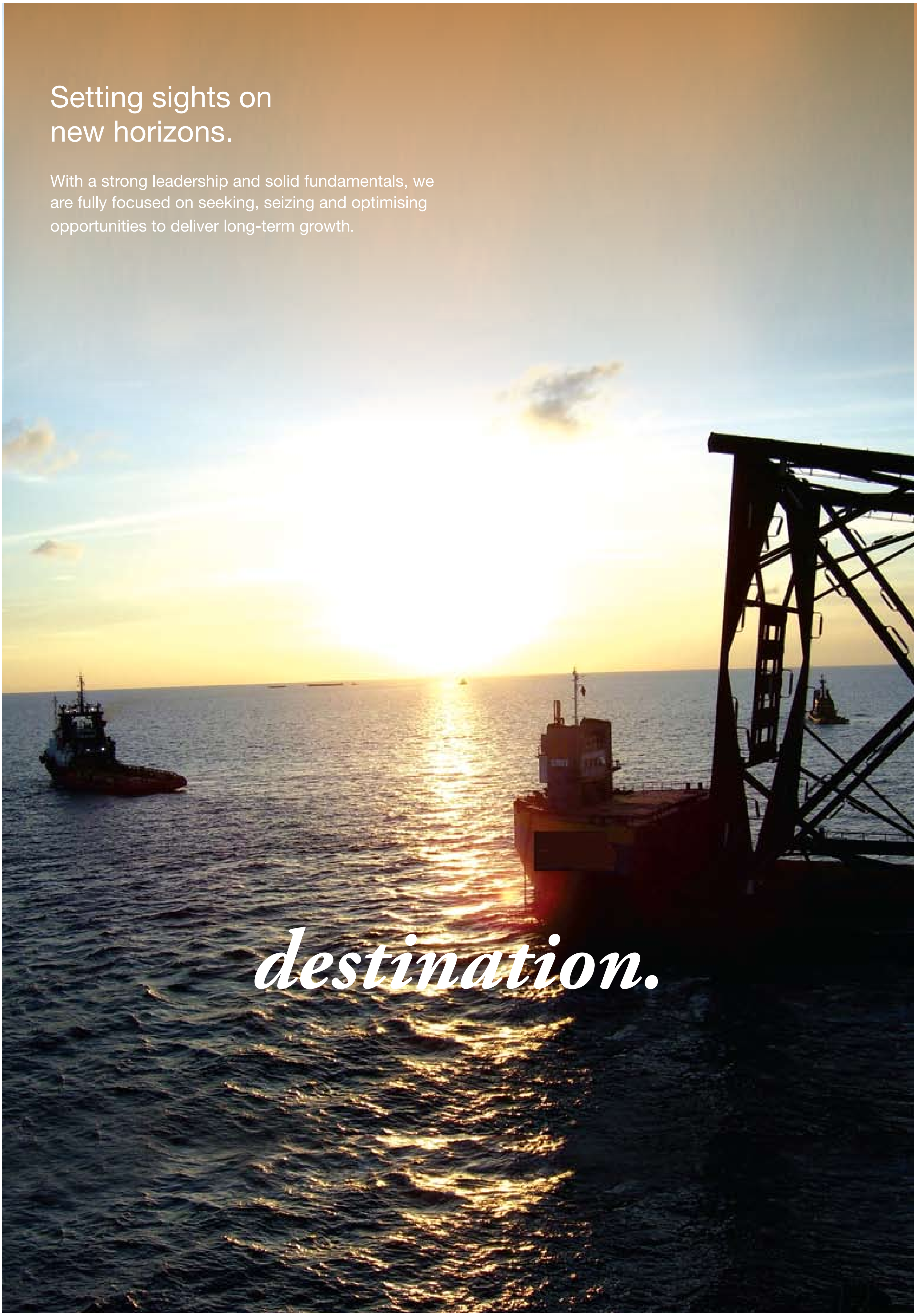
Navigating an ocean of opportunities

We embarked on our growth journey with a clear vision of where we're headed—a solid market position that paves new ways to new frontiers.

direction...

Setting sights on new horizons.

With a strong leadership and solid fundamentals, we are fully focused on seeking, seizing and optimising opportunities to deliver long-term growth.



destination.

OUR NEW STRATEGIC DIRECTIONS

We are moving towards:

01 EXPANDING OUR ASSET BASE

We will increase the size of our assets through acquisitions of additional assets through the placement of new build orders, acquisition of new and modern second-hand vessels, other offshore equipment such as ROV's and dive saturation systems and venturing into medium or long-term charter or lease arrangements to ensure long-term growth of our asset base and to lower the average age of our fleet.

02 FOCUSING ON OFFSHORE MARINE VESSELS

With a dedicated team of professionals, we will center our efforts on offshore support marine vessels for the Oil & Gas industry.

03 PURSUING LONG-TERM CHARTERS

Our customers typically employ long-term charters for their dedicated oil-field installations. Medium term charters allows the company to benefit from the upside potential of the asset. Hence, we will focus on assets that can secure medium to long-term charters and provide us with stable future cash flows.

04 EXPANDING AND DIVERSIFYING OUR CUSTOMER BASE

We will capitalise on Singapore being a strategic base to penetrate regional offshore oil and gas exploration markets. We will also continue to expand our relationships with our existing customers as well as add new customers who are using chartered-in assets to add capacity.

OUR PROSPECTS FOR GROWTH

With rising trend for world oil demand in 2010 and 2011 from developing countries such as China, Saudi Arabia and Brazil, the world oil consumption is projected to grow to 1.57 million barrels a day in 2010 and 1.51 million barrels a day in 2011, driving exploration and production spending in the long run. With existing fields in production expected to decline by 4.5% annually, the supply gap needs to be replaced by production from new fields or through employment of enhanced oil recovery methods. Hence demand for exploration and production work in the oil and gas sector will increase, bringing with it a demand for our core businesses:

Vessel Ownership:

Vallianz has acquired the Vallianz Hope (formerly known as Swiscco Samson), a 4,200 BHP Anchor Handling Tug/Supply vessel 40 metres in length and 11.8 metres in breadth that can accommodate up to 20 men.

Name	Vessel Type	Description	Length overall (meters)	Classification Society	Year of Delivery
Vallianz Hope	AHTS	4,200 BHP Anchor Handling Tug/ Supply	40.00m	BV	2008

Leasing

Vallianz will provide leasing services that meet customer requirements. With our asset base and network of brokers and owners, we will locate vessels of the highest quality to match customer needs, shortening the time consumed in the vessel locating process.

Corporate Management Service

Vallianz will provide a range of corporate management services to clients, including creation and establishment of structured finance projects, arrangement of bank financing, brokering services, corporate administration and financial advisory services.

momentum…

Poised to progress.

With a calibrated business strategy and sound investment agenda, we are well positioned to transition into a company with a strong asset base, servicing long-term contracts while taking minimal operational risks.

movement.

MESSAGE FROM THE CEO

“OUR BUSINESS STRATEGY OF INTENSIFYING OUR EFFORTS AND RESOURCES TO CREATE A COMPANY WITH A STRONG MARINE ASSET BASE SERVICING LONG TERM CONTRACTS WHILE TAKING MINIMAL OPERATIONAL RISKS, IS A STEP IN THE RIGHT DIRECTION TO CREATE GREATER VALUE FOR OUR STAKEHOLDERS.”

Dear Shareholders,

On behalf of the Board and Management, I am pleased to present to you Vallianz's maiden Annual Report for the financial year ended December 31, 2010 ("FY2010"). This represents a special report to us as it marks the successful transformation of our business to vessel and equipment ownership, marine support services and leasing and fleet management within the exciting offshore oil and gas sector.

In line with Vallianz's new business focus, our corporate name was changed to Vallianz Holdings Limited from Enzer Corporation Limited. The change of the Group's trading counter name on the Catalist of the SGX-ST took effect on August 27, 2010. For Vallianz, this marks a major milestone as we embark on a new chapter in our corporate history, evolving our core competencies and taking on new ventures in the marine industry.

REVITALISED BUSINESS POISED FOR GROWTH

Our revitalised business has started to yield results. In just nine-months for the period from *April 1, 2010 to December 31, 2010, we achieved a revenue of US$616,000 and gross profit of US$385,000 in the same corresponding period. This enabled us to incur a net loss of only US$131,000 in FY2010 despite a substantial one-off lower profit from discontinued operations.

This is a good start and reflects that our business strategy of intensifying our efforts and resources to create a company with a strong marine asset base servicing long term contracts while taking minimal operational risks is a step in the right direction to create greater value for our stakeholders.

To support our strategy of building up a fleet of vessels that can be deployed in the offshore oil and gas industry, our 30% owned associated company, A3 Offshore LLC, has incorporated a wholly-owned subsidiary, A3 Marathon LLC, to position ourselves in the owning and chartering of ships.

In addition, in line with our strategy to focus on offshore marine assets that are secured predominantly against long-term contracts, we have invested in an asset with a 10-year contract and will continue to look for further similar investments which generate stable and predictable incomes.

To strengthen our balance sheet and provide ourselves with financial flexibility to capture investment opportunities, we have also successfully completed a rights issue for 594.7 million shares in January 2011. This was well received and raised proceeds of US$23.2 million. With the proceeds from the rights issue, we have entered into a conditional sale and purchase agreement with Cuel Limited for a 51% stake in COC, a Thailand-based company, for a consideration of US$20.0 million. This will give us a major step forward in the ownership and operation of offshore vessels to support installation and construction projects.

PURSUING A SEA OF OPPORTUNITIES

The repositioning of Vallianz is timely. With the Asia-Pacific region poised to become the world's most significant oil and gas consumer, we have identified four key strategic business directions for our future development and growth:

- Asset base expansion;
- Focus on offshore marine vessels;
- Pursue long-term charters;
- Expand and diversify its customer base.

Our strategic direction is also grounded on the vast demand for alternative finance structures to help support the growing demand for offshore marine assets. This is underpinned by customers employing long-term charters for their dedicated oil-field installations. With a strong foundation in risk management, we are well positioned to support existing and new customers in the growth of their operations.

Going forward, we seek to increase the size of our asset base with acquisitions of additional assets through the placement of new build orders, acquisition of new and modern second-hand vessels, other offshore equipment and venturing into medium or long-term charter/lease arrangements.

WORD OF APPRECIATION

We are a young company and we are appreciative of our strong Board comprising of industry veterans with relevant and complementary track records. We would like to take this opportunity to thank our business associates, partners, clients and loyal shareholders for your support and faith in the Group. To our management and staff, thank you for your passion, drive and commitment. We will continue to strengthen our team and hone our skills and technical expertise to build a resilient business model and establish our track record in this industry.

Mr. Anders Schau
Executive Director and CEO

* Change of financial year end from March 31 to December 31.

** Comparative figures prepared for the nine-month period ended 31 December 2009.

OPERATIONS REVIEW

REWARDING TRANSFORMATION

Our transformation to a vessel and equipment owning company providing marine support services, primarily vessel ownership, leasing and fleet management, has allowed us to achieve a revenue of US$616,000 and a gross profit of US$385,000 in the nine-month FY2010 notwithstanding higher cost of sales due to depreciation costs of the Group's vessels.

In line with the cessation of the Group's transformation, we recorded a decrease in administrative expenses of US$265,000 from US$744,000 in FP2009 to US$479,000 in FY2010. We also gained an increase in finance income of US$2,000.

However, other income decreased by US$93,000 from US$130,000 in FP2009 to US$37,000 in FY2010 due mainly to the one-time gain on disposal held for trading investment securities of US$22,000 recorded in the previous financial period. We also had an increase in finance expense to US$58,000 in FY2010 which arose from our term loan interest.

The Group incurred a US$25,000 share of loss of associate through our holding company, A3 Offshore LLC, whose intended activities are engaged in ship owning and chartering. A decrease in profit from discontinued operations to US$7,000 compared to US$1.6 million in the previous 12 months also lowered our bottom line.

Despite the substantial one-off decrease in profit from discontinued operations, the Group reported a net loss of only US$131,000 due mainly to our growth in revenue in just nine months since our business transformation.

HEALTHY BALANCE SHEET

Our cash and cash equivalents increased 16.4% from US$3.47 million as at 31 March 2010 to US$4.04 million in FY2010 due mainly to net proceeds raised of approximately US$1.71 million from the share placement completed during the period. The Group's net assets value per share also rose 0.93 cents to 1.55 cents per share in FY2010.

AS A RESULT OF THE SIGNIFICANT TRANSITIONAL CHANGES WE HAVE MADE OVER THE PAST YEAR, WE ARE NOW WELL-POSITIONED TO DEPLOY OUR RESOURCES IN THE MOST EFFICIENT MANNER. THIS IS SUPPORTED BY THE POSITIVE EXTERNAL ENVIRONMENT IN WHICH WE OPERATE.

PREPARING FOR GROWTH

We are indeed heartened by the positive set of performance in FY2010, in consideration that our newly acquired subsidiary, Samson Oceanic, now known as Vallianz Samson, was only acquired in July 2010. But we are not resting on our laurels.

In a short span of a few months since our move into this new business focus, we have acquired Vallianz Hope, an anchor handling tug supply vessel, 40 metres in length, which can hold up to 20 men. This acquisition is accretive as the vessel is chartered out on a 10-year contract. We will continue to look for similar investments that will provide us with stable and predictable income.

Through A3 Offshore LLC, our 30% owned associated company, we have also incorporated a wholly-owned subsidiary, A3 Marathon LLC, in the Republic of Marshall Islands, whose principal business is ownership and chartering of ships. This ties in well with our strategy to gradually build up our fleet of vessels.

The Group has also proposed an acquisition of 51% shareholding interests CSOTL Offshore Co Ltd (COC), a company incorporated in Thailand in 2009, whose business activity is to own and operate offshore vessels to support installation and construction projects. This acquisition will be funded by the proceeds from the rights issue which was undertaken by the Company in January 2011. More specifically, on December 22, 2010, we received shareholders' approval for the execution of a non-underwritten rights issue of 594,706,061 new ordinary shares on the basis of one new share for every one

existing ordinary share and the exercise was completed on January 21, 2011, with the rights issue allotted and issued. Up to 90% of the net proceeds will be set aside for the acquisition of vessels directly or via special purpose vehicles and the balance for working capital.

As a result of the significant transitional changes we have made over the past year, we are now well-positioned to deploy our resources in the most efficient manner. This is supported by the positive external environment in which we operate. The International Energy Agency has forecasted a rising trend for world oil demand in 2011 with developing countries such as China, Saudi Arabia and Brazil being the big drivers for oil demand. This increase in long-term demand coupled with declining rates and peak production on existing fields will drive exploration and production spending in a long-term perspective and push future investments. Vallianz will ride on this long-term demand by moving strategically towards expanding our asset base, with a focus on offshore marine vessels, pursuing long-term charters and expanding and diversifying our customer base.

Going forward, with a strong Board leading the Group with fortitude and strategy, we are confident of making our mark as a marine support services company in the offshore marine industry.

strategy...

Riding the waves of growth.

Our forward strategy capitalises on our strong financial backing, our combined expertise and our collective passion to proactively make business decisions that will enhance our performance and prove our mettle in the market.

action.

BOARD OF DIRECTORS

Mr. Raymond Goh,
Non-Executive Chairman

Mr. Raymond Goh is the Non-Executive Chairman of Vallianz and was appointed on 6 September 2010. Being an industry veteran, he is also the Founder and Executive Chairman of the Swiber Group, where he sets the long-term growth strategy and spearheads the expansion of Swiber. Mr. Goh is currently also the Non-Executive Chairman of Kreuz Holdings Limited. At the same time, Mr. Goh serves as a patron for Punggol North Citizen's Consultative Committee.

Mr. Anders Schau,
Executive Director and Chief Executive Officer

Mr. Anders Schau, as Executive Director and Chief Executive Officer, plays a key role in charting Vallianz's corporate and strategic directions. Mr. Schau, who was appointed to the Board of Directors on 6 September 2010, has over 10 years of experience in the financial sector and over 5 years in ship broking. Mr. Schau was previously Managing Partner for R.S. Platou Finans, specialising in private placement of equity, where he successfully placed a considerable amount of vessels, with assets under management of just under USD$1 billion.

Mr. Yeo Jeu Nam,
Non-Executive and Independent Director

Mr. Yeo Jeu Nam, who has more than 30 years of consultancy experience, was appointed to the Board of Directors on 21 August 2008. Mr. Yeo is also an Independent Director of EDMI Limited and Frencken Group Limited. Mr. Yeo is the Founder and Managing Director of Radiance Consulting Pte Ltd. Before starting his own consultancy, he was a Senior Consulting Partner with Ernst & Young Consultants Pte Ltd where he headed the Strategy and Transformation practice as well as the HR Consulting practice for more than 12 years. He was also previously a Director at PwC Consulting where he headed their Public Sector Consulting practice.

Mr. Bote de Vries,
Non-Executive and Independent Director

Mr. Bote de Vries was appointed to the Board of Directors on 6 September 2010 and brings to Vallianz more than 17 years of international asset finance experience in the shipping transport industry. He is now an Independent Advisor to Finamar B.V., a financial consultancy firm, and he holds several Non-Executive board positions. Mr. de Vries is a frequent speaker on conferences on asset finance related issues such as Marine Money, Mareforum, Lloyds List, and Euro Money.

SENIOR MANAGEMENT

**Mr. Anders Schau,
Chief Executive Officer**

Mr. Anders Schau is also an Executive Director and was appointed to the Board on 6 September 2010. His profile can be found on Page 14.

**Mr. Larry Pupkin,
Director of Operations**

Mr. Larry Pupkin was appointed as Director of Operations on 1 December 2010 and leads the management operation and business development of Vallianz. Mr. Pupkin brings to Vallianz more than 20 years experience in the shipping industry. Previously, he was a director for R.S. Platou Finans; specializing in structured finance for marine assets. Before his career in shipping finance, Mr. Pupkin held various commercial positions within the industry. Mr. Pupkin is of American nationality and graduated with a BBA in International Business from Hofstra, University New York. Mr. Pupkin is a Fellow of the Institute of Chartered Shipbrokers (FICS).

**Mr. Edmund Lim,
Finance Manager**

Mr. Edmund Lim was appointed as the Finance Manager of Vallianz Holdings Limited on 22 November 2010, and is responsible for overseeing the financial and accounting function of Vallianz. Mr. Lim brings with him over 5 years of expertise and specialism in audit, tax, accounting and business advisory services with one of the largest accounting firms, KPMG. Mr. Lim was accredited as a Chartered Accountant in 2008 and received membership into The Institute of Chartered Accountants in Australia.

CORPORATE INFORMATION

Board of Directors

Goh Kim Teck *Non-Executive Director (Chairman)*
Anders Hagbarth Schau *Executive Director*
Yeo Jeu Nam *Non-Executive and Independent Director*
Bote de Vries *Non-Executive and Independent Director*

Company Secretary

Lee Bee Fong

Audit Committee

Yeo Jeu Nam *Non-Executive and Independent Director (Chairman)*
Goh Kim Teck *Non-Executive Director*
Bote de Vries *Non-Executive and Independent Director*

Remuneration Committee

Yeo Jeu Nam *Non-Executive and Independent Director (Chairman)*
Goh Kim Teck *Non-Executive Director*
Bote de Vries *Non-Executive and Independent Director*

Nominating Committee

Bote de Vries *Non-Executive and Independent Director (Chairman)*
Goh Kim Teck *Non-Executive Director*
Yeo Jeu Nam *Non-Executive and Independent Director*

Registered Office

12 International Business Park
CyberHub@IBP #02-02
Singapore 609920

Share Registrar

Tricor Barbinder Share Registration Services
#11-00 PWC Building
8 Cross Street
Singapore 048424
Tel: (65) 6236 3333
Fax: (65) 6236 4399
Email: info@sg.tricorglobal.com
Website: www.sg.tricorglobal.com

Continuing Sponsor

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10 Collyer Quay
#27-00 Ocean Financial Centre
Singapore 049315

Auditors

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Partner-in-charge: Joseph Toh Kian Leong
(since the financial year ended 31 March 2010)
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1 Raffles Place #26-02
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Singapore 048616
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CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to maintaining a high standard of corporate governance within the Group and adopts practices based on the Code of Corporate Governance 2005 (the "Code") where it is applicable and practical to the Group and in compliance with the Listing Manual, Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company recognizes the importance of good governance for continued growth and investor confidence.

In line with the commitment by the Company to maintaining high standards of corporate governance, the Company will continually review its corporate governance processes to strive to fully comply with the Code.

The Board is pleased to report compliance of the Company with the Code except where otherwise stated.

BOARD MATTERS

Principle 1: Board's Conduct of Affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Board's primary role is to protect and enhance long-term shareholder value. Apart from its statutory duties and responsibilities, the Board sets strategy for the Group, oversees the executive management and affairs of the Group. It reviews and advises on overall strategies, policies and objectives, sets goals, supervises Management, monitors business performance and goals achievement, and assumes responsibility for overall corporate governance of the Group to ensure that the Group's strategies are in the interests of the Company and its shareholders.

The Board is also responsible for the following corporate matters:

(a) Approval of half-yearly and year-end results announcement;
(b) Approval of the annual report and accounts;
(c) Convening of shareholders' meetings;
(d) Major investments and funding;
(e) Interested person transactions;
(f) Material acquisitions and disposal of assets;
(g) Corporate strategic direction, strategies and action plans; and
(h) Issuance of policies and key business initiatives.

Apart from the above, interested person transactions and the Group's internal audit procedures are reviewed by the Audit Committee and reported to the Board.

The Board meets on a regular basis and as and when necessary to address any specific significant matters that may arise. While the Board considers directors' attendance at Board meetings to be important, it should not be the main criteria to measure their contributions. The Board also takes into account the contributions by board members in other forms including periodical reviews, provisions of guidance and advice on various matters relating to the Group.

In recognition of the high standard of accountability to our shareholders, the Board has established various board committees, namely, Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). These committees function within clearly defined terms of references and operating procedures, which will be reviewed on a regular basis by the Board. The effectiveness of each committee will also be constantly reviewed by the Board.

CORPORATE GOVERNANCE

During the financial period from 1 April 2010 to 31 December 2010, the number of meetings held and the attendance of each member of the Board and Board committees' meeting are as follows:

	Number of meetings attended			
Directors / members	**Board of Directors**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
Lim Keng Hock Jonathan	1	1	1	1
Leong Koong Weng	2	2	1	1
Raymond Goh Kim Teck	1	0	0	0
Yeo Jeu Nam	2	2	1	1
Anders Hagbarth Schau	1	0	0	0
Bote de Vries	1	1	0	0
Number of meetings held	2	2	1	1

Notes:

1. Mr Lim Keng Hock Jonathan was appointed as a Non-Executive Director and Chairman of the Board on 23 May 2008, and Acting Chief Executive Officer on 31 July 2009. Mr Lim had tendered his resignation and his last day of service with the Company was on 23 September 2010.

2. Mr Leong Koong Weng was appointed as an Independent Director on 21 August 2008. Mr Leong had tendered his resignation and his last day of service with the Company was on 28 October 2010.

3. Mr Raymond Goh Kim Teck ("Mr Goh") was appointed as a Non-Independent Non-Executive Director and Chairman of the Board, member of the Remuneration Committee and Nominating Committee on 6 September 2010. Mr Goh was later appointed as a member of the Audit Committee on 28 October 2010 following Mr Leong Koong Weng's resignation.

4. Mr Yeo Jeu Nam ("Mr Yeo") was appointed as an Independent Director, Chairman of the Audit Committee and Remuneration Committee and a member of the Nominating Committee on 21 August 2008.

5. Mr Anders Hagbarth Schau ("Mr Schau") was appointed as an Executive Director and Chief Executive Officer on 6 September 2010.

6. Mr Bote de Vries ("Mr de Vries") was appointed as an Independent Director, a member of the Audit Committee, Remuneration Committee and Nominating Committee on 6 September 2010. Mr de Vries was appointed as the Chairman of the Nominating Committee on 28 October 2010 following Mr Leong Koong Weng's resignation.

The directors received briefings on regulatory changes to the Listing Manual Section B: Rules of Catalist of the SGX-ST and accounting standards. The directors also received updates on the business of the Group through regular scheduled meetings and ad hoc Board meetings.

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises four directors of whom one is an Executive Director, one is a Non-Independent Non-Executive Director and two are Independent Non-Executive Directors. With the Independent Non-Executive Directors making up of not less than half of the Board, it provides an independent element on the Board capable of exercising objective judgment. The Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. Each director has been appointed based on the strength of his calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.

The independence of each Independent Director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an Independent Director in its review. The NC is of the view that the two Independent Directors (who represent one-half of the Board) are independent. The criteria for independence are determined based on the definition provided in the Code and also the followings:

(a) The Board will assess the independence of directors regularly. For the avoidance of doubt, only Non-Executive Directors (that is, a director who is not a member of management) can be considered independent.

(b) The Board will endeavour to consider all of the circumstances relevant to a director in determining whether the director is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

(c) Amongst the circumstances considered by the Board will be a range of factors, including that a director:

   (i) is not being employed by the Company or of its related companies for the current or any of the past three financial years;

   (ii) is not an immediate family member (being a spouse, child, adopted child, brother, sister and parent) who is, or has been in any of the past three financial years, employed by the Company or of its related companies as a senior executive office whose remuneration is determined by the RC;

   (iii) has not accepted any compensation from the Company or any of its related companies other than compensation for board service for the current or immediate past financial year;

   (iii) is not a substantial shareholder of or a partner in (with 5% or more stake), or an executive officer of, any for-profit business organization to which the Company made, or from the Company received, significant payments in the current or immediate past financial year.

(d) Each director is responsible for notifying the Chairman and the Company Secretary about any external positions, appointments or arrangements that could result in the director not being "independent".

The Board considers the present Board size facilitates effective decision making and is appropriate for the nature and scope of the Group's operations.

The profiles of each of the directors are set out on page 14 of this Annual Report.

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

During the financial period, the Board has taken effort to strengthen its corporate governance by reorganizing its leadership structure. Mr Goh was appointed as Non-Executive Chairman and Mr Schau was appointed the Chief Executive Officer ("CEO"), assuming the role previously held by Mr Lim Keng Hock Jonathan. The separation of the roles of Chairman and CEO is to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman is not related to the CEO.

As the Company's CEO, Mr Schau will lead Management in setting strategies, objectives and missions and is responsible for the day-to-day operations of the Group. Mr Raymond Goh will lead, amongst other responsibilities, lead the Board, ensure effective communication with shareholders, encourage constructive relationships between the Board and Management, as well as between Board members, and promote high standards of corporate governance.

The Independent Directors will be available to the shareholders where their concerns cannot be resolved through the normal channels to the Chairman or CEO, or where such contact is not possible or inappropriate.

NOMINATING COMMITTEE

Principle 4: Board Membership

There should be a formal and transparent process for the appointment of new directors to the Board.

The NC comprises Mr de Vries, Mr Goh and Mr Yeo. Save for Mr Goh, a Non-Independent Non-Executive director of the Company, the other two members of the Nominating Committee are Independent Non-Executive Directors. Mr de Vries is the Chairman of the NC.

The NC is responsible for:

(a) making recommendations to the Board on all Board appointments, including making recommendations on the composition of the Board, taking into account the balance between executive and non-executive directors and between independent and non-independent director;
(b) re-nominating directors (including Independent Directors) taking into consideration each director's contribution and performance;
(c) determining annually whether or not a director is independent;
(d) deciding whether or not a director is able to and has been adequately carrying out his duties as a director; and
(e) proposing a set of objective performance criteria to the Board for approval and implementation, to evaluate the effectiveness of the Board as a whole and the contribution of each director to the effectiveness of the Board.

New directors are appointed by way of a Board Resolution, after the NC has approved their nomination. In its search and selection process for new directors, other than through formal search, the NC taps on the resources of directors' personal contacts and recommendations of potential candidates and appraises the nominees to ensure that the candidates possess relevant experience and have the calibre to contribute to the Group and its businesses, having regard to the attributes of the existing Board and the requirements of the Group.

All directors are subject to retirement in accordance with the provisions of the Company's Articles of Association whereby one third of the directors are required to retire (or if their number is not a multiple of three, the number nearest to but not greater than one third) and subject themselves to re-election by shareholders at every annual general meeting ("AGM"). A new director who is appointed by the Board is subject to re-election by shareholders at the next AGM following his appointment and, thereafter, shall not be taken into account in determining the number of directors who are to retire by rotation at the AGM.

At the forthcoming AGM, Mr de Vries, Mr Goh and Mr Schau will be retiring pursuant to Article 109 of the Company's Articles of Association. All of them, being eligible for re-election, have offered themselves for re-election.

Each member of the NC abstains from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he has an interest.

Principle 5: Board Performance

There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

At the date of this Annual Report, the NC has adopted a formal process to assess the effectiveness of the Board and committees of the Board as a whole. The qualitative measures include the effectiveness of the Board in its monitoring role and the attainment of the strategic objectives set by the Board. The evaluation exercise is carried out annually by way of a Board Assessment Checklist, which is circulated to the Board members for completion and thereafter for the NC to review and determine the actions required to improve the corporate governance of the Company and effectiveness of the Board as a whole.

A review of the Board's performance is undertaken collectively by the Board annually and informally on a continuous basis by the NC with input from the other Board members. Renewals or replacement of Board members, when it occurs, do not necessarily reflect their contributions to date, but may be driven by the need to position and shape the Board in line with the medium term needs of the Company and its business.

The performance of the directors is evaluated using agreed criteria, aligned as far as possible with appropriate corporate objectives. The criteria include short and long term measures and cover financial and non-financial performance indicators such as the strength of his experience and stature, and his contribution to the proper guidance of the Company.

The NC is satisfied that the current size and composition of the Board provides it with adequate ability to meet the existing scope of needs and the nature of operations of the Company. From time to time, the NC will review the appropriateness of the current Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.

In accordance with the requirements of the Code, the NC has reviewed the status of the independent Directors and is of the view that they are in compliance with the Code's definition on independence.

ACCESS TO INFORMATION

Principle 6: Access to Information

In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

The Board and the Board committees are furnished with management reports containing complete, adequate and timely information, and papers containing relevant background or explanatory information required to support the decision-making process. Management team and the Company's auditors would also provide additional information on the matters for discussion.

All directors have separate and independent access to senior management and to the Company Secretary. The Company Secretary administers and prepares minutes of Board meetings and assists the Chairman in ensuring that Board procedures are followed and that applicable statutory and regulatory rules and regulations are complied with.

The directors, in furtherance of their duties, are entitled to take independent professional advice at the expense of the Company when necessary.

To assist the members of the Board, the Company has arranged for the Board to be updated by the Company Secretary and its other consultants on the continuing obligations and various requirements expected of a public company. When a director is first appointed to the Board, an orientation program is arranged for him to ensure that he is familiar with the Company's business and governance practices.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises Mr Yeo, Mr Goh and Mr de Vries. Save for Mr Goh, a Non-independent Non-Executive Director of the Company, the other two members of the RC are Independent Non-Executive Directors. Mr Yeo is the Chairman of the RC.

The RC is responsible for:

(a) recommending to the Board a framework of remuneration for the Non Executive and Executive directors, CEO and key executives;
(b) determining specific remuneration packages for each Executive Directors; and
(c) reviewing all aspects of remuneration, including directors' fees, salaries, allowances, bonuses, the options to be issued under the share option scheme, the awards to be granted under the share plan and other benefit in-kind.
(d) overseeing the administration of the Employees' Share Option Scheme (the "Scheme")

No director or member of the RC shall be involved in deciding his own remuneration, except for providing information and documents specifically requested by the RC to assist it in its deliberations. The RC may obtain expert professional advice on remuneration matters, if required.

Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package.

The Chairman of the RC reviews, for recommendation to the Board, the specific remuneration package for the Executive Director or senior management. There are appropriate and meaningful measures in place for the purpose of assessing the performance of Executive Directors and senior management staff. In determining remuneration packages of Executive Directors and senior management, the RC will ensure that directors and senior management are adequately but not excessively rewarded. The RC will consider, in consultation with the Board, amongst other things, their responsibilities, skills, expertise and contribution to the Company's performance and whether the remuneration packages are competitive and sufficient to ensure that the Company is able to attract and retain the best available executive talent. Each member of the RC does not participate in any decision concerning his own remuneration.

Principle 8: Level and Mix of Remuneration

The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

The Company sets remuneration packages to ensure that it is competitive and sufficient to attract, retain and motivate directors and senior management of the required experience and expertise to run the Company successfully.

The Executive and Non-Executive Directors receive directors' fees, in accordance with their level of contributions, taking into account factors such as responsibilities, effort and time spent for serving on the Board and Board committees. The directors' fees are recommended by the Board for approval at the AGM.

The Company had entered into a service agreement with the Executive Director of the Company, Mr Schau for an initial period of 3 years (unless otherwise terminated by either party giving not less than six months' notice to the other). The service agreements cover the terms of employment and specifically, the salaries and bonuses.

The Independent Directors do not have any service agreements with the Company. Except for directors' fees, which have to be approved by shareholders at annual general meetings, the Independent Directors do not receive any other forms of remuneration from the Company.

Principle 9: Disclosure on Remuneration

Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

The following table shows a breakdown of the annual remuneration (in percentage terms) of directors for the financial period under review:

Remuneration Band and Name of Directors	Salary(1)	Performance Incentives(2)/ Bonus(3)	Directors' fees	Others Benefits	Total
	%	%	%	%	%
US$200,000 and below					
Anders Hagbarth Schau	79	-	-	21	100
Lim Keng Hock Jonathan	100	-	-	-	100
Raymond Goh Kim Teck	-	-	100	-	100
Yeo Jeu Nam	-	-	100	-	100
Bote de Vries	-	-	100	-	100

Notes
(1) Salary is inclusive of allowances, CPF and other emoluments
(2) Performance incentives refer to long term cash incentive plan and long term performance driven award.
(3) Bonus is short term cash incentive plan and is a sum of money or given in addition to usual compensation, normally for outstanding performance and service for certain period.

The following shows the annual remuneration of the top executives of the Company for the financial period under review. To maintain confidentiality of staff remuneration matters and for competitive reason the names of the key executives of the Group are not disclosed in this Annual Report:

a) Five key executives received total remuneration of less than US$200,000.

There were no share options/awards granted during the financial period under share options scheme and share plan.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Company provides the shareholders with a detailed and balanced explanation and analysis of the Company's performance, position and prospects on a half yearly basis. The Board is provided with appropriately detailed management reports on a half yearly basis.

Principle 11: Audit Committee

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises Mr Yeo, Mr Goh and Mr de Vries. Save for Mr Goh, a Non-Independent Non-Executive Director of the Company, the other two members of the AC are Independent Non-Executive Directors. Mr Yeo is the Chairman of the AC.

The AC is responsible for:

(a) reviewing the audit plans of the Company's external auditors;
(b) reviewing the reports of the Company's external auditors;
(c) reviewing the co-operation given by the Company's officers to the external auditors;
(d) reviewing the financial statements of the Company and its subsidiaries before their submission to the Board;
(e) the half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company;
(f) nominating the Company's external auditors for re-appointment;
(g) approving the Company's internal audit plans;
(h) reviewing interested person transaction (if any);
(i) reviewing and considering transactions in which there may be potential conflicts of interests between the Company and its interested persons and recommending whether those who are in a position of conflict should abstain from participating in any discussion or deliberations of the Board or voting on resolutions of the Board or the shareholders in relation to such transactions;
(j) reviewing and approving procedures to hedge the exposure to foreign currency fluctuations (if any); and
(k) reviewing the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's results of operation and/or financial position.

The AC has the express power to conduct or authorize investigations into any matters within its terms of reference, has full access to and co-operation by Management. The AC has full discretion to invite any other directors or Executive Directors to attend its meetings and to ensure that adequate resources are available to enable the AC to discharge its function properly. As at the date of this Annual Report, the AC has met with the external and internal auditors separately without the presence of Management to review any area of audit concern. Ad-hoc AC meetings may be carried out from time to time, as circumstances require.

The Company has implemented a whistle blowing policy which will provide well-defined and accessible channels in the Group through which employees may raise concerns about improper conduct within the Group. The AC will review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC's objectives are to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.

During the financial period under review, the AC has reviewed the independence the Company's external auditors including non-audit services provided to the Company, and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor.

In order to ensure that the AC is able to fulfill its responsibilities, Management provides the Board members with management reports. In addition, all relevant information on material events and transactions are circulated to AC as and when they arise. Whenever necessary, senior management staff will be invited to attend the Board/AC meetings to answer queries and provide detailed insights into their areas of operations. The AC are kept informed by Management on the status of on-going activities between Board meetings. Where a decision has to be made before a Board meeting, a directors' resolution is done in accordance with the Articles of Association of the Company and the AC are provided with all necessary information to enable them to make informed decisions.

The AC has full access to and co-operation by the Management and has been given resources to enable the AC to discharge its functions properly. The external and internal auditors have unrestricted access to the AC.

The AC has been provided with the phone numbers and email particulars of the Company's senior management and Company Secretary to facilitate access.

INTERNAL CONTROLS AND AUDITS

Principle 12: Internal Controls

The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The Group's internal controls and systems are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial information and to safeguard and maintain the accountability of the assets.

The Board believes that, in the absence of any evidence to the contrary, the system of internal control systems maintained by the Group's Management and that was in place through the financial period and up to the date of this report, is adequate to meet the needs of the Group in its current business environment.

Principle 13: Internal Audit

The company should establish an internal audit function that is independent of the activities it audits.

The Board supports the need of an internal audit function where its primary objective is to maintain a system of internal controls and processes to safeguard shareholders' investment and the Group's assets. The internal auditor team is expected to meet the standards set by nationally or internationally recognized professional bodied including the Standards for the professional Practice of Internal Auditing of the Institute of Internal Auditors.

At present, the Company does not have in place an internal audit function as the Board is of the view that this is not necessary under current circumstances, considering the size and operation of the Group. However, the Board is looking into the possibility of appointing a qualified professional to perform the Company's internal audit function as and when is appropriate. Such qualified professionals when engaged, will report directly to the Chairman of the AC on audit matter and to the CEO on administrative functions.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board is mindful of its obligations to provide its shareholders with timely disclosure of material information presented in a fair and objective manner.

The Company does not practice selective disclosure. In line with the continuing obligations of the Company pursuant to the Listing Manual of the SGX-ST, the Board's policy is that all shareholders would be equally informed of all major developments and/or transaction impacting the Group.

Half yearly results of the Company will be published through the SGXNET, news releases and the Company's website. All information on the Company's new initiatives will be first disseminated via SGXNET followed by a news release, which will also be available on the website. Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Results and annual reports are announced or issued within the period prescribed by the SGX-ST and are available on the Company's website.

The AGM of the Company is a principal forum for dialogue and interaction with all shareholders. All shareholders will receive the annual report of the Company and notice of AGM. At the AGM, shareholders will be given the opportunity to voice their views and to direct questions regarding the Group to the directors. The Chairman of the AC, NC and RC would be present at the AGMs to answer any question relating to the work of these committees. The external auditors are also present to assist the directors in addressing any relevant queries from the shareholders.

Shareholders are given the right to vote on the resolutions at general meetings. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Each distinct issue will be carried in a separate resolution. Proxy form is sent with the notice of general meeting to all shareholders so that those shareholders who are unable to attend the general meeting in person can appoint a proxy or proxies to attend and vote on their behalf. The Company's Articles of Association allow a shareholder of the Company to appoint up to two proxies to attend and vote at all general meetings on his/her behalf.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on an arm's length basis.

In compliance with Rule 907 of the SGX-ST Listing Manual (Section B: Rules of Catalist), there were no transactions with interested persons for the financial period ended 31 December 2010 which exceeds the stipulated threshold except as disclosed below:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Swiber Offshore Marine Pte Ltd	US$616,000[1]	Nil

[1]Swiber Offshore Marine Pte Ltd is a subsidiary of Swiber Holdings Limited, a controlling shareholder of the Company.

The transaction relates to chartering income receivable for the period ended 31 December 2010. No shareholder approval was obtained because all terms of the charter party agreement entered into between Vallianz Samson Pte. Ltd. (formerly known as Samson Oceanic Pte. Ltd.) ("Vallianz Samson") and Swiber Offshore Marine Pte Ltd were finalized and signed prior to the Company acquiring the entire interest in Vallianz Samson and before Swiber Holdings Limited became an interested party as defined in Rule 907 of the SGX-ST Listing Manual (Section B: Rules of Catalist).

MATERIAL CONTRACTS

Save for the service agreements entered into between the Executive Directors and the Company, there was no material contract entered into by the Company and its subsidiaries involving the interests of any director or controlling shareholders subsisting at the end of the financial period ended 31 December 2010.

DEALINGS IN SECURITIES

The Company has adopted an internal code on dealings in securities. Directors, Senior Management and employees (collectively "Officers") of the Group who have access to price-sensitive, financial or confidential information are not permitted to deal in the Company's shares during the periods commencing two weeks before announcement of the Group's half yearly results and one month before the announcement of the Group's yearly results and ending on the date of announcement of such result, or when they are in possession of unpublished price-sensitive information on the Group. In addition, the Officers of the Company are advised not to deal in the Company's securities for a short term considerations and are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods. Officers are to consult with the CFO / Company Secretary before trading in Company's securities and to confirm annually that they have complied with and not in breach of the Code. The Board is kept informed when a Director trades in the Company's securities.

RISK MANAGEMENT POLICIES AND PROCESSES

The Company does not have a Risk Management Committee. The senior management assumes the responsibility of the risk management function. The senior management regularly assesses and reviews the Group's business and operational environment in order to identify areas of significant business and financial risks, such as credit risks, foreign exchange risks, liquidity risks and interest rate risks, as well as appropriate measures to control and mitigate these risks.

Financial Contents

DIRECTORS' REPORT

The directors present their report to the members together with the audited consolidated financial statements of Vallianz Holdings Limited (the "Company") and its subsidiary (the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial period from 1 April 2010 to 31 December 2010.

Directors

The directors of the Company in office at the date of this report are:

Goh Kim Teck	(Appointed on 6 September 2010)
Anders Hagbarth Schau	(Appointed on 6 September 2010)
Yeo Jeu Nam	
Bote De Vries	(Appointed on 6 September 2010)

Arrangements to enable directors to acquire shares or debentures

Other than as disclosed under the caption "share options" in this report, neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures

The director, who held office at the end of the reporting period, had, according to the register of directors' shareholdings required to be kept under section 164 of the Companies Act, an interest in shares of the Company and related corporations, as stated below:

	Number of ordinary shares Holdings registered in name of director		
	At 1 April 2010	At 31 December 2010	At 21 days after the end of the year
The Company			
Yeo Jeu Nam	–	250,000	500,000

Other than as disclosed under the caption "share options" in this report, no director who held office at the end of the reporting period had interests in shares and debentures of the Company, or of related corporations, either at the beginning of the reporting period, or date of appointment if later, or at the end of the reporting period.

Directors' contractual benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than disclosed in the consolidated financial statements and in this report) by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Share options

Enzer Employee's Share Option Scheme ("ESOS")

The Company implemented the ESOS in the financial year ended 31 March 2009 in accordance with the scheme approved by the shareholders on 11 April 2001. The purpose of the ESOS is to provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The ESOS shall continue for a maximum period of 10 years commencing from the first date of grant but accelerated in the event of mergers, take-overs or reverse take-over (ie. the options fully vest and become exercisable). The ESOS may continue beyond 10 years with the approval of the shareholders by ordinary resolution in a general meeting.

The ESOS is administered by the Remuneration Committee whose members are:

(i) Yeo Jeu Nam (Chairman)
(ii) Goh Kim Teck
(iii) Bote De Vries

a) Terms of ESOS

(i) A one year vesting period is required commencing from the first date of grant if offer price is not at a discount; a two years vesting period is required commencing from the first date of grant if offer price is at a discount.

(ii) The subscription price is based on the price equal to the average of the last dealt prices of an ordinary share in the capital of the Company for the three (3) consecutive trading days immediately preceding the date of grant of the option, rounded up to the nearest whole cent in the event of fractional prices.

(iii) The options may be exercised in whole or in part at any time by a Participant after the first anniversary from the date of grant. Such option shall be exercised before the tenth anniversary of the date of grant, or such earlier date as may be determined by the Committee.

(iv) The options, to the extent unexercised, shall lapse upon the employee ceasing to be employed by the Company or its subsidiaries.

b) Options to take up unissued shares

Options granted on 1 December 2008

On 1 December 2008, options were granted pursuant to the ESOS to the directors of the Company to subscribe for 3,750,000 ordinary shares at the subscription price of S$0.05 per ordinary share with no discount. All options were accepted by the directors.

No share options lapsed during the financial period ended 31 December 2010 (31 March 2010: 3,250,000 shares options lapsed due to the resignations of directors.)

No share options were granted during the financial period ended 31 December 2010.

Other than the ESOS, no option to take up unissued shares of the Company or its subsidiaries was granted during the reporting period or outstanding at the end of the reporting period.

c) Unissued shares under option and options exercised

i) Details of all the options to subscribe for ordinary shares of the Company pursuant to the ESOS as at 31 December 2010 are as follows:

Date of grant	At 1 April 2010	Exercised	At 31 December 2010	Exercise price per share	Exercisable period
1 December 2008	500,000	(500,000)	–	S$0.05	1 December 2009 to 30 November 2018

ii) Details of the options to subscribe for ordinary shares of the Company granted to directors of the Company who held office at the end of the financial year pursuant to the ESOS are as follows:

Options participants	Options granted during the reporting period	Aggregate options granted since commencement of plan to 31 December 2010	Aggregate options exercised since commencement of plan to 31 December 2010	Aggregate options outstanding as at 31 December 2010
Yeo Jeu Nam	–	250,000	(250,000)	–

Since the commencement of the employee share option plan till the end of the reporting period:

- No options have been granted to the controlling shareholders of the Company and their associates
- No participant to whom the option has been granted has any right to participate by virtue of the option in any share issue of any other company
- No options have been granted at a discount

Vallianz Performance Share Plan ("PSP")

The Company implemented the PSP during the reporting period in accordance with the performance share scheme approved by the shareholders on 23 August 2010. PSP has been implemented in order to:

- foster an ownership culture within the Group which aligns the interests of the participants with the interests of Shareholders;
- motivate the participants to achieve key financial and operational goals of the Group and/or their respective business units;
- make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Group's ambition to become a world class company; and
- to instill loyalty and a stronger sense of identification by the participants with the long term prosperity of the Group.

An executive or non-executive director of any member of the Group or a full-time employee of any member of the Group ("Eligible Person") who is selected by the Remuneration Committee is eligible to participate in the PSP. The awards represent the right of an

DIRECTORS' REPORT

Eligible Person to receive fully paid shares free of charge, upon the participant satisfying the criteria set out in the PSP and upon satisfying such conditions as may be imposed. The number of shares to be granted to an Eligible Person shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as his rank, job performance and potential for future development, his contribution to the success and development of the Group and the extent of effort with which the Performance Condition may be achieved within the Performance Period. Each award to be granted to an Eligible Person who is a non-executive director of any member of the Group shall not exceed 10% of the total number of shares available for grant of awards under the PSP. The total number of shares which may be issued and/or issuable pursuant to awards granted under the PSP on any date shall not exceed 15% of the issued shares of the Company (excluding any shares held in treasury) from time to time. The PSP shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years, commencing from adoption date, provided always that the PSP may continue beyond the stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. As at 31 December 2010, no awards been granted by the Remuneration Committee under the PSP.

The PSP is administered by the Remuneration Committee whose members are:

(i) Yeo Jeu Nam (Chairman)
(ii) Goh Kim Teck
(iii) Bote De Vries

Audit Committee

The members of the Audit Committee at the date of this report comprise three Non-Executive directors as follows:

Yeo Jeu Nam	(Chairman and Independent director)
Bote De Vries	(Independent director appointed on 28 October 2010)
Goh Kim Teck	(Non-Executive director appointed on 28 October 2010)

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Act and the Listing Manual of the Singapore Exchange Securities Trading Limited. The functions performed are detailed in the Report of Corporate Governance in the Group's Annual Report.

Independent auditors

For the year ending 31 December 2010, the Audit Committee and the Board of Directors are recommending to shareholders that Deloitte & Touche LLP be appointed as the independent auditors for the Company and its subsidiaries. The Audit Committee and the Board of Directors wish to express their thanks and gratitude to the outgoing auditors, Baker Tilly TFW LLP for their past services to the Company.

On behalf of the board of directors

Anders Hagbarth Schau	Goh Kim Teck
Director	Director

28 March 2011

STATEMENT BY DIRECTORS

Pursuant to Section 201(15)

We, Anders Hagbarth Schau and Goh Kim Teck, being two of the directors of Vallianz Holdings Limited, do hereby state that, in the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company (financial statements) as set out on pages 35 to 70 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial period from 1 April 2010 to 31 December 2010; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors

Anders Hagbarth Schau Director	Goh Kim Teck Director

28 March 2011

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Vallianz Holdings Limited (the "Company") and its subsidiary (the "Group") set out on pages 35 to 70, which comprise the statements of financial position of the Group and Company as at 31 December 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial period from 1 April 2010 to 31 December 2010, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2010 and the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial period from 1 April 2010 to 31 December 2010.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Baker Tilly TFW LLP
Public Accountants and
Certified Public Accountants
Singapore

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 April 2010 to 31 December 2010

	Notes	1.4.2010 to 31.12.2010 US$'000	1.4.2009 to 31.3.2010 US$'000
Continuing operations			
Revenue			
- charter hire fees		**616**	–
Cost of sales			
- depreciation		**(231)**	–
Gross profit		**385**	–
Other income	3	**37**	130
Administrative expenses		**(479)**	(744)
Finance income - interest income		**2**	*
Finance expenses	4	**(58)**	–
Share of loss of associate	12	**(25)**	–
Loss from continuing operations		**(138)**	(614)
Taxation	5	**–**	3
Loss after tax from continuing operations		**(138)**	(611)
Discontinued operations			
Profit from discontinued operations	6	**7**	1,603
Net (loss)/profit for the period/year	7	**(131)**	992
Other comprehensive loss, net of tax			
Foreign currency translation reserve reclassified on disposal of foreign subsidiaries		**–**	(556)
Total comprehensive (loss)/income for the period/year attributable to the owners of the Company		**(131)**	436
Total (loss)/earning per share (US cents) for the period/year	9		
- Basic		**(0.03)**	0.52
Loss per share (US cents) from continuing operations	9		
- Basic		**(0.03)**	(0.32)
Earning per share (US cents) from discontinued operations	9		
- Basic		**–**	0.84

* Amount less than US$1,000

The accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2010

		Group		Company	
		31.12.2010	31.3.2010	**31.12.2010**	31.3.2010
	Notes	**US$'000**	US$'000	**US$'000**	US$'000
Non-current assets					
Property, plant and equipment	10	**7,287**	6	**18**	6
Investment in subsidiaries	11	**–**	–	**101**	–
Investment in associated company	12	**949**	–	**949**	–
Intangible asset	13	**–**	29	**–**	29
		8,236	35	**1,068**	35
Current assets					
Intangible asset	13	**29**	–	**29**	–
Trade receivables	14	**108**	–	**–**	–
Other receivables	15	**9**	6	**9**	6
Due from subsidiary (non-trade)	16	**–**	–	**4,500**	–
Investment securities	17	**86**	100	**86**	100
Fixed deposit	18	**–**	3,429	**–**	3,429
Cash and bank balances		**4,036**	38	**3,773**	37
		4,268	3,573	**8,397**	3,572
Total assets		**12,504**	3,608	**9,465**	3,607
Non-current liability					
Term loan	20	**2,100**	–	**–**	–
Current liabilities					
Trade payables		**–**	8	**–**	–
Other payables	19	**615**	247	**600**	246
Term loan	20	**600**	–	**–**	–
Due to related parties (non-trade)	21	**–**	23	**–**	23
Tax payable		**–**	2	**–**	–
		1,215	280	**600**	269
Total liabilities		**3,315**	280	**600**	269
Net assets		**9,189**	3,328	**8,865**	3,338
Equity					
Share capital	22	**31,509**	25,517	**31,509**	25,517
Foreign currency translation reserve	23	**–**	–	**–**	–
Accumulated losses		**(22,320)**	(22,189)	**(22,644)**	(22,179)
Total equity		**9,189**	3,328	**8,865**	3,338

The accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 April 2010 to 31 December 2010

	Share capital US$'000	Foreign currency translation reserve (note 23) US$'000	Accumulated losses US$'000	Total equity US$'000
Group				
31 December 2010				
Balance as at 1 April 2010	25,517	–	(22,189)	3,328
Total comprehensive loss for the period	–	–	(131)	(131)
Issuance of shares, net of transaction costs (note 22)	5,992	–	–	5,992
Balance as at 31 December 2010	**31,509**	**–**	**(22,320)**	**9,189**
31 March 2010				
Balance as at 1 April 2009:				
As reported	15,151	513	(21,360)	(5,696)
Foreign currency realignment, arising from change in functional and presentation currency [note 2.1 and 32(b)]	1,293	43	(1,821)	(485)
As restated	16,444	556	(23,181)	(6,181)
Net profit for the year	–	–	992	992
Other comprehensive income				
Currency translation difference on consolidation	–	(556)	–	(556)
Other comprehensive income for the year, net of tax	–	(556)	–	(556)
Total comprehensive income for the year	–	(556)	992	436
Issuance of shares, net of transaction costs (note 22)	9,073	–	–	9,073
Balance as at 31 March 2010	25,517	–	(22,189)	3,328

The accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial period from 1 April 2010 to 31 December 2010

	Share capital US$'000	Accumulated losses US$'000	Total equity US$'000
Company			
31 December 2010			
Balance as at 1 April 2010	25,517	(22,179)	3,338
Total comprehensive loss for the period	–	(465)	(465)
Issuance of shares, net of transaction costs (note 22)	5,992	–	5,992
Balance as at 31 December 2010	**31,509**	**(22,644)**	**8,865**
31 March 2010			
Balance as at 1 April 2009:			
As reported	15,151	(19,750)	(4,599)
Foreign currency realignment, arising from change in functional and presentation currency (note 2.1)	1,293	(1,712)	(419)
As restated	16,444	(21,462)	(5,018)
Total comprehensive income for the year	–	(717)	(717)
Issuance of shares, net of transaction costs (note 22)	9,073	–	9,073
Balance as at 31 March 2010	25,517	(22,179)	3,338

The accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 April 2010 to 31 December 2010

	1.4.2010 to 31.12.2010 US$'000	1.4.2009 to 31.3.2010 US$'000
Cash flows from operating activities		
(Loss)/profit before tax	**(131)**	989
Adjustments for:		
Depreciation of property, plant and equipment	**240**	2
Gain on redemption of convertible bonds	**–**	(3)
Dividend income from investment securities	**(9)**	(9)
Fair value gain on held for trading investment securities	**–**	(11)
Gain on disposal of held for trading investment securities	*****	(22)
Gain on disposal of subsidiaries (note 6)	**(7)**	(545)
Share of loss of associate	**25**	–
Interest expense	**58**	2
Interest income	**(2)**	*
Liabilities no longer payable (note 6)	**–**	(1,138)
Inventories written off	**–**	15
Operating cash flow before working capital changes	**174**	(720)
Changes in operating assets and liabilities		
Inventories	**–**	11
Receivables	**(111)**	21
Payables	**346**	(998)
Cash generated from/(used in) operations	**409**	(1,686)
Income taxes paid	**(2)**	(24)
Net cash generated from/(used in) operating activities	**407**	(1,710)

* Amount less than US$1,000

The accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 April 2010 to 31 December 2010

	Notes	1.4.2010 to 31.12.2010 US$'000	1.4.2009 to 31.3.2010 US$'000
Cash flows from investing activities			
Net cash flow from consolidation of subsidiary	A	**101**	–
Dividend received from investment securities		**9**	9
Investment in an associated company		**(974)**	–
Interest received		**2**	*
Net cash flow from disposal of subsidiaries	B	**(1)**	(11)
Proceeds from disposal of property, plant and equipment		**1**	–
Proceeds from disposal of held for trading investment securities		**14**	44
Purchase of fixed assets		**(22)**	(8)
Net cash (used in)/generated from investing activities		**(870)**	34
Cash flows from financing activities			
Interest paid		**(58)**	(2)
Proceeds from share placement		**1,741**	–
Proceeds from rights issue		**–**	4,694
Proceeds from exercised share options		**18**	–
Net proceeds from issuance of convertibles bonds		**–**	1,364
Transaction costs on issuance of shares		**(369)**	(232)
Repayment of convertible bonds		**–**	(679)
Repayment of term loan		**(300)**	(40)
Net cash generated from financing activities		**1,032**	5,105
Net effect of exchange rate changes in consolidation of overseas subsidiaries		**–**	(18)
Net increase in cash and cash equivalents		**569**	3,411
Cash and cash equivalents at beginning of period/year		**3,467**	56
Cash and cash equivalents at end of period/year	C	**4,036**	3,467

* Amount less than US$1,000

The accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 April 2010 to 31 December 2010

Note A - Acquisition of a subsidiary

On 8 July 2010, the Group completed the acquisition of 100% interest in Vallianz Samson Pte. Ltd. (formerly known as Samson Oceanic Pte. Ltd.). The fair value of the assets and liabilities were as follows:

	1.4.2010 to 31.12.2010 US$'000	1.4.2009 to 31.3.2010 US$'000
Property, plant and equipment - vessel	**7,500**	–
Cash and cash equivalents	**101**	–
Term loan	**(3,000)**	–
Other payables*	**(4,500)**	–
Identifiable net assets representing cash and cash equivalents acquired	**101**	–

* Other payables pertain to amount owing to a related company of the seller. Pursuant to the sales and purchase agreement dated 10 June 2010, any amount that is owing by Vallianz Samson Pte. Ltd. to the seller or any of its related company shall be satisfied and extinguished by the issue of shares of the Company.

Accordingly, the total consideration of approximately US$4,601,000 comprising the amount owing of US$4,500,000 and the cost of acquisition of 100% interest in Vallianz Samson Pte. Ltd. of US$101,000 was wholly satisfied by the allotment and issue of 171,767,493 shares of the Company at an issue price of S$0.0375 per share [note 22 (ii)].

Note B - Subsidiaries disposed

During the reporting period, Enzer Acoustics Pte Ltd, a subsidiary of the Company was placed under voluntary liquidation.

In the prior financial year, certain subsidiaries of the Group were placed under voluntary liquidation (note 6).

The carrying amount of net liabilities deconsolidated on disposal of subsidiaries and its cash flow effects were as follows:

	1.4.2010 to 31.12.2010 US$'000	1.4.2009 to 31.3.2010 US$'000
Cash and bank balances	**1**	11
Trade and other payables	**(8)**	(18)
Net liabilities on disposal	**(7)**	(7)
Less:Net liabilities deconsolidated, net of cash and cash equivalents	**8**	18
Cash and cash equivalents disposed	**1**	11

Note C – Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

	US$'000	US$'000
Cash and bank balances	**4,036**	38
Fixed deposit	**–**	3,429
	4,036	3,467

The accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2010 to 31 December 2010

1. Corporate information

Vallianz Holdings Limited (the "Company") is a limited company incorporated in Singapore and is listed on the SGX-Catalist. The Company changed its name from Enzer Corporation Limited to Vallianz Holdings Limited on 24 August 2010.

The address of the Company's registered office and principal place of business is located at 12 International Business Park, #02-02 Cyberhub@IBP, Singapore 609920.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in note 11(b) to the financial statements. During the reporting period, the Group changed its principal activities from those of retail and distribution of audio equipment and accessories to those of ownership and chartering of vessels. The audio retail and distribution business was discontinued during the reporting period.

As a result of the changes in principal activities of the Group, the Company changed its financial year end from 31 March to 31 December during the reporting period.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

As the Group has changed its business focus to that of ship chartering and brokering as mentioned in note 1, the Company changed its functional currency and the Group, its presentation currency from Singapore dollar to United States dollar (US$) to better reflect the primary economic environment in which the Group's business operates. All values in the notes are rounded to the nearest thousand (US$'000) as indicated.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.22 to the financial statements.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and provisions approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial period, the Group has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial period. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

2. Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

At the date of the end of reporting period, the following FRSs and INT FRS were issued, revised or amended but not effective:

FRS 24	Related Party Disclosures
INT FRS 115	Agreements for the Construction of Real Estate
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments
Amendments to FRS 32	Classification of Rights Issues
Amendments to FRS 101	Limited Exemption from Comparative FRS 107 Disclosures for First-time Adopters
Amendments to INT FRS 114	Prepayments of a Minimum Funding Requirement
Improvements to FRSs 2010 project	

The Group anticipates that the adoption of these FRSs and INT FRSs (where applicable) in future periods will have no material impact on the financial statements of the Group and Company.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if the subsidiary incurred losses and the losses allocated exceed the non-controlling interests in the subsidiary's equity.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

2. Summary of significant accounting policies (cont'd)

2.2 Basis of consolidation (cont'd)

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (ie transactions with owners in their capacity as owners).

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific FRS.

2.3 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control over another entity.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.4 Associated companies

An associated company is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition movements in reserves is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

2. Summary of significant accounting policies (cont'd)

2.4 Associated companies (cont'd)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Upon loss of significant influence over the associate, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's financial statements, investments in associates are carried at cost less accumulated impairment loss. On disposal of investment in associates, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

2.5 Revenue

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

Royalty income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Charter hire fee

Revenue from bareboat charter is recognised over the charter period on a straight line basis. Any losses arising from bareboat charters are provided in full as soon as they are anticipated.

Sale of goods

Revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2.6 Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable or recoverable in respect of previous years.

2. Summary of significant accounting policies (cont'd)

2.6 Income taxes (cont'd)

Deferred income tax is provided using the liability method, on all temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the reporting date.

Deferred tax are charged or credited to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

2.7 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of reporting period.

2.8 Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale. All other borrowing costs are expensed in the period they occur.

2.9 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period.

2. Summary of significant accounting policies (cont'd)

2.9 Intangible assets (cont'd)

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable.

2.10 Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to profit or loss. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in profit or loss.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on the straight-line method to write off the depreciable amounts of property, plant and equipment over their estimated useful lives. The estimated useful lives have been taken as follows:

Vessel	18 years
Computers	3 years
Office, furniture and equipment	3 - 5 years
Renovation	5 years
Showroom equipment	3 - 5 years

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.11 Impairment of non-financial assets (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised previously. Such reversal is recognised in profit or loss.

The Group does not reverse in a subsequent period, any impairment loss recognised for goodwill.

2.12 Financial assets

Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets, at fair value through profit or loss

Financial assets designated as at fair value through profit or loss at initial recognition are those that are managed and their performance are evaluated on a fair value basis, in accordance with a documented Group's investment strategy and are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are presented as "trade receivable", "other receivables", "due from subsidiary", "fixed deposit" and "cash and bank balances" on the statements of financial position.

Financial assets, available-for-sale

Financial assets, available-for-sale include equity and debt securities that are non-derivatives and are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months after the reporting date.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is also transferred to profit or loss.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised as expenses.

2. Summary of significant accounting policies (cont'd)

2.12 Financial assets (cont'd)

Subsequent measurement

Financial assets, both available-for-sale and at fair value through profit or loss are subsequently carried at fair value. Available-for-sale investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measurable, are measured at cost less impairment loss. Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss, including effects of currency translation, are recognised in profit or loss in the financial year in which the changes in fair values arise.

Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in fair value reserve/other comprehensive income, together with the related currency translation differences.

Interest and dividend income on available-for-sale financial assets are recognised separately in profit or loss.

Impairment

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

Financial assets, available-for-sale

In the case of an equity security classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that was recognised directly in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised.

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale financial assets are not reversed through profit or loss.

2. Summary of significant accounting policies (cont'd)

2.12 Financial assets (cont'd)

For available-for-sale financial assets carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of impairment loss is recognised in profit or loss and such losses are not reversed in subsequent periods.

2.13 Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group and Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

For financial liabilities gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. A financial liability is derecognised when the obligation under the liability is extinguished.

2.14 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Financial guarantees are classified as financial liabilities.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. Financial guarantees contracts are amortised in profit or loss over the period of the guarantee.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.16 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Summary of significant accounting policies (cont'd)

2.17 Foreign currency

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates ('the functional currency'). The financial statements of the Group and the Company are presented in United State Dollars, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the date of the statement of financial position;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

2.18 Leases

(1) When the Group is the lessee:

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2. Summary of significant accounting policies (cont'd)

2.18 Leases (cont'd)

(2) When the Group is the lessor:

Operating leases

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.19 Discontinued operations

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

Prior period comparatives are re-presented in profit or loss so that the disclosures relate to all operations that have been discontinued by the end of the year of the reporting period.

2.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

2.21 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Property, plant and equipment

The Group and Company reviews the residual values and useful lives of property, plant and equipment at each reporting date in accordance with the accounting policy in note 2.10. The estimation of the residual amount and useful lives involves significant judgment. The carrying amount of property, plant and equipment at 31 December 2010 is US$7,287,000 and the annual depreciation charge for the financial period ended 31 December 2010 is US$240,000.

3. Other income

	31.12.2010 US$'000	31.3.2010 US$'000
Continuing operations		
Gain on disposal of held for trading investment securities	**1**	22
Dividend income from investment securities	**9**	9
Fair value gain on held for trading investment securities (note 17)	**–**	11
Management fee income	**–**	12
Royalty income	**14**	10
Gain on redemption of convertible bonds	**–**	4
Other miscellaneous income	**13**	62
	37	130

4. Finance expenses

	31.12.2010 US$'000	31.3.2010 US$'000
Continuing operations		
Term loan interest	**58**	–

5. Taxation

	31.12.2010 US$'000	31.3.2010 US$'000
Continuing operations - over provision in prior years	**–**	(3)

The income tax on the results of the financial period/year varies from the amount of income tax determined by applying Singapore statutory tax rate is as follows:

	US$'000	US$'000
(Loss)/profit before tax:		
- Continuing operations	**(138)**	(614)
- Discontinued operations	**7**	1,603
	(131)	989

	US$'000	US$'000
Tax at Singapore statutory tax rate of 17%	(22)	168
Tax effect of expenses that are not deductible in determining taxable profit	84	173
Tax effect of non-taxable income	(175)	(452)
Deferred tax asset not recognised	113	111
Over provision of tax in prior years	–	(3)
	–	(3)

5. Taxation (cont'd)

At 31 December 2010, the Group and Company have unrecognised tax losses amounting to approximately US$1,269,000 (31.3.2010: US$2,863,000) and US$1,269,000 (31.3.2010: US$1,651,000) respectively which are available to be carried forward to offset against future taxable income subject to the agreement of the tax authorities and compliance with certain provisions of the Income Tax Act. Unabsorbed tax losses brought forward from prior years of US$1,045,000 of the Group and Company were forfeited due to a change in substantial shareholders and US$1,212,000 of the Group were lost when its subsidiary, Enzer Acoustics Pte Ltd was placed under liquidation [note 11 (b)].

Deferred tax assets of US$215,000 (31.3.2010: US$487,000) for the Group and US$215,000 (31.3.2010: US$281,000) for the Company have not been recognised in respect of the above tax losses because the realisation of the future income tax benefits from these unabsorbed tax losses for the Group and Company is available for unlimited future period only if the Group and Company derives future assessable income of a nature and of a sufficient amount to enable the benefit of the deductions for the unabsorbed tax losses to be realised and that certain conditions imposed by the provisions of the Income Tax Act namely, no substantial change in shareholders, are complied with. These potential tax benefits for the Group and Company have not been taken into the financial statements as it is not probable that future taxable income will be sufficient to allow the unabsorbed tax losses to be realised.

6. Profit from discontinued operations

	31.12.2010 **US$'000**	31.3.2010 US$'000
Revenue	**11**	86
Cost of sales	**(11)**	(81)
Other income #	*****	1,150
	–	1,155
Net liabilities of disposed subsidiaries	**7**	7
Foreign currency translation reserve reclassified on disposal of foreign subsidiaries which were placed under liquidation (note 23)	**–**	538
Gain on disposal of subsidiaries	**7**	545
Total expenses	**(2)**	(97)
Profit before tax from discontinued operations	**5**	1,603
Taxation	**2**	–
Profit after tax from discontinued operations	**7**	1,603

* Amount less than US$1,000

In 2008, the Group discontinued its electronic components and consumer products business but continued with its retail and distribution audio equipment/accessories business (carried on by Enzer Acoustics Pte Ltd, a wholly owned subsidiary) which was discontinued during the reporting period.

Enzer Acoustics Pte. Ltd was placed under voluntary liquidation during the reporting period. Consequently, the assets and liabilities of the subsidiary included in the consolidated statement of financial position of the Group were deconsolidated resulting in a gain of US$7,000 for the current reporting period. The comparative figures in the consolidated statement of comprehensive income for the retail and distribution audio equipment/accessories business has been reclassified and presented separately under discontinued operations.

6. Profit from discontinued operations (cont'd)

In the prior financial year, certain subsidiaries in the electronics components and consumer products business were placed under voluntary liquidation. Consequently, the assets and liabilities of these subsidiaries included in the consolidated statement of financial position of the Group were deconsolidated resulting in a gain of US$545,000.

		31.12.2010 US$'000	31.3.2010 US$'000
#	**Other income**		
	Liabilities no longer payable *	–	1,138
	Other miscellaneous income	–	12
		–	1,150

* In the prior financial year, the Company reached a full and final global settlement with the liquidator of a former subsidiary whereby the Company agreed to waive all its claims against the liquidator in return for a similar waiver of all claims by the liquidator against those subsidiaries in the Group which were indebted to the former subsidiary.

As a result of the global settlement, amounts totalling US$1,138,000 due to the liquidator by the Group are no longer payable and were recognised in profit or loss under discontinued operations as the liabilities relate to the discontinued operations.

The impact of the discontinued operations of Enzer Acoustics Pte Ltd on the cashflows of the Group are as follows:

	31.12.2010 US$'000	31.3.2010 US$'000
Operating cash flows	–	(18)
Investing cash flows	–	(8)
Financing cash flows	–	(40)
Total cash flows	–	(66)

7. Net (loss)/profit for the period/year

This is determined after charging/(crediting) the following:

	Continuing operations		Discontinued operations	
	31.12.2010 US$'000	31.3.2010 US$'000	31.12.2010 US$'000	31.3.2010 US$'000
Bad receivables written off (non-trade)	–	–	–	9
Non-audit fee paid to the auditor of the Company	3	6	–	3
Depreciation of property, plant and equipment	240	2	–	*
Foreign exchange gain - net	(322)	–	–	–
Liabilities no longer payables (note 6)	–	–	–	(1,139)
Operating lease expenses	26	31	–	33
Staff costs (note 8)	410	405	–	–
Inventories written off	–	–	–	14

* Amount less than US$1,000

8. Staff costs

	Group 31.12.2010 US$'000	Group 31.3.2010 US$'000
Salaries and bonuses	**312**	286
Defined pension contributions	**13**	24
Directors' fees		
- current year	**85**	100
- overprovision in prior year	**–**	(6)
Other staff costs	*****	1
	410	405

The staff costs include the amounts shown as director and key management personnel remuneration in note 24 (b).

* Amount less than US$1,000

9. (Loss)/earning per share

	Continuing operations 31.12.2010 US$'000	Continuing operations 31.3.2010 US$'000	Discontinued operations 31.12.2010 US$'000	Discontinued operations 31.3.2010 US$'000	Total 31.12.2010 US$'000	Total 31.3.2010 US$'000
Net (loss)/ profit attributable attributable to owners of the Company	**(138)**	(611)	**7**	1,603	**(131)**	992
Weighted average number of share for (loss)/ earning per share computation	**518,691**	189,890	**518,691**	189,890	**518,691**	189,890
Basic (loss)/ earning per share (US cents per share)	**(0.03)**	(0.32)	*****	0.84	**(0.03)**	0.52

No diluted earnings per share as at 31 December 2010 and 31 March 2010 are disclosed as the effect of the dilutive potential of ordinary shares from share options and the offer of rights shares (note 30) (31.3.2010: the conversion of convertible bonds and share options) is anti-dilutive as it would decrease loss per share from continuing operations.

* Not meaningful

10. Property, plant and equipment

	Computer US$'000	Office furniture and equipment US$'000	Renovation US$'000	Vessel US$'000	Showroom equipment US$'000	Total US$'000
Group						
31.12.2010						
Cost						
At 1.4.2010	8	–	–	–	–	8
Addition	12	10	–	–	–	22
Acquisition of subsidiary	–	–	–	7,500	–	7,500
Disposal	(2)	–	–	–	–	(2)
At 31.12.2010	**18**	**10**	**–**	**7,500**	**–**	**7,528**
Accumulated depreciation						
At 1.4.2010	2	–	–	–	–	2
Depreciation charge	3	6	–	231	–	240
Disposal	(1)	–	–	–	–	(1)
At 31.12.2010	**4**	**6**	**–**	**231**	**–**	**241**
Carrying amount						
At 31.12.2010	**14**	**4**	**–**	**7,269**	**–**	**7,287**
31.3.2010						
Cost						
At 1.4.2009	6	21	126	–	13	166
Addition	8	–	–	–	–	8
Disposal of subsidiaries	(6)	(21)	(126)	–	(13)	(166)
At 31.3.2010	8	–	–	–	–	8
Accumulated depreciation						
At 1.4.2009	6	21	72	–	13	112
Depreciation charge	2	–	–	–	–	2
Disposal of subsidiaries	(6)	(21)	(72)	–	(13)	(112)
At 31.3.2010	2	–	–	–	–	2
Impairment loss						
At 1.4.2009	–	–	53	–	–	53
Disposal of subsidiaries	–	–	(53)	–	–	(53)
At 31.3.2010	–	–	–	–	–	–
Carrying amount						
At 31.3.2010	6	–	–	–	–	6

10. Property, plant and equipment (cont'd)

	Office furniture and equipment US$'000	Computers US$'000	Total US$'000
Company			
31.12.2010			
Cost			
At 1.4.2010	–	8	8
Addition	10	12	22
Disposal	–	(2)	(2)
At 31.12.2010	**10**	**18**	**28**
Accumulated depreciation			
At 1.4.2010	–	2	2
Depreciation charge	6	3	9
Disposal	–	(1)	(1)
At 31.12.2010	**6**	**4**	**10**
Carrying amount			
At 31.12.2010	**4**	**14**	**18**
31.3.2010			
Cost			
Addition	–	8	8
At 31.3.2010	–	8	8
Accumulated depreciation			
Depreciation charge	–	2	2
At 31.3.2010	–	2	2
Carrying amount			
At 31.3.2010	–	6	6

11. Investment in subsidiaries

(a) Investment in subsidiaries comprises:

	Company	
	31.12.2010	31.3.2010
	US$'000	US$'000
Unquoted equity shares, at cost		
At beginning of period/year	**147**	587
Addition	**101**	–
Disposals	**(147)**	(440)
	101	147
Allowance for impairment loss	**–**	(147)
At end of period/year	**101**	–

Movements in allowance for impairment loss on investment in subsidiaries during the year were as follows:

	US$'000	US$'000
At beginning of period/year	**147**	587
Disposals	**(147)**	(440)
At end of period/year	**–**	147

(b) The Company and the Group had the following subsidiaries as at 31 December 2010:

Name	Principal activities	Country of incorporation and place of business	Effective equity interest held by the Group		Cost of investment by the Company	
			31.12.2010	31.3.2010	**31.12.2010**	31.3.2010
			%	%	**US$'000**	US$'000
Held by the Company						
Vallianz Samson Pte. Ltd.@	Ownership and charter of shipping vessels	Singapore	100	–	101	–
Enzer Acoustics Pte Ltd*	Under liquidation	Singapore	–	100	–	147

* Financial statements not audited as company was placed under liquidation during the reporting period.

@ Audited by Baker Tilly TFW LLP, Singapore.

12. Investment in associated company

	Company	
	31.12.2010	31.3.2010
	US$'000	US$'000
Unquoted equity shares		
At cost	**974**	–
Share of loss in a associated company	**(25)**	–
At end of period/year	**949**	–

The summarised financial information of the associated company, which is not adjusted for the percentage of ownership held by the Group are as follows:

	US$'000	US$'000
- Assets	**3,244**	–
- Liabilities	**80**	–
- Revenue	**1**	–
- Net loss	**(84)**	–

The particulars of the associate as at 31 December 2010 are as follows:

Name	**Principal activities**	**Country of incorporation and place of business**	**Effective equity interest held by the Group**	
			31.12.2010	31.3.2010
			%	%
Held by the Company				
A3 Offshore LLC	Vessel ownership and chartering	Marshall Islands	**30**	–

13. Intangible asset

The intangible asset represents a club membership held in trust by a former director of the Company. The carrying amount of the club membership is stated at cost and subjected to annual impairment testing. The Company would be refunded full amount of the club membership cost in January 2011 due to a business decision made by the club owner to dissolve all club membership with effect on 1 January 2011 and to refund membership fees. Consequently, the intangible asset was reclassified from non-current assets to current assets during the reporting period.

14. Trade receivables

	Group	
	31.12.2010	31.3.2010
	US$'000	US$'000
Trade receivables due from a related party	**108**	–

The receivable is secured by a corporate guarantee from the ultimate holding company of the related party.

15. Other receivables

	Group		Company	
	31.12.2010	31.3.2010	**31.12.2010**	31.3.2010
	US$'000	US$'000	**US$'000**	US$'000
Other receivables	**7**	*	**7**	–
Deposits	**1**	6	**1**	6
Prepayments	**1**	*	**1**	*
	9	6	**9**	6

* Amount less than US$1,000

16. Due from subsidiary (non-trade)

	Company	
	31.12.2010	31.3.2010
	US$'000	US$'000
Amount due from subsidiary	**4,500**	–

The amount due from subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand.

17. Investment securities

	Group and Company	
	31.12.2010	31.3.2010
	US$'000	US$'000
Held for trading financial assets through profit or loss, at fair value		
Quoted equity shares		
At beginning of period/year	**14**	26
Disposal	**(14)**	(23)
Fair value gain (note 3)	**–**	11
At end of period/year	**–**	14
Available-for-sale financial assets, at cost		
Unquoted equity shares - as at 1.4.2009 and 31.3.2010	**86**	86
Total	**86**	100

17. Investment securities (cont'd)

The fair value of the quoted equity shares is determined by reference to Singapore Stock Exchange Limited quoted bid price as at the end of reporting period.

The unquoted equity shares are stated at cost as it is not practicable to determine with sufficient reliability the fair value of the unquoted investments as there are no quoted market prices for the investments nor are other methods of reasonably estimating the fair values readily available.

18. Fixed deposit

In 2009, the fixed deposit bore interest at a fixed rate of 0.14% per annum at the reporting date and matured within one month from the reporting date.

19. Other payables

	Group		Company	
	31.12.2010	31.3.2010	**31.12.2010**	31.3.2010
	US$'000	US$'000	**US$'000**	US$'000
Other payables	**3**	106	**3**	106
Accrued operating expenses	**612**	141	**597**	140
	615	247	**600**	246

20. Term loan

The term loan from a corporation is secured by a legal mortgage on the vessel of the Group and a corporate guarantee from the Company and bears interest at 3.75% above LIBOR per annum. The term loan is repayable on a quarterly annual basis of 20 instalments of US$150,000 each until it is repaid in May 2015.

21. Due to related parties (non-trade)

The amounts due to related parties were unsecured, interest-free and repayable on demand.

22. Share capital

	Group and Company			
	Number of shares ordinary shares		Total shares Capital	
	31.12.2010	31.3.2010	**31.12.2010**	31.3.2010
	US$'000	US$'000	**US$'000**	US$'000
At beginning of period/year	**357,439**	118,671	**25,517**	16,444
Issuance of shares	**237,267**	238,768	**6,361**	9,305
Transaction costs	**–**	–	**(369)**	(232)
At end of period/year	**594,706**	357,439	**31,509**	25,517

22. Share capital (cont'd)

The Company issued and allotted ordinary shares by way of:

(i) Exercise of 500,000 shares options amounted to US$19,000 pursuant to the Enzer Employee's Share Option Scheme during the reporting period;

(ii) Issuance of 171,767,493 new ordinary shares of the Company as consideration shares, representing amount US$4,601,000 pursuant to the acquisition of subsidiary, Vallianz Samson Pte. Ltd during the reporting period;

(iii) Issuance of 65,000,000 new ordinary shares for cash of US$1,741,000 through a share placement exercise during the reporting period;

(iv) Conversion of net proceeds of US$682,000 in prior financial year from the initial tranche convertible bonds into 12,500,000 new ordinary shares of the Company;

(v) Capitalisation of US$3,929,000 in prior financial year owing to a related party into 94,828,000 new ordinary shares of the Company; and

(vi) Issuance of 131,440,000 new ordinary shares of the Company in prior financial year for cash of US$4,694,000 pursuant to a rights issue.

The newly issued ordinary shares rank pari passu in all respects with the existing shares of the Company.

All ordinary shares carry one vote per share without restriction and have no par value.

Enzer Employee's Share Option Scheme ("ESOS")

The Company implemented the ESOS in the financial year ended 31 March 2009 in accordance with the scheme approved by the shareholders on 11 April 2001. The ESOS shall continue for a maximum period of 10 years commencing from the first date of grant but accelerated in the event of mergers, take-overs or reverse take-over (i.e. the options fully vest and become exerciseable). The ESOS may continue beyond 10 years with the approval of the shareholders by ordinary resolution in a general meeting.

The terms of ESOS are as follows:

(i) A one year vesting period is required commencing from the first date of grant if offer price is not at a discount; a two years vesting period is required commencing from the first date of grant if offer price is at a discount.

(ii) The subscription price is based on the price equal to the average of the last dealt prices of an ordinary share in the capital of the Company for the three (3) consecutive trading days immediately preceding the date of grant of the option, rounded up to the nearest whole cent in the event of fractional prices.

(iii) The options may be exercised in whole or in part at any time by a Participant after the first anniversary from the date of grant. Such option shall be exercised before the tenth anniversary of the date of grant, or such earlier date as may be determined by the Committee.

(iv) The options, to the extent unexercised, shall lapse upon the employee ceasing to be employed by the Company or its subsidiaries.

22. Share capital (cont'd)

Enzer Employee's Share Option Scheme ("ESOS") (cont'd)

Unissued shares under option

As at 31 December 2010, there were no unissued ordinary shares of the Company under options granted pursuant to the ESOS.

Vallianz Performance Share Plan ("PSP")

The Company implemented the PSP during the financial period in accordance with the performance share scheme approved by the shareholders on 23 August 2010.

An executive or non-executive director of any member of the Group or a full-time employee of any member of the Group ("Eligible Person") who is selected by the Remuneration Committee is eligible to participate in the PSP. The awards represent the right of an Eligible Person to receive fully paid shares free of charge, upon the participant satisfying the criteria set out in the PSP and upon satisfying such conditions as may be imposed. The number of shares to be granted to an Eligible Person shall be determined at the absolute discretion of the Remuneration Committee, which shall take into account criteria such as his rank, job performance and potential for future development, his contribution to the success and development of the Group and the extent of effort with which the Performance Condition may be achieved within the Performance Period. Each award to be granted to an Eligible Person who is a non-executive director of any member of the Group shall not exceed 10% of the total number of shares available for grant of awards under the PSP. The total number of shares which may be issued and/or issuable pursuant to awards granted under the PSP on any date shall not exceed 15% of the issued shares of the Company (excluding any shares held in treasury) from time to time. The PSP shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years, commencing from adoption date, provided always that the PSP may continue beyond the stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

As at 31 December 2010, there were no awards granted by the Remuneration Committee under the PSP.

23. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group	
	31.12.2010	31.3.2010
	US$'000	US$'000
At beginning of period/year:		
As reported	–	513
Foreign currency realignment, arising from change in functional and presentation currency	–	43
As restated	–	556
Net effects of exchange differences arising from translation of financial statement of foreign operations	–	(18)
Reclassified to profit or loss on disposal of foreign subsidiaries which were placed under liquidation (note 6)	–	(538)
At end of period/year	–	–

24. Related party transactions

An entity or individual is considered a related party of the Group for the purposes of the financial statements if:

(i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; or

(ii) it is subject to control or significant influence by the Group's key management personnel and their close family members.

In addition to related party transactions disclosed elsewhere in the financial statements, significant transactions with related parties which occurred during the financial period on terms and conditions mutually agreed between the parties concerned are as follows:

(a) Related party transactions

	Group	
	31.12.2010	31.3.2010
	US$'000	US$'000
Income		
Management fees received from a director-related company	**–**	12
Charter hire fee received from a related corporation of a major shareholder of the Company	**616**	–
Expenditure		
Operating lease expenses paid to a director-related company	**25**	32
Network maintenance expense paid to a director related company	**3**	1
Fee paid to a director in relation to advisory work rendered	**–**	8
Capital expenditure paid to a director-related company	**–**	21
Purchase of vessel from a related corporation of a major shareholder of the Company	**7,500**	–

A director-related company is one in which a director has substantial financial interest and significant influence.

(b) Compensation of key management personnel

	US$'000	US$'000
Paid to directors of the Company		
- Fees for current year	**85**	100
- Fees overprovided in prior year	**–**	(6)
- Remuneration	**219**	104
- Defined pension contributions	**5**	4
Paid to other key management personnel		
- Salaries and related costs	**65**	75
- Defined pension contributions	**5**	7
	379	284

24. Related party transactions (cont'd)

The remuneration of key management personnel are determined by the remuneration committee having regard to the performance of individuals and market trends. No director and key management personnel received more than US$200,000 per annum.

25. Contingent liabilities

As at 31 December 2010, the Company has provided a corporate guarantee of US$3 million (31.3.2010: Nil) to a corporation for a loan taken by its subsidiary.

26. Commitments

Operating lease commitments in respect of shipchartering - As a lessor

The Group entered into bareboat charter contract with its related party (note 24) relating to the leasing of its vessel. Future minimum charter hire fee receivable under operating leases at 31 December 2010 are as follows:

	Group	
	31.12.2010	31.3.2010
	US$'000	US$'000
Future minimum charter hire fee receivables:		
- within 1 year	**1,278**	–
- within 2 to 5 years	**4,365**	–
	5,643	–

The lease is for a period of 10 years commencing 1 June 2010. The charterer and the Group has the option to cancel the lease after the 5th year from the delivery date by giving 90 days notice to each other.

27. Segment information

The Group operates one business segment, namely ownership and charter of shipping vessels during the period ended 31 December 2010. For the year ended 31 March 2010, the Group's business was retail distribution/trading of audio equipment and accessories in Singapore (note 1). Accordingly, no segment reporting is presented.

28. Financial instruments

Categories of financial instruments

Financial instruments as at end of reporting period are as follows:

	Group		Company	
	31.12.2010	31.3.2010	**31.12.2010**	31.3.2010
	US$'000	US$'000	**US$'000**	US$'000
Financial assets				
Held for trading through profit or loss				
- investment securities (at fair value)	**–**	14	**–**	14
Available-for-sale				
- investment securities (at cost)	**86**	86	**86**	86
Trade and other receivables	**115**	6	**7**	6
Due from subsidiary (non-trade)	**–**	–	**4,500**	–
Cash and cash equivalents	**4,036**	3,467	**3,773**	3,466
Loan and receivables	**4,151**	3,473	**8,280**	3,472
Total financial assets	**4,237**	3,573	**8,366**	3,572

28. Financial instruments (cont'd)

Categories of financial instruments (cont'd)

	Group		Company	
	31.12.2010	31.3.2010	**31.12.2010**	31.3.2010
	US$'000	US$'000	**US$'000**	US$'000
Financial liabilities				
Trade and other payables	**615**	278	**600**	269
Term loan	**2,700**	–	**–**	–
Financial liabilities at amortised cost	**3,315**	278	**600**	269

(a) **Market risk**

Foreign exchange risk

The Group transacts some of its business in foreign currencies, and therefore is exposed to foreign exchange risk. The Group does not use forward contracts to hedge their exposure to foreign currency risk in the local functional currency.

As at 31 December 2010, the Group and Company have the following financial assets and financial liabilities denominated in Singapore dollar based on the information provided to key management:

	US$'000
31 December 2010	
Financial assets	
Other receivables	1
Bank and cash balances	3,745
	3,746
Financial liabilities	
Other payables	420
Net currency asset exposure	3,326
31 March 2010	
Financial assets	
Other receivables	6
Bank and cash balances	3,467
	3,473
Financial liabilities	
Trade payables	8
Other payables	270
	278
Currency exposure	3,195

As at 31 December 2010, if a 5% fluctuation in SGD, the Group's loss net of tax would have been decreasing/increasing by US$166,000 (31.3.2010: US$160,000) assuming all other variables remain constant.

28. Financial instruments (cont'd)

Categories of financial instruments (cont'd)

(a) Market risk (cont'd)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to market risk for changes in interest rates relates primarily to its variable rate term loan (note 20). The impact of a 50 basis points fluctuation on the variable rate bank term loan is not expected to be significant.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group manages the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments.

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

	Within 1 year US$'000	Between 2 to 5 years US$'000	Total US$'000
Group			
At 31 December 2010			
Term loan	689	2,259	2,948
Other liabilities	615	–	615
	1,304	**2,259**	**3,563**
At 31 March 2010			
Liabilities	278	–	278
Company			
At 31 December 2010			
Financial guarantee contract	3,000	–	3,000
Other liabilities	600	–	600
	3,600	–	3,600
At 31 March 2010			
Liabilities	269	–	269

NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 1 April 2010 to 31 December 2010

28. Financial instruments (cont'd)

Categories of financial instruments (cont'd)

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopts the policy of dealing only with high credit quality counterparties.

Bank balances are placed with a reputable bank in Singapore with high credit ratings.

Without taking into amount of any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of the class of financial instruments presented on the statement of financial position.

The major classes of financial assets are trade receivables and cash and bank balances.

The Group has only one customer who is a related party (note 14). The amount is past due for less than 30 days but is not impaired.

(c) Fair values

Other than the available-for-sale investment in note 17, the carrying amounts of the financial assets and financial liabilities recorded in the financial statements approximate their respective fair values due to their relatively short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date or that they are fixed rate instruments whose fair values do not differ materially from their carrying amounts.

29. Capital management

The Group and Company's objectives when managing capital are to safeguard the Group's and Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder's value. In order to maintain or achieve optimal capital structure, the Group and Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares and buy back issued shares.

The director of the Group and Company considers that the capital of the Group and Company comprises share capital and retained profits.

30. Subsequent events

On 22 December 2010, the shareholders of the Company approved the non-underwritten rights issue of one new share for each existing ordinary share and offered the rights shares to its shareholders on 31 December 2010. On 21 January 2011, the Company allotted 594,706,061 rights shares at a subscription price of S$0.05 per share and received net proceeds of US$22,869,000 after deduction of issue costs. The right shares rank pari passu in all respect with the existing shares.

On 21 February 2011, the Company entered into a conditional sale and purchase agreement with Cuel Limited to purchase from them their 51% shareholding in CSOTL Offshore Co Ltd for a consideration of US$20 million. US$16 million has been paid upon execution of the sale and purchase agreement, with the remaining US$4 million to be paid upon completion. Incorporated in Thailand, CSOTL Offshore Co Ltd provides marine construction activities for the Thailand offshore oil and gas industry.

31. Non-sponsor fee

There was no non-sponsor fees paid to Stamford Corporate Services Pte Ltd (the "Sponsor") during the financial period.

32. Comparative figures

a) The financial statements for the financial period ended 31 December 2010 cover the financial period from 1 April 2010 to 31 December 2010 as the Group and Company changed its financial year end during the reporting period (note 1). The financial statements for the financial period ended 31 March 2010 cover the financial year from 1 April 2009 to 31 March 2010. As such, the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes for the current financial period and the previous financial year are not comparable.

b) As mentioned in note 2.1, the Company changed its functional currency and the Group, its presentation currency from Singapore dollar to United States dollar to better reflect the primary economic environment in which the Group's business operates. Correspondingly, the comparative figures in the financial statements were translated from Singapore dollar to United States dollar using the exchange rate at the end of the prior financial year (US$1 : S$1.40) to be comparable to the current reporting period's presentation.

33. Authorisation of financial statements for issue

The financial statements for the financial period from 1 April 2010 to 31 December 2010 were authorised for issue in accordance with a resolution of the directors on 28 March 2011.

SHAREHOLDINGS STATISTICS

As at 11 March 2011

Distribution of Shareholders by Size of Shareholdings

Size Of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	13	0.49	622	0.00
1,000 - 10,000	366	13.88	2,103,988	0.18
10,001 - 1,000,000	2,153	81.65	339,334,500	28.53
1,000,001 and above	105	3.98	847,973,012	71.29
Total	**2,637**	**100.00**	**1,189,412,122**	**100.00**

Twenty Largest Shareholders

No.	Shareholder's Name	No of Shares	%
1	Swiber Holdings Limited	343,534,986	28.88
2	Larix International Limited	47,130,026	3.96
3	Toh Boon Keng	46,630,000	3.92
4	OCBC Securities Private Ltd	38,468,000	3.23
5	Ang Pang Chee	20,278,000	1.70
6	Sri Suharti	18,500,000	1.56
7	DBS Vickers Securities (Singapore) Pte Ltd	16,800,000	1.41
8	UOB Kay Hian Pte Ltd	16,614,000	1.40
9	United Overseas Bank Nominees Pte Ltd	15,653,000	1.32
10	Sng Siew Khim	15,130,000	1.27
11	Chan Peck Sim	10,400,000	0.87
12	Goh Chai Sin	9,500,000	0.80
13	Ho Yeng Pew	9,500,000	0.80
14	Chau-Chan Sui Yung	9,226,000	0.78
15	Wee Hui Hian	8,679,000	0.73
16	Liong Yew Fei	8,200,000	0.69
17	DBS Nominees Pte Ltd	7,627,000	0.64
18	OCBC Nominees Singapore Pte Ltd	7,015,000	0.59
19	Chua Tuan Hock	5,900,000	0.50
20	Phillip Securities Pte Ltd	5,714,000	0.48
	Total	**660,499,012**	**55.53**

Class of shares	No. of Shares	%
Ordinary	1,189,412,122	100.00
Treasury	Nil	0.00
Total issued shares	1,189,412,122	100.00

Voting rights	On show of hands	:	One vote for each member
	On a poll	:	One vote for each ordinary share

Substantial Shareholders

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Swiber Holdings Limited	343,534,986	28.88	Nil	0.00

Percentage of Shareholdings in Public's Hands

Based on information available to the Company as at 11 March 2011, 71.12% of the issued ordinary shares of the Company are held in the hands of the public. Accordingly, the Company has complied with the Rule 723 of the Listing Manual (Section B : Rules of Catalist) of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

VALLIANZ HOLDINGS LIMITED

(Company Registration No. 199206945E)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 12 International Business Park, #03-02 Cyberhub@IBP, Singapore 609920 on Wednesday, 20th day of April 2011 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial period ended 31 December 2010 and the Directors' Report and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Mr. Goh Kim Teck retiring pursuant to Article 109 of the Company's Articles of Association. **(Resolution 2)**

   Mr. Goh Kim Teck shall, upon re-election as Director of the Company, remain as the Chairman of the Board of Directors and a member of the Nominating Committee, Audit Committee and Remuneration Committee of the Company.

3. To re-elect Mr. Anders Hagbarth Schau retiring pursuant to Article 109 of the Company's Articles of Association. **(Resolution 3)**

4. To re-elect Mr. Bote de Vries retiring pursuant to Article 109 of the Company's Articles of Association. **(Resolution 4)**

   Mr. Bote de Vries shall, upon re-election as Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee of the Company, and shall be considered independent for the purposes of Rule 704(7) of the Singapore Exchange Securities Trading Limited ("SGX-ST"), Listing Manual Section B: Rules of Catalist ("the "**Catalist** Rules").

5. To approve the Directors' fees of US$85,000.00 for the financial period ended 31 December 2010. **(Resolution 5)**

6. To approve the Directors' fees of US$180,000.00 for the financial year ending 31 December 2011. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

7. **Authority to allot and issue Shares (the "Share Issue Mandate")**

   "That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806(2) of the Catalist Rules, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to allot and issue:

   (i) shares in the capital of the Company Shares whether by way of bonus, rights or otherwise; or

   (ii) convertible securities; or

   (iii) additional convertible securities arising from adjustments made to the number of convertible securities previously issued in the event of rights, bonus or otherwise; or

(iv) Shares arising from the conversion of convertible securities in (ii) and (iii) above,

provided that the aggregate number of Shares and convertible securities to be issued pursuant to this Resolution does not exceed one hundred per cent (100%) of the total number of issued Shares excluding treasury shares or such other limit as may be prescribed by the SGX-ST as at the date of this Resolution, of which the aggregate number of Shares and convertible securities in the Company to be issued other than on a pro rata basis to the then existing shareholders of the Company shall not exceed fifty per cent (50%) of the total number of issued Shares excluding treasury shares or such other limit as may be prescribed by the SGX-ST as at the date of this Resolution, and unless revoked or varied by the Company in general meeting, such authority shall continue in full force until the conclusion of the next Annual General Meeting or such date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. For the purposes of this Resolution and Rule 806(3) of the Catalist Rules, the percentage of the total number of issued Shares and excluding treasury shares at the date of this Resolution after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from the exercising share options outstanding or subsisting at the time of passing this Resolution, provided the options were granted in compliance with the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares.”

[See Explanatory Note (a)] **(Resolution 7)**

8. **Authority to grant options and to issue Shares under the Employee Share Option Scheme**

“That authority be and is hereby given to the Directors of the Company to offer and grant options from time to time in accordance with the provisions of the Enzer Employee Share Option Scheme (“the Scheme”), and, pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Scheme, provided always that the aggregate number of Shares to be issued pursuant to the Scheme, when aggregated together with Shares issued and/or issuable pursuant to any other existing share schemes or plans of the Company for the time being shall not exceed fifteen per cent (15%) of the total number of issued share capital of the Company excluding treasury shares from time to time, as determined in accordance with the provisions of the Scheme.”

[See Explanatory Note (b)] **(Resolution 8)**

9. **Authority to allot and issue Shares under Vallianz Performance Share Plan**

“That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be and are hereby authorised to grant awards in accordance with the provisions of Vallianz Performance Share Plan (“Plan”) and pursuant to Section 161 of the Companies Act, to allot and issue from time to time such number of paid-up Shares in the capital of the Company as may be required to be issued pursuant to the vesting of award provided always that the aggregate number of Shares to be issued or issuable pursuant to the Plan shall not exceed fifteen per cent. (15%) of the total number of issued Shares excluding treasury shares of the Company from time to time.”

[See Explanatory Note (c)] **(Resolution 9)**

10. **To transact any other ordinary business which may be properly transacted at an Annual General Meeting.**

NOTICE OF ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD

Lee Bee Fong (Ms)
Company Secretary
5 April 2011

Singapore

Explanatory Notes:

(a) The Ordinary Resolution 7 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to held or when varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares and convertible securities in the Company up to an amount not exceeding in total, one hundred per cent (100%) of the issued shares excluding treasury shares at the time of passing of this resolution, of which up to fifty per cent (50%) may be issued other than on a pro-rata basis to shareholders.

(b) The Ordinary Resolution 8 above, if passed, will empower the Directors of the Company to offer and grant options under the Employees Share Option Scheme and to allot and issue Shares upon the exercise of such options in accordance with the Scheme not exceeding fifteen per cent (15%) of the total number of issued Shares excluding treasury shares of the Company from time to time.

(c) The Ordinary Resolution No. 9 proposed in item 10 above, if passed, will empower the Directors of the Company to grant awards and to allot and issue Shares in accordance with the Vallianz Performance Share Plan.

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than 2 proxies to attend and vote in his stead.

2. A proxy need not be a member of the Company.

3. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

4. The instrument appointing a proxy must be deposited at the registered office of the Company at 12 International Business Park, #02-02 Cyberhub@IBP, Singapore 609920 not later than 48 hours before the time appointed for the Meeting.

VALLIANZ HOLDINGS LIMITED

(Company Registration No. 199206945E)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT:
1. For investors who have used their CPF monies to buy VALLIANZ HOLDINGS LIMITED shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

*I/We, ____of____________________________________

of ____being *a member/members

of **VALLIANZ HOLDINGS LIMITED** (the "**Company**"), hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy %	

*and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings to be represented by proxy %	

or failing which, the Chairman of the Annual General Meeting of the Company ("the AGM"), as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf and, if necessary, to demand a poll, at the AGM to be held at 12 International Business Park, #03-02 Cyberhub@ IBP, Singapore 609920 on 20 April 2011 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given, the *proxy /proxies will vote or abstain from voting at *his/their discretion, as he/she/they will on any other matter arising at the AGM.

No.	Ordinary Resolutions	For	Against
1	Adoption of Directors' Report and Accounts for the financial period ended 31 December 2010		
2	Re-election of Director pursuant to Article 109 - Mr Goh Kim Teck		
3	Re-election of Director pursuant to Article 109 - Mr Anders Hagbarth Schau		
4	Re-election of Director pursuant to Article 109 - Mr Bote de Vries		
5	Approval of the Directors' fees of US$85,000 for the financial period ended 31 December 2010.		
6	Approval of the Directors' fees of US$180,000 for the financial year ending 31 December 2011.		
7	Authority to allot and issue shares pursuant to the Share Issue Mandate.		
8	Authority to grant options and issue shares under the Employee Share Option Scheme.		
9	Authority to allot and issue shares under the Vallianz Performance Share Plan.		

Notes:
* Please delete accordingly
** Please indicate your vote "For" or "Against" with an "X" within the box provided

Dated this ________________ day of ________________ 2011

Total Number of Shares Held	
In CDP Register	
In Register of Members	

____
*Signature(s) of Member(s)/Common Seal

IMPORTANT: Please read notes overleaf

Fold this flap for sealing

Please
affix
postage
stamp

The Company Secretary
VALLIANZ HOLDINGS LIMITED
12 International Business Park
#02-02 Cyberhub@IBP
Singapore 609920

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3rd fold here

Notes

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. Such proxy need not be a member of the Company.
2. Where a member of the Company appoints two proxies, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 12 International Business Park, #02-02 Cyberhub@IBP, Singapore 609920not later than 48 hours before the time set for the Annual General Meeting.
6. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the time set for the Annual General Meeting.

an EQUITY communications production

VALLIANZ HOLDINGS LIMITED

Company Registration No.

12 International Business Park #02-02 Singapore 609920
www.vallianzholdings.com