Jason Marine Group Limited

CONNECTING
WHEREVER YOU ARE

ANNUAL REPORT 2011

At Jason Marine, we believe our strength lies in our ability to connect businesses and technologies, forging a bridge between suppliers and customers through seamless solutions put together by our very own people. As we facilitate their core needs, this will in turn sharpen our own competitive edge and lay the stepping stones for our next growth phase.

Strategic investments were recently made to strengthen ties with suppliers who own unique solutions that enrich our product portfolio. These and the distinctive technologies of our other suppliers will be integrated into high-performance shipboard systems through the skills and knowledge built up by our people. In this way, we keep our valued customers connected – wherever they are.

CONNECTING
BUSINESSES

We match customers to suppliers by pinpointing core needs and strengths, and then forge a critical nexus through integrated frameworks that keep businesses at the cutting edge.

CONNECTING
TECHNOLOGIES

We combine technical expertise and intimate knowledge of our customers to mould diverse products into powerful shipboard systems that answer their every needs.

CONNECTING
PEOPLE

We marry talent, skill and commitment with the finest in training, practices and facilities, helping people to stay riveted on their goals.

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CORPORATE PROFILE

Jason Marine Group Limited (Jason Marine or the Group) is a leading marine electronics systems integrator and support services provider with a global customer base. An expert in marine communication, navigation and automation systems, the Group offers one-stop solutions that span design, supply, integration, installation, testing, commissioning and maintenance. Jason Marine also sells satellite airtime services to complement its communications business.

The Group carries a wide variety of supplies from renowned manufacturers. Its track record of consistently delivering on time has anchored its position as one of the industry's leading players in Singapore.

Established in 1976, the Group has forged strong and lasting relationships with a global customer base from the marine and offshore oil and gas industries.

Headquartered in Singapore, Jason Marine has since expanded into Indonesia, Malaysia, the People's Republic of China (PRC), Thailand and South Korea. Its growing presence in key shipbuilding markets in North Asia enables it to move in quickly to secure new businesses.

OUR BUSINESSES

Sale of Marine Communication, Navigation and Automation Systems

Jason Marine designs, supplies, integrates, installs and commissions a comprehensive range of radio and satellite communication, navigation and marine automation systems for the marine and oil & gas industries.

a. Communication

Our systems cover areas such as onboard voice communications (including walkie-talkie and public address systems), vessel-to-vessel communications, ship-to-land communications, data transfer and internet connections.

b. Navigation

Our product range includes global positioning systems (GPS) and compasses, as well as other devices for charting a ship's position and controlling a vessel's course of movement.

c. Automation

We provide automation systems that are crucial to the smooth monitoring of a vessel's electronic systems and machinery. Staff assigned to this duty are usually limited in number, so these tools provide invaluable assistance in the efficient management of systems that control critical areas such as power supply, alarms and ballasts.

Rendering of Maintenance and Support Services

Services rendered include repair, troubleshooting and replacement of faulty parts, as well as statutory radio surveys and annual performance tests for marine electronics systems, on behalf of recognised maritime authorities, to certify vessel seaworthiness.

The Group also offers system warranty coverage to customers, in addition to providing operational and maintenance training for their personnel. Jason Marine operates a certified service centre for Thrane and Thrane in Singapore and an authorised service centre for Raytheon Anschütz in the PRC.

Sale of Airtime Services

Jason Marine provides bandwidth (airtime) for the satellite communication systems distributed by the Group and other distributors. The airtime is used by ships for high-quality direct-dial voice, communication, facsimile, data transfer, telex, e-mail and high-speed internet connections.

OUR KEY PRINCIPALS

ADVETO Advanced Technology AB

ADVETO has been in the Electronic Navigation branch since the mid-1980s. It develops and provides first class systems for electronic navigation of professional vessels with ECDIS (Electronic Chart Display and Information System) and ENCs (Electronic Navigational Charts).

Amesys

AMESYS/Ben Marine was set up in 1962, mainly to develop electromagnetic Speed Logs and Flowmeters. Today, AMESYS/Ben Marine produces a wide range of globally recognised navigation instrumentations that are used in more than 35 countries, and offers solutions to secure port areas.

BazePort

BazePort provides an interactive platform for information, entertainment and communications which includes professional applications, TV, Radio, Internet and Video-on-Demand.

FLIR

FLIR is the world leader in the design, manufacture and marketing of thermal imaging and stabilised camera systems for a wide variety of applications in the commercial, industrial and government markets.

Hatteland Display

Hatteland Display is the leading technology provider of specialised display and computer products, delivering high quality, unique and customised solutions to the international maritime and industrial markets.

Jotron

Jotron's products have consistently been at the cutting edge of safety communication equipments for a wide range of maritime applications.

Koden

Koden Electronics offers a wide range of marine equipment, such as marine radar, echo sounder, GPS navigator & sensor, GPS compass, chart plotter, plotter sounder, and Sonar.

Navico (Simrad)

Navico is well positioned in maritime electronics with a differentiated and compelling product range spanning almost all segments of the marine industry, from small leisure boats to large ocean-going vessels.

Raytheon Anschütz

As one of the leading suppliers of Integrated Bridge Systems (IBS), Raytheon Anschütz develops and produces all the essential components for safe ship navigation, from the gyro compass and autopilot, to radars and ECDIS. All systems delivered are meticulously tested to ensure highest reliability in operation.

Rockson Automation

Based in Germany, Rockson Automation develops, engineers and services hardware and software components for the maritime market. It supplies a wide range of automation systems from simple engine-related alarm monitoring systems, to integrated control and monitoring systems for unmanned machinery.

Samyung

SAMYUNG ENC is a manufacturer of specialised land-based communication and maritime navigation equipment as well as fishing aids.

Sea Tel

Sea Tel specialises in Marine Stabilised Antenna Systems for Satellite Communications (two-way communications), Satellite Television-at-Sea (DBS/DTH, TV-at-Sea™) and Internet-at-Sea® Services.

Skipper

SKIPPER Electronics AS manufactures marine electronics for the merchant fleet as well as for fishing and navy purposes. It offers echo sounder and speed logs for navigation. Its design is based on experience, research and traditions. SKIPPER products are known worldwide for reliability, quality, sophistication and good value for money.

Thrane and Thrane

Thrane and Thrane is the world´s leading manufacturer of equipment and systems for global mobile communication based on sophisticated satellite and radio technology. It provides equipment for maritime, land-based and aeronautical use.

CORPORATE STRUCTURE

Jason Marine Group Limited
(incorporated in Singapore)

- 100% **Jason Electronics (Pte) Ltd**
(incorporated in Singapore)
  - 49% **Jason Electronics (Thailand) Co., Ltd**
(incorporated in Thailand)
  - 1% **PT Jason Elektronika**
(incorporated in Indonesia)
- 100% **Jason Asia Pte Ltd**
(incorporated in Singapore)
- 100% **Jason Venture Pte. Ltd.**
(incorporated in Singapore)
  - 99% **PT Jason Elektronika**
(incorporated in Indonesia)
  - 100% **Jason Elektronik (M) Sdn. Bhd.**
(incorporated in Malaysia)
  - 51% **Jason Korea Co., Ltd**
(incorporated in South Korea)
  - 100% **Jason (Shanghai) Co., Ltd**
(incorporated in People's Republic of China)
  - 51% **Baze Marine & Offshore Pte. Ltd.**
(incorporated in Singapore)
  - 25% **iProMar (Pte.) Ltd.**
(incorporated in Singapore)

We match customers to suppliers by pinpointing core needs and strengths, and then forge a critical nexus through integrated frameworks that keep businesses at the cutting edge.

CONNECTING BUSINESSES

CHAIRMAN'S STATEMENT

Even though the worst of the global financial crisis has passed, its lingering aftermath is still felt as we face issues of uncertain demand, increased competition and costs. At Jason Marine, diligent cost management and our resolve to lay fresh cornerstones for growth have allowed us to remain profitable and continue investing in plans for the future.

For the full year ended 31 March 2011 (FY2011), revenue slipped 12.3% year-on-year (yoy) to S$45.2 million, with profit attributable to owners of the parent recorded at S$1.2 million. Decrease in demand for new vessels following the global economic downturn dampened revenue for sales of marine communication, navigation and automation systems – a key business segment that accounts for nearly three-quarters of the Group's revenue – by 15.2% to S$33.5 million. However, demand for our maintenance and support services remained steady and contributed S$10.0 million to the Group's revenue. Airtime revenue was S$1.6 million for FY2011.

The year was a challenging one, and the Group appreciates the continued faith of our shareholders in Jason Marine. As a gesture of appreciation for our shareholders' support, the Group has proposed a maiden dividend of 0.1 S¢ a share for FY2011.

Investing for the Future

With our eyes firmly fixed on forging a brighter tomorrow for the Group, we have already taken strategic steps to enhance our businesses in ways that should generate sustainable growth and enable us to reward stakeholders for their long-standing confidence in us.

At Jason Marine, we have always prided ourselves on being the partner of choice for customers, suppliers and principals alike. With our global customer base, we continue to strengthen our standing by addressing their every need, seeking out distinctive products that can be melded into high-powered solutions for their vessels. With our suppliers and principals, we work to cement ties by matching their technologies and solutions with the right customers and helping them realise the full potential of their products, building lasting relationships that benefit both.

One notable investment made in the past year to further these ends was our 51%-owned joint venture with Norway's Baze Technology AS to distribute and service its industry-acclaimed multi-platform infotainment systems in the Asia-Pacific.

This strategic alliance will allow Jason Marine to extend its reach across both markets and geographies, while boosting our technical capabilities. Also set to extend our market reach, as well as tap new opportunities in South Korea, is our 51%-owned joint venture with e-MLX Co., Ltd (e-MLX) to distribute and service communication, navigation and automation systems, largely for the local market. e-MLX is engaged in hydrography and navigation via the production, distribution and application of electronic navigational charts, navigational equipment and aids for safe and sound navigation.

In addition, the Group has acquired stakes in firms whose businesses will augment our product range and grow our global footprint – including 17.69% in e-MLX and 9% in Rockson Automation GmbH (Rockson). Based in Germany, Rockson develops and services customised hardware and software ccomponents, as well as automation solutions for the maritime sector.

All these initiatives – funded entirely from internal resources – are in line with strategic plans to expand our product offering and extend our distribution network. This commitment, as well as a viable blueprint for growth while maintaining the highest service standards, was recognised at the Singapore Prestige Brand Awards 2010 as Jason Marine became one of seven local firms to be hailed as a Heritage Brand.

True to these goals, our focus remains on identifying ways to consolidate our footing as a leading provider of marine electronics solutions and hone the qualities that have kept us ahead of the pack. Currently, the Group has net cash of slightly over S$7 million in hand, which we will deploy as needed to execute our agenda for growth.

Looking Ahead

At Jason Marine, we firmly believe that the way forward is to sharpen the skills and enhance the strengths that have brought us thus far. One is our proven ability to forge enduring connections between businesses, technologies and people that create winning solutions for all. If we want to succeed in what promises to be a hard-won fight for a pole position in the industry, we have to entrench ourselves as the preferred partner on every front, with our customers and suppliers as well as our own people on the ground.

Customers will choose Jason Marine as we continue to demonstrate that their needs come first. Suppliers and principals will choose us for our distribution network and understanding of the region as we channel them to customers who will create new markets for their products. As the nexus that connects these diverse businesses and technologies, we need to rely on the commitment and expertise of our staff, which is why we have always striven to help them fulfil their potential and build a legacy for themselves in a company they can be proud of.

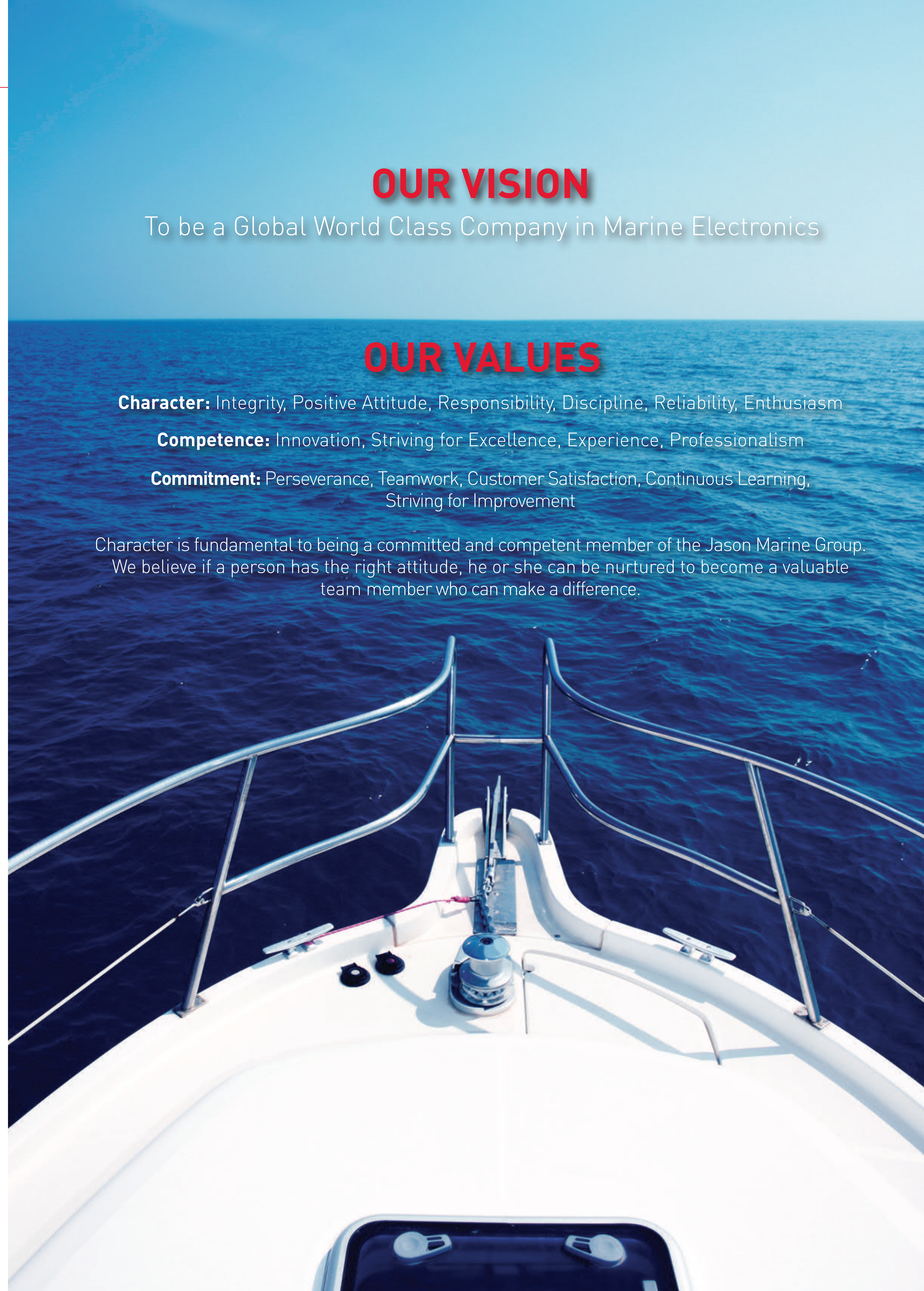
These combined strengths give us an advantage that will help us triumph over the adversities ahead and secure our place as a leading marine solutions provider in Asia and beyond.

Acknowledgments

On behalf of the Board, I wholeheartedly thank everyone who has played a part in building Jason Marine into what it is today, for their steadfast support through good times and bad.

The faith that our shareholders, customers and suppliers have shown in us has given us the confidence to ride out the tough spells and remain riveted on erecting new cornerstones for growth. To our staff and senior management, we are deeply indebted to them for their dedication and perseverance, which have helped us overcome hurdles and assert our targets for the future from a position of strength.

Joseph Foo
Executive Chairman



BOARD OF DIRECTORS

Mr Foo Chew Tuck
Executive Chairman

Mr Foo Chew Tuck
Executive Chairman

Mr Foo Chew Tuck, 60, is our Executive Chairman and the founder of the Group. He was appointed to our board on 9 September 2007. He has been an executive director of Jason Electronics (Pte) Ltd, now a full subsidiary of the Group, since its incorporation in 1978. He determines the overall strategic and expansion plans for the Group, and is responsible for its overall business development and general management. He has more than 30 years of experience in the marine electronics business. Before setting up Jason Electronics, he was a sales executive with Port & Marine Services Pte Ltd.

Mr Foo obtained a diploma in marketing from The Chartered Institute of Marketing in the UK in 1987. He later attended Oklahoma City University, where he obtained a bachelor of science in 1988 and a master of business administration in 1992. Mr Foo is a full member of the Singapore Institute of Directors.

Mr Tan Lian Huat
Chief Executive Officer

Mr Tan Lian Huat
Chief Executive Officer

Mr Tan Lian Huat, 58, is our Chief Executive Officer (CEO) and was appointed to the board on 9 September 2007. He has been a director of Jason Electronics (Pte) Ltd since 1982. He is responsible for the daily management and operations of the Group, and also oversees its strategies and growth. He has been instrumental in initiating and executing the penetration of new markets for our business. Before joining the Group in 1981, he was a production manager at a crystal manufacturing plant that also serviced the marine communication equipment industry.

Mr Tan obtained a diploma in marketing and sales management from the National Productivity Board in 1984, a diploma in marketing from the Marketing Institute of Singapore in 1987 and a master of business administration in strategic marketing from the University of Hull in the UK in 1993. He is a member of the Singapore Quality Institute, a fellow member of The Chartered Institute of Marketing in the UK, a management committee member of the Singapore Productivity Association and a full member of the Singapore Institute of Directors.

Mr Eugene Wong Hin Sun
Non-Executive Director

Mr Eugene Wong Hin Sun
Non-Executive Director

Mr Eugene Wong Hin Sun, 43, is a non-independent, non-executive director of the Group, having been appointed to the board on 15 September 2009. He founded Sirius Venture Consulting Pte Ltd, a venture consulting and venture capital company, in September 2002, and has been its managing director since its incorporation. He also serves as a non-executive director of Ajisen (China) Holdings Limited, listed on Hong Kong Exchange & Clearing Limited (HKEx); and Japan Foods Holding Ltd., listed on the Catalist board of the Singapore Exchange (SGX-ST).

Mr Wong graduated from the National University of Singapore with a bachelor of business administration (first-class honours) in 1992, and earned a master of business administration from the Imperial College of Science, Technology and Medicine at the University of London in 1998. He also obtained a certificate of participation in the Executive Program for Growing Companies from the Stanford Graduate School of Business in 2002. In 2011, Mr Wong completed the Owners President Management Program from the Harvard Business School. He has been qualified as a chartered financial analyst since 2001, and is a member of the Institute of Directors in Singapore as well as the UK.

Mrs Eileen Tay-Tan Bee Kiew
Independent Director

Mrs Eileen Tay-Tan Bee Kiew
Independent Director

Mrs Eileen Tay-Tan Bee Kiew, 58, is an independent non-executive director of the Group, having been appointed to the board on 15 September 2009. She has more than 35 years of experience in areas such as accounting, auditing, taxation, public listings, due diligence, mergers and acquisitions, and business advisory. She began her career in 1974 as an audit assistant with Turquand Young (now known as Ernst & Young). From 1991 to 2002, she was a partner at KPMG. From 2002 to 2006, she served as a director of several companies, both private and publicly listed, in Singapore and Australia. She is currently an independent director of Spice i2i Ltd., which is listed on SGX-ST, and the chairman of its audit committee.

Mrs Tay graduated from the University of Singapore in 1974 with a bachelor of accountancy (honours). She is a fellow member of the Institute of Certified Public Accountants of Singapore (ICPAS), the Chartered Institute of Management Accountants (CIMA) in the UK and CPA Australia, as well as a Licentiate of Trinity College London.

Mr Sin Hang Boon
Independent Director

Mr Sin Hang Boon
Independent Director

Mr Sin Hang Boon @ Sin Han Bun, 72, is an independent non-executive director of the Group, having been appointed to the board on 15 September 2009. He has more than 40 years of experience in the telecommunications industry. He began his career in 1960 as a trainee engineer with the Singapore Telephone Board (which was eventually reorganised into today's SingTel). He was vice-president of SingTel's business communications group before being seconded to Belgacom S.A. in Belgium, where he served as its general manager for global alliances in 1996, and its general manager for group strategy and development from 1997 to 1998. He returned to SingTel in 1999 and served as CEO of SingTel International, the company's strategic investment arm, until his retirement in 2002. After he retired, he continued to serve on the boards of some of SingTel's overseas joint-venture firms until 2004. Currently, he is the director of several companies, including Spice i2i Ltd.

Mr Sin graduated from Nanyang University in 1959 with a bachelor of science in physics. He also obtained a diploma in business administration from the University of Singapore in 1973, and attended the Advanced Management Program at the Harvard Graduate School of Business Administration in 1993.

SENIOR MANAGEMENT

Mr James Tan Peng Huat
Chief Operating Officer

Mr James Tan Peng Huat
Chief Operating Officer

Mr James Tan Peng Huat is our Chief Operating Officer. He joined our Group in 2007 as the operations manager of Jason Electronics (Pte) Ltd, and has since progressed to assume his current role in 2010, overseeing the Logistics, Purchasing, Projects, Service, Technical and Training departments. Armed with over 40 years of experience in operations, he has helped to restructure and improve overall processes to all departments, raising efficiency, performance and coordination across the Group, including assimilating the SAP system for the Group in 2010.

Before joining our Group, he was a consultant for two companies in Kuala Lumpur, serving as an operations director for a wireless broadband company in 2004, and a voice-over-IP telephony company from 2006 to 2007. He was general manager and operations director for IPC Corporation Ltd, a public-listed company in Singapore, from 1993 to 2003; and General Automation (S) Pte Ltd, a wholly owned subsidiary of California-based General Automation Inc, from 1978 to 1993.

Mr Tan holds a diploma in business administration from the National Productivity Board, a diploma in telecommunication and electronics from the Singapore Polytechnic, and a full technological certificate in electronics and communications from the City & Guilds of London Institute in the UK.

Ms Foo Hui Min
Chief Financial Officer

Ms Foo Hui Min
Chief Financial Officer

Ms Foo Hui Min is our Chief Financial Officer. She joined our Group in March 2008, and is responsible for overseeing all accounting, financial and corporate secretarial matters related to our Group. Before joining our Group, she was the financial controller of Total Automation Pte Ltd from June 2006 to March 2008. She joined Total Automation Ltd (now known as Maveric Limited), a company listed on the SGX-ST, in October 1998 until June 2006, when it transferred all its business to Total Automation Pte Ltd pursuant to a restructuring exercise. Her last position with the company was financial controller. She also served as the company secretary of Total Automation Pte Ltd and some of its subsidiary companies.

Ms Foo obtained a bachelor of science with a major in economics from the National University of Singapore in 1998. She also holds a professional accounting qualification from the Association of Chartered Certified Accountants (ACCA) in the UK. She is a certified public accountant (CPA Singapore), a fellow member of the ACCA and a member of the Institute of Certified Public Accountants of Singapore (ICPAS). She obtained a master of business administration from the University of Manchester in the UK in 2011.

CORPORATE CALENDAR

APR 2010

Established Jason Korea Co., Ltd, a 51%-owned joint venture company in South Korea

MAY 2010

Announced full year results ended 31 March 2010 (25 May)

JUL 2010

FY2010 Annual General Meeting (23 July)

NOV 2010

Announced half-year results ended 30 September 2010 (10 November)

Awarded Singapore Prestige Brand 2010 (Heritage Brand)

JAN 2011

Established Baze Marine & Offshore Pte. Ltd., a 51%-owned joint venture company in Singapore

Acquired 9% stake in Rockson Automation GmbH, a Germany-based enterprise

APR 2011

Participated in SEA Asia Exhibition (12 – 14 April)

MAY 2011

Raised stake in South Korean-based e-MLX Co., Ltd from 12.5% to 17.69%

Announced full year results ended 31 March 2011 (25 May)

We combine technical expertise and intimate knowledge of our customers to mould diverse products into powerful shipboard systems that answer their every need.

CONNECTING TECHNOLOGIES

OPERATIONS REVIEW

FY2011 in Review

The global downturn continued to have a lagged effect on both local and international ship owners and operators, which resulted in fewer shipbuilding projects. The softened demand, coupled with the delayed deliveries of some newbuilds, made the year a challenging one for Jason Marine.

Revenue, Gross Profit and Net Profit

The Group continues to remain profitable, achieving revenue of S$45.2 million and net attributable profit of S$1.2 million for the financial year ended 31 March 2011 (FY2011) compared to S$4.4 million in FY2010. Gross profit recorded was S$10.8 million, representing a gross profit margin of 23.9% in FY2011, a decrease from S$14.9 million and 28.9% respectively in FY2010, reflecting the competitiveness of the market during the financial year.

The Group's revenue and profit are attributable to three core business segments – the sale of goods, rendering of services and airtime revenue.

“Our People. They enable Jason Marine to deepen ties with customers and supplier partners, working hand-in-hand with the suppliers to devise efficient customised solutions for our customers.”

1. Sale of Goods

The sale of marine communication, navigation and automation systems continues to form the Group's largest business segment, contributing 74.2% of the Group's total revenue.

A competitive environment and the softened demand for new vessels following the global economic crisis resulted in the fall in revenue, gross profit and gross profit margin for the year. Revenue for this segment fell by S$6.0 million or 15.2% year-on-year (yoy) to S$33.5 million for FY2011 from S$39.5 million in FY2010, while gross profit dipped by about S$3.7 million, or 31.1% yoy, to S$8.2 million. Gross profit margin for this segment decreased from 30.2% in FY2010 to 24.6% in FY2011.

2. Rendering of Services

The Group persevered in its efforts to grow its revenue from maintenance services which, despite the competitive operating environment, rose marginally by S$0.1 million to S$10.0 million in FY2011. This represents 22.2% of the Group's total revenue for FY2011.

However, the business segment, which provides maintenance and support services including repair services, warranty coverage, statutory radio survey and annual performance tests for marine electronics systems, saw gross profit decrease by S$0.3 million to S$1.9 million at a gross profit margin of 18.9% compared to 22.0% in FY2010.

3. Airtime Revenue

As part of the Group's provision of total integrated solutions, Jason Marine also sells airtime bandwidth for satellite communication systems. This business segment generated revenue of S$1.6 million for FY2011, making up 3.6% of the Group's revenue, compared with S$2.2 million in the previous year.

Although the gross profit margin improved from 36.6% in FY2010 to 41.7% in FY2011, gross profit decreased by S$0.1 million to S$0.7 million.

Highlights of Cash Flow and Financial Position

In FY2011, Jason Marine continued with their efforts to maintain the Group's healthy financial position. Equity attributable to the owners of the parent increased by S$1.2 million to S$23.4 million as at 31 March 2011. The Group had cash and cash equivalents of S$9.4 million as at the end of the financial year, with borrowings of S$2.3 million, comprising S$2.2 million in trust receipts and S$0.1 million in finance lease payables.

The Group generated net cash from operating activities before working capital changes of S$1.4 million in FY2011. Net cash used in working capital amounted to S$5.5 million which was mainly due to the increase in trade and other receivables of S$9.1 million, offset by increase in trade and other payables of S$3.2 million, decrease in prepayments of S$0.2 million and decrease in inventories of S$0.1 million. After payment of income tax, the net cash used in operating activities came to S$5.2 million for the financial year.

The net cash used in investing activities was S$1.0 million in FY2011. This was due mainly to the purchase of plant and equipment and acquisition of intangible asset of S$1.0 million as the Group had invested in a new enterprise resource planning system. Cash used for the investment in associates and acquisition of available-for-sale financial asset totalling S$0.2 million relates to the share capital increase in associate iProMar (Pte.) Ltd., and acquisition of a 9% shareholding in Rockson Automation GmbH. The Group received cash totalling S$0.2 million due to the issue of shares to non-controlling interests, proceeds from sale of assets, and receipt of dividends and interest during FY2011.

The net cash generated from financing activities for FY2011 was S$2.1 million. This was due mainly to the proceeds from borrowings.

The Group ended the year with a net cash and cash equivalents balance of S$7.1 million.

Strategic Investments to Strengthen Supplier Relationships

The Group has grown from a modest repairer of marine electronics equipment in 1976 into a regional integrator of high-powered systems for this segment today. This growth is founded on the strategic partnerships we have forged over the years, backed by consistent efforts to enrich our portfolio with new products and capabilities.

a) **Our Principals.** These supplier partners have helped us expand our product range and technical expertise, broadening the scope and variety of projects we take on.

b) **Our Customers.** Every one of these valued clients has helped us achieve excellence as we worked to identify and meet their needs.

c) **Our People.** They enable Jason Marine to deepen ties with customers and supplier partners, working hand-in-hand with the suppliers to devise efficient customised solutions for our customers.

To drive the next phase of growth, we need to proactively bring customers relevant products and technologies that will enable them to operate in a more effective and cost-efficient manner. This focus will in turn bring added value to our services, set us apart from our competitors and hone our winning edge even in a keenly competitive market.

We have taken steps to cement our relationships with suppliers through either taking stakes in their businesses or entering into joint ventures with them. Although these efforts will take time to bear fruit, we believe they will take us closer to our vision of becoming one of Asia's top marine electronics solution providers over the long term, with a strong regional presence in key markets.

1) Joint Ventures

In April 2010, the Group took a decisive step to add South Korea to its regional operations in Singapore, Malaysia, Thailand, Indonesia and the People's Republic of China through a joint venture with e-MLX Co., Ltd. The new firm, 51%-owned Jason Korea Co., Ltd, will strengthen the Group's presence in the region.

In January 2011, the Group sealed another joint venture, this time with Norway-based Baze Technology AS (Baze), which will see 51%-owned Baze Marine & Offshore distribute and service BazePort® infotainment products across Asia. The sophisticated multi-platform offering provides voice, video and data infotainment systems for the maritime sector that cover a diverse range of services – including IPTV (Internet protocol TV), video, telephony, Web access, e-mail, data transfer and information publication – all on a single terminal. We hope to work closely with Baze to extend our reach to new sectors and markets.

2) Strategic Investments

In January 2011, we acquired a 9% stake in a Germany-based supplier of maritime automation solutions and services, Rockson Automation GmbH. Having thus strengthened our relationship with Rockson, we are now able to include its full suite of customised hardware and software components for the maritime sector in our solutions to customers.

In May 2011, the Group completed a subscription for additional redeemable convertible preference shares (RCPS) in e-MLX. When fully converted, these holdings would give the Group a stake of 17.69% in e-MLX on an enlarged share capital basis. This investment has helped us forge stronger links with a key partner in South Korea.

Business Continuity Management

Demonstrating its commitment to enhancing corporate resilience, Jason Marine took steps to be certified for business continuity management (BCM) under both the SS540 and BS25999 standards.

SS540 is a Singapore standard that establishes a framework in which organisations can successfully implement strategies and processes designed to increase business resilience and protect critical assets, as well as expedite the recovery of vital business functions.

Developed by the British Standards Institution (BSI), BS25999 seeks to establish and specify requirements for implementing and operating a documented and independently audited BCM system. Entailing a multi-stage process, certification to this standard is available from bodies duly authorised by the United Kingdom Accreditation Service (UKAS). After an organisation receives the initial certification, a series of surveillance visits is made to ensure that it is complying with the BCM standards specified.

For the purpose of adopting these standards, a selected number of our staff was first trained and qualified as Business Continuity Certified Planners. Armed with the requisite knowledge and an awareness of BCM, they began to review and implement processes for a robust BCM framework. This was successfully trialed and tested. Independent auditors, satisfied with the framework and infrastructure that the Group has put in place to ensure business continuity, will be recommending Jason Marine for the above certifications.

New Enterprise Resource Planning System for Operational Efficiencies

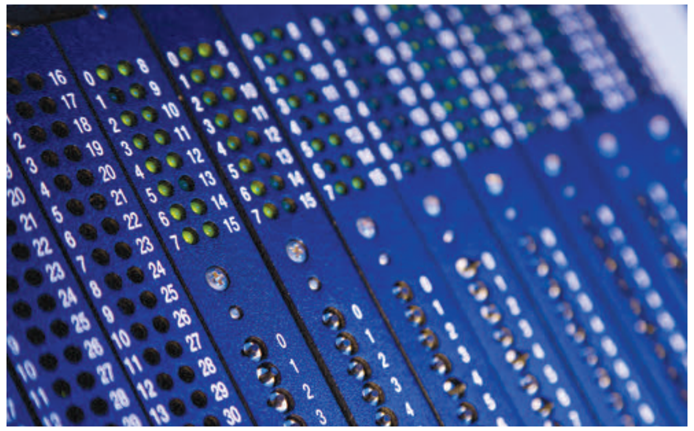
The Group invested in a new enterprise resource planning (ERP) system known as the SAP, which was put into operation from November 2010. With this SAP system, the Group is expecting to reap benefits of improved operational efficiencies due to the integrated process flow between departments, as well as having tighter internal control due to the approval processes built within the system.

Our Future

The Group's net cash balance stood at more than S$7 million as at 31 March 2011. This sum will be carefully managed to achieve sustainable returns for our stakeholders over the long term. We are ready to move ahead with plans for the future, fashioning state-of-the-art systems and developing personalised services that will allow our customers to enhance their businesses as our people continue to deliver in innovation, expertise and quality.

The Group remains positive on the long-term prospects of the marine and offshore sector, and is taking steps to ensure that Jason Marine is ready to ride the crest once the industry recovery gains pace.

> “The Group remains positive on the long-term prospects of the marine and offshore sector.”



Occupational HEALTH & SAFETY

Potential Risks for Field Engineers

Marine engineers are exposed to a wide range of risks during the course of their work. Within our workshops, we are able to create a safe working environment for them. However, when they are out in the field commissioning a system aboard a vessel, the hazards can be unpredictable and beyond our direct control.

For instance, engineers are sometimes required to climb or move from one vessel to another while carrying bulky cases containing tools and spare parts. At other times, when they are sent to troubleshoot problems at sea, the weather can turn nasty at a moment's notice, making their work more hazardous. There are also instances when they face the risk of pirate attacks or upheavals stemming from civil disputes.

Risk Assessment

As part of efforts to implement an industry-wide standard aimed at reducing risks at the source, encouraging industry stakeholders to take greater ownership of hazard management, and spotlighting the need to improve workplace safety outcomes and systems, Singapore's Workplace Safety and Healthy Council has been actively canvassing for shipyards and contractors to be certified at bizSAFE level 2 or 3.

In 2009, Jason Marine successfully attained certification at bizSAFE level 3, signifying that the Group's risk management system has effectively established relevant and safe work procedures for all our operations. To help the company obtain this certification, our senior executives underwent bizSAFE workshops for Top Management conducted by approved bizSAFE service providers.

Preventive Measures

At Jason Marine, we take the safety of our employees very seriously. The Group has therefore invested substantial resources in instituting preventive measures designed to minimise risks identified during assessment exercises. Below are some examples of the measures put in place.

- **Safety Training and Briefings**

To continually remind our engineers of the need to be on the alert so as to minimise the risks they face in the field, safety concerns are tabled as a fixed part of the agenda at every monthly department meeting. We also ensure that all our engineers are given the necessary safety training for the specific tasks they perform.

- **Personal Protective Equipment**

All our engineers are required to wear personal protective equipment (PPE) such as safety goggles, helmets, boots and harnesses while on the job.

- **Field Assessment**

Before our engineers are assigned for overseas duty, our support teams will gather all pertinent information about the work site and the surrounding environment to ensure that the location is not subject to hazards such as civil disputes or pirate attacks.

AWARDS & ACCOLADES

Total Defence Award (Meritorious Defence Partner) – Ministry of Defence

In July 2010, Jason Electronics (Pte) Ltd, the Group's wholly-owned subsidiary, was conferred the Total Defence Award forms part of a broad-based scheme under which Singapore's Ministry of Defence recognises employers who have shown strong support for the nation's defence objectives. Each year, recipients are honoured for the contributions they have made to the cultivation of a robust defence force through their willingness to rally behind Singapore Armed Forces (SAF) policies.

Singapore Prestige Brand Award (Heritage Brand) – ASME and Lianhe Zaobao

Jointly organised by the Association of Small and Medium Enterprises (ASME) and Lianhe Zaobao, the Singapore Prestige Brand Award (SPBA) is held annually to recognise and honour Singapore companies that have demonstrated adroit development and effective management of their branding initiatives. Now into its ninth year, the widely recognised awards assess entrants in five major categories that provide a yardstick against which they can benchmark their brand equity against what their industry peers have achieved. The 2010 awards drew 138 competitors in all.

Under the Heritage Brand category, the SPBA pays tribute to local firms that have embraced exceptional brand practices for more than 30 years. Jason Electronics (Pte) Ltd was among just seven Singapore companies judged worthy of the tributes for 2010, based on their development and performance, brand heritage and identity, as well as strategic blueprint.

> "Jason Electronics (Pte) Ltd was among just seven Singapore companies judged worthy of the tributes for 2010, based on their development and performance, and brand heritage and identity, as well as strategic blueprint."

We marry talent, skill and commitment with the finest in training, practices and facilities, helping people to stay riveted on their goals.

CONNECTING PEOPLE

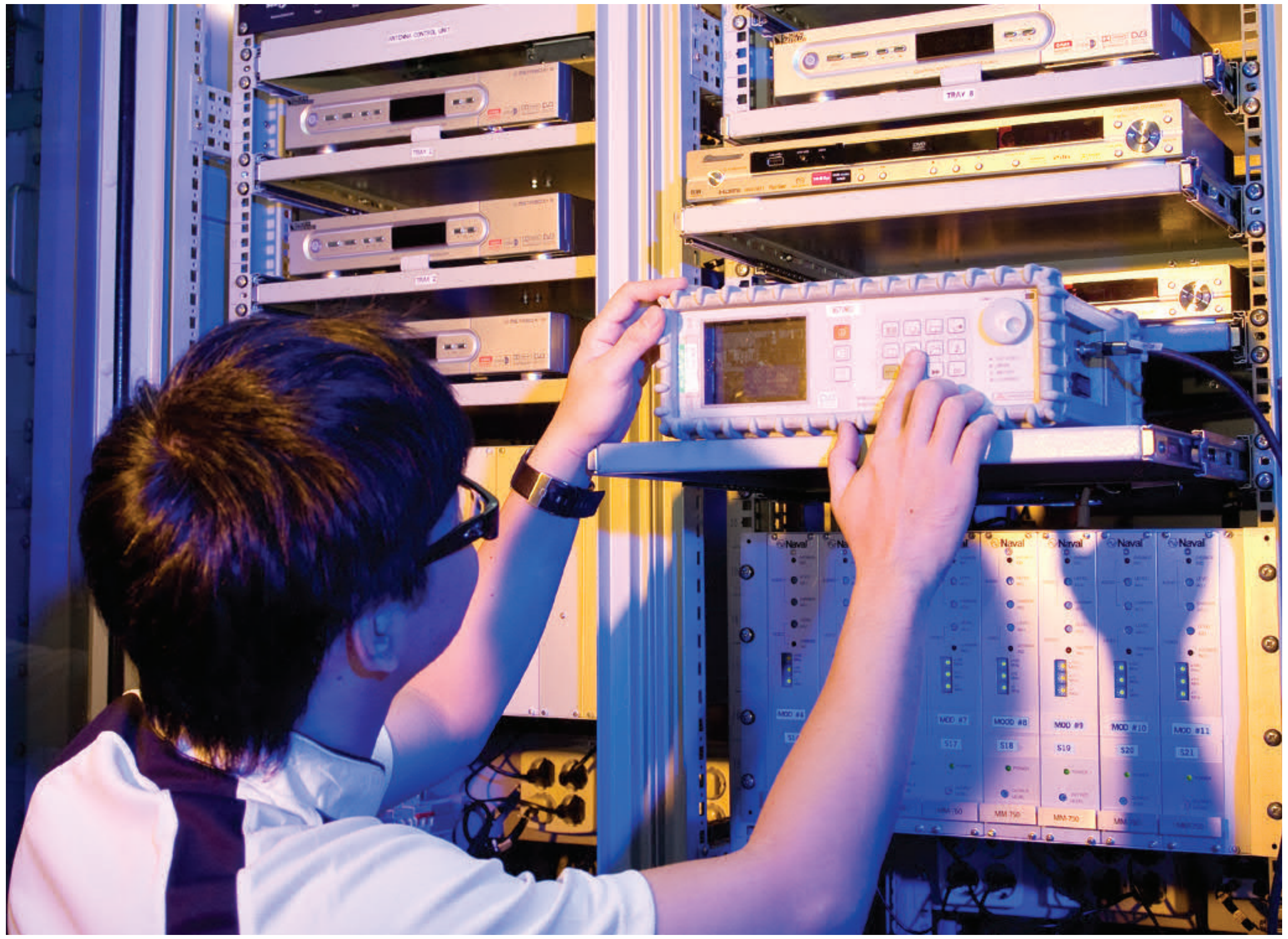
HUMAN RESOURCES

An organisation is only as good as its people, and at Jason Marine, we recognise this fact. That is why the Group believes it has a mission to attract, develop and retain the best talent in this competitive industry.

To ensure that Jason Marine has the best framework in place to nurture strong performers and retain top talent, we provided 203 training slots for our staff last year, with each participant receiving about 18 hours of training on average.

To augment this scheme, we have also sent our employees for courses conducted by key business partners, in areas such as fleet installation, commissioning and onboard repair. Critical training has been provided for Fleet V2, ECDIS-4000 and BazePort systems as well.

> "An organisation is only as good as its people, and at Jason Marine, we recognise this fact."



CORPORATE SOCIAL RESPONSIBILITY

At Jason Marine, we pour as much zeal and passion into tackling social and environmental challenges as we do into achieving our corporate targets, employing our core skills and expertise to reach one overriding goal – to embrace responsibility for the company's actions and fashion a lasting legacy beyond the corporate arena through activities that have a positive impact on the people around us and the planet we all inhabit.

Foundational Thoughts

- **Planet** – To work unceasingly to find ways to curtail any adverse environmental impact on the planet we inhabit.
- **People** – To have a positive impact on the people around us.

Planet

The world's forests are being depleted at an alarming rate – at about 13 million hectares (an area the size of Greece) a year from 1990 to 2005 – so Jason Marine firmly believes that corporations must play a meaningful role in protecting the environment by setting the right example through responsible business practices.

Taking its first step in this direction, Jason Marine introduced environmentally friendly initiatives within the organisation during the year. For instance, since June 2010, a new policy has encouraged staff to place used paper into designated recycling bins. To-date, Jason Marine has accumulated more than 300kg worth of such paper, which the Group conscientiously sends for recycling every quarter.

People

Working alongside an independent non-governmental humanitarian charity based in Singapore – Jason Marine aims to provide timely and effective assistance to communities struck by disasters, both locally and abroad.

> "Jason Marine firmly believes that corporations must play a meaningful role in protecting the environment by setting the right example through responsible business practices."

FINANCIAL HIGHLIGHTS

Results of Operations (S$'000)

	FY2011	FY2010**	FY2009**	FY2008	FY2007
Revenue	45,169	51,522	70,880	58,722	40,683
Gross profit	10,803	14,884	17,623	14,533	9,395
Profit before income tax	1,386	5,394	7,721	4,127	1,911
Profit attributable to owners of the parent	1,234	4,353	6,347	3,332	1,601
Earnings per share (cents)*	1.16	4.11	5.99	3.14	1.51

* For comparative purpose, earnings per share of the Group for the financial years shown were computed based on 106,000,000 ordinary shares in issue as at 31 March 2011.

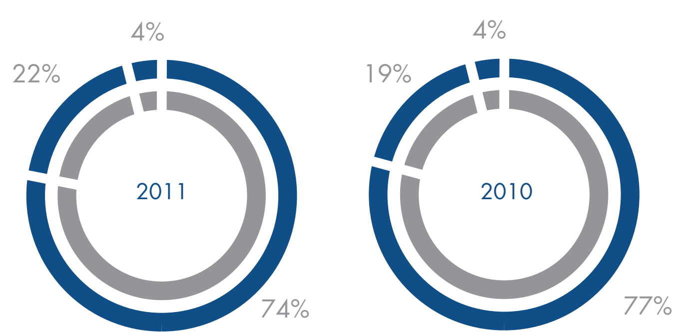
Financial Position (S$'000)

	31 March ended				
	FY2011	FY2010**	FY2009**	FY2008	FY2007
Non-current assets	2,685	1,856	1,610	1,008	1,251
Current assets	36,388	31,440	34,511	29,672	21,271
Current liabilities	15,564	11,036	21,177	22,093	12,321
Non-current liabilities	80	74	134	121	68
Capital and reserves	23,429	22,186	14,810	8,466	10,133
Net asset value per share (cents)*	22.10	20.93	13.97	7.99	9.56

* For comparative purpose, net asset value per share of the Group for the financial years shown were computed based on 106,000,000 ordinary shares in issue as at 31 March 2011.
** Restated due to change in costing method for inventories from "first-in, first-out" basis to "weighted average" basis.

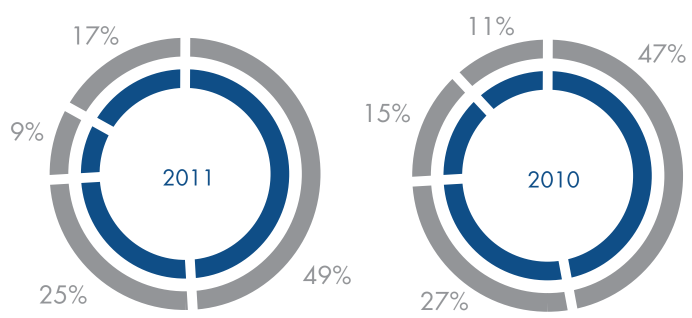
Segmental Revenue by Business and Geographical Segments

Revenue by Business Segment



	FY2011	FY2010
Sale of goods	74%	77%
Rendering of services	22%	19%
Airtime revenue	4%	4%

Revenue by Geographical Segment



	FY2011	FY2010
Singapore	49%	47%
People's Republic of China	25%	27%
Southeast Asia other than Singapore	9%	15%
Others	17%	11%

CORPORATE INFORMATION

Board of Directors

Foo Chew Tuck (Executive Chairman)
Tan Lian Huat (Chief Executive Officer)
Wong Hin Sun Eugene (Non-executive Director)
Sin Hang Boon @ Sin Han Bun (Independent Director)
Eileen Tay-Tan Bee Kiew (Independent Director)

Audit Committee

Eileen Tay-Tan Bee Kiew (Chairman)
Sin Hang Boon @ Sin Han Bun
Wong Hin Sun Eugene

Nominating Committee

Sin Hang Boon @ Sin Han Bun (Chairman)
Eileen Tay-Tan Bee Kiew
Wong Hin Sun Eugene

Remuneration Committee

Sin Hang Boon @ Sin Han Bun (Chairman)
Eileen Tay-Tan Bee Kiew
Wong Hin Sun Eugene

Company Secretaries

Pan Mi Keay
Foo Hui Min

Registered Office

194 Pandan Loop
#06-05 Pantech Business Hub
Singapore 128383
Tel: +65 6872 0211
Fax: +65 6872 1800
Website: www.jason.com.sg

Share Registrar

B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

Independent Auditors

BDO LLP
Public Accountants and
Certified Public Accountants
19 Keppel Road
#02-01 Jit Poh Building
Singapore 089058
Partner-in-charge: Leong Hon Mun Peter
(Appointed since financial year ended 31 March 2010)

Principal Bankers

CIMB Bank Berhad, Singapore Branch
Citibank,N.A., Singapore Branch
Bank of China Limited, Singapore Branch

Sponsor

CIMB Bank Berhad, Singapore Branch
50 Raffles Place
#09-01 Singapore Land Tower
Singapore 048623

SERVICE CENTRES

Singapore

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Fax: +65 6872 1800
Email: service@jason.com.sg

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Email: sales@jason.com.sg

People's Republic of China

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16H New Shanghai City Building
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Shanghai 200002
People's Republic of China
Tel: +86 (21) 6337 5966/67/68
Fax: +86 (21) 6337 5969
Email: chinasales@jason.com.sg

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Jason Electronics (Thailand) Co., Ltd
113/6 Soi Latplakhao
24, Kaset-Nawamin Rd
Jorakhae-bua, Latphrao
Bangkok 10230
Thailand
Tel: +66 2553 2290/91
Fax: +66 2553 2292
Email: sachja@jasonthai.com

Jason Marine Group Limited

CORPORATE GOVERNANCE REPORT AND FINANCIAL SECTION

CONTENTS

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of the annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact persons for the Sponsor are Mr Yee Chia Hsing, Head, Catalist / Mr Benjamin Choy, Director, Corporate Finance. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 63375115.

CORPORATE GOVERNANCE REPORT

The Board and Management of Jason Marine Group Limited (the "Company") are strongly committed to high standards of corporate governance which are essential to the stability and sustainability of the Group's performance, protection of shareholders' interests and maximisation of long-term shareholder value.

This Report describes the Company's corporate governance practices during the financial year 2011 with specific reference to the revised Code of Corporate Governance 2005 (the "Code").

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The primary function of the Board is to protect shareholders' interests and enhance long-term shareholder value and returns.

Besides carrying out its statutory responsibilities, the Board's other roles are to:

- provide entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- establish a framework of prudent and effective controls which enables the identification, assessment and management of risks;
- review management performance and set the Company's values and standards to ensure that obligations to the shareholders and others are met;
- approve major investment funding and major increase or decrease in a subsidiary company's capital;
- approve the nominations of Board Directors and appointments to the various Board committees; and
- provide oversight in the proper conduct of the Company's business and assume responsibility for corporate governance.

The Board is of the view that it has taken objective decisions in the interests of the Company.

To assist the Board in the execution of its responsibilities, Board committees, namely, the Audit, Nominating and Remuneration Committees which are headed by Independent Directors, have been established and delegated with certain functions. Further details of the scope and functions of the various committees are provided under the sections on Principles 4, 5, 7, 8 and 11 of this Report.

The Board meets at least half-yearly prior to the announcements of the Group's half-yearly results and as warranted by circumstances. Ad-hoc meetings are convened as and when deemed necessary.

The Company's Articles of Association provide for Board meetings by means of conference telephone, video conferencing, audio-visual or other electronic means of communication.

CORPORATE GOVERNANCE REPORT (Continued)

The attendance of the Directors of meetings at the Board and Committees during the financial year ended 31 March 2011 is tabulated below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of meetings	3	2	1	1
Number of meetings attended by respective directors:				
Executive Directors:				
Mr Foo Chew Tuck	3	N/A	N/A	N/A
Mr Tan Lian Huat	3	N/A	N/A	N/A
Non-Executive Director:				
Mr Wong Hin Sun Eugene	3	2	1	1
Independent Directors:				
Mr Sin Hang Boon	2	1	1	1
Mrs Eileen Tay-Tan Bee Kiew	3	2	1	1

N/A – Not Applicable

The Company Secretary attends all Board and Committee meetings and ensures that all Board procedures are followed and applicable rules and regulations are complied with.

The Company has a Document Approval Authority matrix which sets the authorisation and approval limits for various transactions such as sales quotation, purchase requisition and credit note requisition. Apart from matters that specifically require the Board's approval, such as the issue of shares, dividend distributions, and other returns to shareholders, the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Executive Directors and Management so as to optimise operational efficiency.

The Company will ensure that newly-appointed Directors are given guidance and orientation (which may include management presentation) which will allow the Directors to understand the Group's business operations, strategic directions and policies, corporate functions and governance practices. If necessary, on-site visits to the Group's local and overseas places of operation will be arranged. Upon appointment, they will also be provided with formal letters, setting out their duties and obligations.

In addition, continuous and on-going training programmes are made available to our Directors, including participation of courses on directors' duties and responsibilities as well as seminars and talks on relevant subject fields.

The Directors are conscious of the importance of the continuing education in areas such as legal and regulatory responsibility and accounting issues, so as to update and refresh themselves on matters that affect their performance as a Board, or as a Board Committee Member. Accordingly, further training for Directors will extend to relevant new laws, regulations and changing commercial risks from time to time.

The Non-Executive Directors (including Independent Directors) have experience in being a director of listed companies. There has been no change in the Board members since the Company's initial public offering.

CORPORATE GOVERNANCE REPORT (Continued)

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board comprises five Directors, out of whom two are Independent Directors, one is a Non-Executive Director and two are Executive Directors. The Independent Directors chair all the Board Committees, which play a pivotal role in supporting the Board.

The Nominating Committee ("NC") determines annually if a Director is independent in accordance with the Code's definition of "independent director" and guidance as to the existence of relationships which would deem a Director not to be independent, as specified in the Code. The Company also requires independence from the Major Shareholder in order to be considered a Director independent. In addition, the Independent Directors also review and confirm their independence on a yearly basis.

The NC is of the view that the Board has the requisite blend of expertise, skills and attributes to oversee the Company's business. Collectively, they have competencies in areas which are relevant and valuable to the Group, such as accounting, corporate finance, business development, management, sales and strategic planning. In particular, the Executive Directors have many years of experience in the industries that the Group operates in.

The NC considers the Board's present size is adequate for effective debate, strategic decision-making and in exercising accountability to shareholders and delegating authority to Management, taking into account the nature and scope of the Company's operations. As the Company's activities continue to grow, the Nominating Committee will continuously review the composition of the Board so that it will have the necessary competency to be effective.

The Non-Executive Directors (including the Independent Directors), provide constructive advice on the Group's strategic and business plans. They also review the performance of the Group and the effectiveness of the Board's processes and activities in meeting set objectives. The Non-Executive Directors (including the Independent Directors) meet at least once a year without the presence of the Management.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company adopts a dual leadership structure, where there is a separate Chairman and Chief Executive Officer ("CEO") on the Board. The Executive Chairman of the Company, Mr Foo Chew Tuck determines the overall strategic and expansion plans, and is responsible for the overall business development and general management of our Group. The CEO, Mr Tan Lian Huat is responsible for the daily management and operations as well as the overseeing of our Group's strategies and growth. The Executive Chairman and CEO are not related.

The Chairman's duties include:

- leading the Board to ensure its effectiveness on all aspects of its role and setting its agenda;
- ensuring accurate, timely and clear information flow to the Directors;
- ensuring effective shareholder communication;
- encouraging constructive relations between the Board and Management;
- facilitating effective contribution of Non-Executive Directors;
- encouraging constructive relations between Executive Directors and Non-Executive Directors; and
- promoting high standards of corporate governance.

The Company will consider the necessity of appointing a lead independent director in the future after taking into account factors such as the board structure and size.

CORPORATE GOVERNANCE REPORT (Continued)

PRINCIPLE 4: BOARD MEMBERSHIP

The appointment of new Directors to the Board is recommended by the NC which comprises three Directors, namely, Mr Sin Hang Boon (Chairman of the NC), Mrs Eileen Tay-Tan Bee Kiew and Mr Wong Hin Sun Eugene. Except for Mr Wong Hin Sun Eugene, the other members are Independent Directors.

In accordance with the definition in the Code, the Chairman of the NC is not directly associated with a substantial shareholder of our Company.

The principal functions of the NC, regulated by written terms of reference and undertaken by the NC during the year, are as follows:

- establishing the terms of reference for NC;
- re-nominating Directors and determining annually the independence of Directors;
- deciding the assessment process and implementing a set of objective performance criteria to be applied from year to year for evaluation of the Board's performance; and
- evaluating the Board's effectiveness as a whole and each Director's contribution to its effectiveness in accordance with the assessment process and performance criteria adopted.

The NC leads the process and makes recommendations to the Board for the selection and approval of new Directors as follows:

a) NC evaluates the balance of skills, knowledge and experience on the Board and, in the light of such evaluation and in consultation with Management, prepares a description of the role and the essential and desirable competencies for a particular appointment;

b) where necessary, external help may be used to source for potential candidates. Directors and Management may also make suggestions;

c) NC meets with short-listed candidates to assess their suitability and to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and

d) NC makes recommendations to the Board for approval.

Under the Articles of Association of the Company, Directors are required to retire at least once in every three years; and one-third of Directors shall retire by rotation at each annual general meeting. The NC assesses and recommends to the Board whether the retiring Directors are suitable for re-election, taking into consideration the range of expertise, skills and attributes of the Board and its composition. The NC also considers the attendance, preparedness, participation and candour of past Directors although re-nomination or replacement does not necessarily reflect the Directors' performance or contributions to the Board.

The NC determines the independence of Directors annually in accordance with the guidelines set out in the Code and the declaration form completed by each Director disclosing the required information. It is of the opinion that the Board is able to exercise objective judgment on corporate affairs independently and that the Board's decision making process is not dominated by any individual or small group of individuals.

The NC also determines annually whether a Director with multiple board representations is able to and has been adequately carrying out his duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director, and the respective Directors' actual conduct on the Board, in making the determination, and is satisfied that all the Directors have been able to and have adequately carried out their duties as Director notwithstanding their multiple board representations.

Key information regarding the Directors is disclosed under the section on "Board of Directors" in this Annual Report.

CORPORATE GOVERNANCE REPORT (Continued)

The dates of first appointment and last re-election of each of the Directors are set out below:

Name of Director	Position in the Board	Date of first appointment	Date of last re-election
Mr Foo Chew Tuck	Executive Chairman	9 September 2007	23 July 2010
Mr Tan Lian Huat	Chief Executive Officer	9 September 2007	7 September 2009
Mr Wong Hin Sun Eugene	Non-executive Director	15 September 2009	23 July 2010
Mr Sin Hang Boon	Independent Director	15 September 2009	23 July 2010
Mrs Eileen Tay-Tan Bee Kiew	Independent Director	15 September 2009	23 July 2010

PRINCIPLE 5: BOARD PERFORMANCE

The NC has implemented a formal board evaluation process in assessing the effectiveness of the Board as a whole and the contribution of each individual Director to the effectiveness of the Board. The objective of the annual evaluation is to identify areas for improvement and to implement appropriate action.

During the financial year, Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board. The results of the appraisal exercise were considered by the NC which then made recommendations to the Board, aimed at helping the Board to discharge its duties more effectively. The appraisal process focused on the following areas of evaluation:

a) Board structure;

b) Board's conduct of meetings;

c) Board's review of corporate strategy and planning;

d) risk management and internal control;

e) whistleblowing matters;

f) measuring and monitoring performance;

g) recruitment and evaluation;

h) compensation for board and key executives;

i) succession planning;

j) financial reporting; and

k) communication with shareholders.

PRINCIPLE 6: ACCESS TO INFORMATION

Board Members are provided with board papers for proposals and are given regular management information prior to each Board meeting and at such other time as necessary. Information provided to the Board includes background information relating to the matters to be brought before the Board. Relevant information on material events and transactions are circulated to Directors as and when they arise. The Board also receives regular reports pertaining to the operational and financial performance of the Group.

The Board members have separate and independent access to the Management as well as the Company Secretary.

The Company Secretary attends all Board meetings and ensures good information flows within the Board and its committees and between Management and Non-Executive Directors. Minutes of the various Board committees are circulated to the whole Board for information.

The Board is fully involved in and responsible for the appointment and removal of the Company Secretary.

Where the Directors, either individually or as a group, in the furtherance of their duties, require professional advice, the Company's Management will assist them in obtaining independent professional advice, at the Company's expense.

CORPORATE GOVERNANCE REPORT (Continued)

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The members of the Remuneration Committee ("RC"), comprising entirely of Non-Executive Directors, are Mr Sin Hang Boon (Chairman of the RC), Mrs Eileen Tay-Tan Bee Kiew and Mr Wong Hin Sun Eugene. Mr Sin Hang Boon and Mrs Eileen Tay-Tan Bee Kiew are Independent Directors.

The RC recommends to the Board a framework of remuneration for the Directors and Management and determines specific remuneration packages and terms of employment for each Executive Director and Management. The objectives of such policy are to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, thereby maximising shareholders' value.

The RC's recommendations in respect of the Directors' remunerations are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options and benefits-in-kind are covered by the RC.

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

If necessary, the RC will seek expert advice inside and/or outside the Company on remuneration of all Directors.

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

Executive Directors do not receive Directors' fees. The performance-related elements of remuneration are designed to align interests of Executive Directors with those of the shareholders and link rewards to the Group's financial performance.

The Executive Directors have each entered into a service agreement with the Company in which the terms of their employment are stipulated. Their initial term of employment is for a period of three years from the date of admission of the Company to the Catalist. After the initial term, their employment will be automatically renewed annually. The service agreements do not contain onerous renewal clauses.

Save in respect of the initial term of the service agreement of the Executive Directors, the service agreement may be terminated by giving six months' prior written notice or an amount equal to six months' salary in lieu of such notice. During the initial term of the service agreement, the notice period or amount payable in lieu of notice is twelve months.

Under the Service Agreement, each of the Executive Directors will be paid an incentive bonus based on the profit before taxation of the Group, when it equals or exceeds S$2,000,000 for the financial year.

Non-Executive Directors are paid a base fee. An additional fee is also paid to Non-Executive Directors for serving on any of the board committees, with the Chairman of each of these committees being paid twice the amount of such additional fee. Such fees are pro-rated if the Directors serve for less than one year. Such fees are subject to approval by the shareholders of the Company at the annual general meeting of the Company.

The Company has adopted the Jason Employee Share Option Scheme (the "Scheme"). The Scheme is exacted to, *inter alia*, align the interests of participants with the interests of shareholders. No option has been granted under the Scheme during the financial year in review. The RC will review the entitlement of directors for benefits under long-term incentive schemes in the future when warranted.

In setting remuneration packages, the Company keeps in mind the pay and employment conditions within the industry and in comparable companies. If required, the Company will engage professional advice to provide guidance on remuneration matters.

CORPORATE GOVERNANCE REPORT (Continued)

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

A breakdown showing the level and mix of the remuneration of the directors during the financial year under review are as follows:

	Fees (%)	Salary (%)	Performance-related Income (%)	Others (%)	Total (%)
Remuneration Band ($500,000 - $749,000)					
Mr Foo Chew Tuck	-	71	27	2	100
Remuneration Band ($250,000 - $499,999)					
Mr Tan Lian Huat	-	68	27	5	100
Remuneration Band (Below $250,000)					
Mrs Eileen Tay-Tan Bee Kiew	100	-	-	-	100
Mr Sin Hang Boon	100	-	-	-	100
Mr Wong Hin Sun Eugene	100	-	-	-	100

The Company does not employ any immediate family of a Director or the Chief Executive Officer.

There are four senior management executives, out of which two are the Executive Directors. The gross remuneration of our senior management executives (excluding Executive Directors) of the Group is as follows:

Annual Remuneration	Name of Executive
Below $250,000	Foo Hui Min
	Tan Peng Huat James

To-date, no share options have been granted pursuant to the Scheme.

CORPORATE GOVERNANCE REPORT (Continued)

PRINCIPLE 10: ACCOUNTABILITY

The Board is responsible for presenting to shareholders a balanced and clear assessment of the Company's performance, position and prospects.

The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the interests of the Company.

Financial reports and other price sensitive information, press releases and presentations made are disseminated to shareholders through SGXNet and are also available on the Company's website at www.jason.com.sg. The Company's annual report is sent to all shareholders and its half-year and full year reports are available on request and accessible at our Company's website.

Management provides the Board with quarterly management accounts that keeps the Board informed of the Group's performance, position and prospects and consists of the consolidated income statement, analysis of sales, operating profit, pre-tax and attributable profit with details given for material items.

PRINCIPLE 11: AUDIT COMMITTEE

The Audit Committee ("AC") comprises three Non-executive Directors, namely its Chairperson, Mrs Eileen Tay-Tan Bee Kiew, Mr Sin Hang Boon and Mr Wong Hin Sun Eugene. Both Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon are Independent Directors.

All members of the AC have extensive management and financial experience. The Board considers them as having sufficient financial management knowledge and experience to discharge their responsibility in the AC.

The AC has full access to, and co-operation from the Management, and has full discretion to invite any Director, executive officer or other persons to attend its meetings. It may require any such Director, officer or other person in attendance to leave the proceedings (temporarily or otherwise) to facilitate open discussion.

The duties and responsibilities of the AC are contained in a written terms of reference, which are mainly to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, business and financial risk management. During the year, the AC performed the following main functions:

a) establishing the whistleblowing policy;

b) recommending to the Board, the re-appointment of the external auditors;

c) reviewing the scope, changes, results and cost-effectiveness of the external and internal audit plan and process;

d) reviewing the Group's half-yearly financial statements and related notes and announcements relating thereto; accounting principles adopted, and the external auditors' report prior to recommending to the Board for approval;

e) reviewing and evaluating, having regard to input from external and internal auditors, the adequacy of the system of internal controls and compliance functions;

f) reviewing the nature, scope, extent and cost-effectiveness of any non-audit services provided by the external auditors and ensuring that these do not affect the independence and objectivity of the external auditors;

g) reviewing any significant financial reporting issues and judgments and estimates made by management, so as to ensure the integrity of the financial statements of the Company;

h) reviewing the effectiveness of the Company's internal audit function; and

i) reviewing the interested person transactions reported by the Management to ensure that they were carried out on normal commercial terms, and are not prejudicial to the interests of shareholders.

The AC has met with the external auditors without the presence of the Company's Management in May 2011.

The AC confirms that it has undertaken a review of non-audit services provided by the external auditors and noted that there were no non-audit services provided by the external auditors that would affect the independence of the external auditors.

CORPORATE GOVERNANCE REPORT (Continued)

The AC has the authority to investigate any matter brought to its attention within its terms of reference, with the authority to engage professional advice at our Company's expense.

Details of the activities of the AC are also provided under Principles 12 and 13 of this Report.

PRINCIPLE 12: INTERNAL CONTROLS

The Board is committed to maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets.

The AC reviews on an annual basis the adequacy of the Company's internal financial controls, operational and compliance controls, and risk management policies and systems established by the Management. The system of internal controls and risk management established by the Company are designed to manage, rather than eliminate the risk of failure in achieving the Company's strategic objectives. Management is involved in regular reviews of the risks that are significant to the fulfilment of the objectives of the business. However, it should be recognised that such systems are designed to provide reasonable assurance, but not an absolute guarantee against material misstatement or loss.

In June 2010, the Company's appointed internal auditor, PricewaterhouseCoopers LLP, has conducted internal audit review based on an agreed scope of review.

The Board is satisfied that existing internal controls, including financial, operational and compliance controls and risk management systems are adequate but will review the adequacy and effectiveness on an on-going basis and address any specific issues or risks whenever necessary.

PRINCIPLE 13: INTERNAL AUDIT

The internal audit function is currently outsourced to PricewaterhouseCoopers LLP, which reports directly to the AC. In the opinion of the Board, PricewaterhouseCoopers LLP meets the standards set out by both nationally and internationally recognised professional bodies.

The internal audit plans are approved by the AC, with the arising audit outcome presented and reviewed by the Management, AC and the Board.

The AC reviews the scope and results of the internal audit and ensures that the internal audit function is adequately resourced. Following the appointment of PricewaterhouseCoopers LLP, the AC is satisfied with the adequacy of the internal functions.

The annual conduct of audits by the internal auditors assists the AC in the assessment of and gives the AC assurance on the adequacy of the Group's internal control procedures.

PRINCIPLE 14: COMMUNICATION WITH SHAREHOLDERS

In line with the continuous disclosure obligations of the Company, pursuant to the Listing Manual of the Singapore Exchange Securities Trading Limited and the Singapore Companies Act, the Board's policy is that all shareholders should be informed in a comprehensive manner and on a timely basis all material developments that impact the Group.

Communication with shareholders is managed by the Board, and they are assisted via the provision of third-party investor relation services by Oaktree Advisors Pte Ltd and ShareInvestor Pte Ltd.

All announcements are released via the SGXNet including the half-year and full year results, distribution of notices, press release, analyst briefing, presentation, announcement on acquisitions and other major developments. In addition, shareholders will receive the Annual Report together with a notice of annual general meeting, which is also accessible through the SGXNet.

PRINCIPLE 15: SHAREHOLDER PARTICIPATION

The Board supports the Code's principle to encourage shareholder participation at general meetings.

The Board encourages shareholders to attend the general meetings to ensure a greater level of shareholder participation and to meet with the Board and key management staff so as to stay informed of the Company's developments and to raise issues and ask the Directors or Management questions regarding the Company and

CORPORATE GOVERNANCE REPORT (Continued)

its operation. The Directors and Management as well as external auditors will be present at general meetings to address shareholders' queries.

Shareholders can vote in person or appoint not more than two proxies to attend and vote on behalf of the member. There is no provision in the Company's Articles of Association that limits the number of proxies for nominee companies.

The Company will practise having separate resolutions at general meetings on each substantially separate issue.

The Company will make available minutes of general meetings to shareholders upon their requests.

MATERIAL CONTRACTS

Save for the service agreements entered into between the Executive Directors and the Company, there were no other material contracts entered into by the Company or its subsidiaries involving the interests of the Chief Executive Officer, any director or controlling shareholders subsisting at the end of the financial year ended 31 March 2011.

DEALING IN SECURITIES

An Internal Code of Best Practices on Securities Transactions has been adopted to prescribe the internal regulations pertaining to the securities of the Company. The code prohibits securities dealings by Directors and employees while in possession of price-sensitive information and on short-term considerations. All Directors and employees are also prohibited from dealing in the securities of the Company for a period of one month prior to the release of the half-year and full year financial results of the Company.

NON-SPONSOR FEE

The Company is currently under the Singapore Exchange Securities Trading Limited Catalist sponsor-supervised regime. The continuing sponsor of the Company is CIMB Bank Berhad, Singapore Branch (the "Sponsor"). During the financial year, other than sponsor fee of S$80,000, the Sponsor received non-sponsor fee of S$5,000.

INTERESTED PERSON TRANSACTIONS

Details of the interested person transactions for the financial year presented in the format as required pursuant to Rule 907 of the Rules of Catalist is tabled below:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and conducted under shareholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) (S$'000)
Foo Chew Tuck		
Lease of office premises from:		
(i) JE Holdings Pte Ltd	179	
(ii) Unity Consultancy Pte Ltd	13	
(iii) Jason Harvest Pte Ltd	42	
Total	234	Not applicable

CORPORATE GOVERNANCE REPORT (Continued)

In addition to the above, Mr Foo Chew Tuck, Mr Tan Lian Huat and Mr Foo Chew Yin (the sibling of Mr Foo Chew Tuck) had provided guarantees and/or indemnities to secure the Group's obligations under certain credit facilities provided to our Group. No fees were paid to the guarantors for the provision of guarantee.

USE OF IPO PROCEEDS UPDATE

Use of IPO proceeds	Amount allocated (S$'000)	Amount used as at 31 March 2011 (S$'000)
Investments and/or joint ventures	1,500	308
General working capital	602	602
Total	2,102	910

RISK MANAGEMENT

Inherent Industry Risk

The Group is exposed to the volatility in market condition of the industries that it operates in. Such volatility could be due to factors like, volatility in freight and charter rates and the demand and supply of shipping capacity. However, the Group's exposure to such fluctuations is reduced by the establishment of the Group's operations in the various geographical locations, its worldwide customer base and involvement in different sectors and industries. Through the geographic spread and diversity of industry of the Group's operations, the Group reduces dependence on market conditions within a particular sector or location.

In addition, the Group actively seeks to develop new markets and expand its scope of products and services for further growth. Hence, the Group is able to spread its business risk and reduce excessive reliance on any one particular customer, location or industry.

Dependence on key management personnel

The continued success of the Group, to certain extent, is dependent on its key management, technical and engineering personnel. The Group constantly look into the issue of attracting, retaining, training and recruiting suitably qualified personnel for its operations to ensure that the team continues to be driven and well-guided to pursue further challenges ahead.

The Group is committed to provide the necessary training to its technical and engineering staff force to ensure that their skills stay relevant and measure up to the industries' and customers' requirements in order to retain its competitive edge.

REPORT OF THE DIRECTORS

The Directors of the Company present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2011 and the statement of financial position of the Company as at 31 March 2011 and the statement of changes in equity of the Company for the financial year ended 31 March 2011.

1. Directors

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

Foo Chew Tuck
Tan Lian Huat
Wong Hin Sun Eugene
Sin Hang Boon @ Sin Han Bun
Eileen Tay-Tan Bee Kiew

2. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year 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.

3. Directors' interests in shares or debentures

According to the register of Directors' shareholdings kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), none of the Directors of the Company who held office at the end of the financial year had any interests in the shares in or debentures of the Company or its related corporations except as detailed below:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance as at 1 April 2010	Balance as at 31 March 2011	Balance as at 1 April 2010	Balance as at 31 March 2011
Company	Number of ordinary shares			
Foo Chew Tuck	86,300,000	81,300,000	-	-
Tan Lian Huat	1,000,000	1,020,000	-	-
Wong Hin Sun Eugene	-	-	2,700,000	2,700,000

By virtue of Section 7 of the Act, Mr Foo Chew Tuck is deemed to have interests in the shares of all the wholly owned subsidiaries of the Company as at the beginning and end of the financial year.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited, the Directors of the Company state that, according to the register of Directors' shareholdings, the Directors' interests as at 21 April 2011 in the shares of the Company have not changed from those disclosed as at 31 March 2011.

REPORT OF THE DIRECTORS (Continued)

4. 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 which by reason of a contract made by the Company or a related corporation with the Director of the Company or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the financial statements.

5. Share options

The Company has implemented a share option scheme known as the "Jason Employee Share Option Scheme" ("ESOS"). The ESOS was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 15 September 2009. The ESOS is administered by the Remuneration Committee. No share options have been granted to-date under the ESOS.

The ESOS applies to group employees, executive directors and non-executive directors, who are not controlling shareholders or their associates.

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under options as at the end of the financial year.

6. Audit committee

The Audit Committee comprises the following members, who are either non-executive or Independent Directors. The members of the Audit Committee during the financial year and at the date of this report are:

Eileen Tay-Tan Bee Kiew (Chairman)
Sin Hang Boon @ Sin Han Bun
Wong Hin Sun Eugene

The Audit Committee carries out its functions in accordance with Section 201B (5) of the Companies Act, Cap. 50, and the Code of Corporate Governance, including the following:

(i) reviews the audit plans and results of the internal and external audits;

(ii) reviews the Group's financial and operation results and accounting policies;

(iii) reviews financial statements of the Company and the consolidated financial statements before their submission to the Directors of the Company and the external auditors' report on those financial statements;

REPORT OF THE DIRECTORS (Continued)

6. Audit committee (Continued)

(iv) reviews the half-year and annual announcements on the results of the Group and financial position of the Company and of the Group;

(v) ensures the co-operation and assistance given by the management to external auditors;

(vi) makes recommendations to the Board of Directors on the appointment of external and internal auditors; and

(vii) reviews the Interested Person Transactions as defined in Chapter 9 of the Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") as is required by SGX-ST and ensures that the transactions were on normal commercial terms and not prejudicial to the interests of the members of the Company.

The Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the external auditors to the Group and noted that there were no non-audit services provided by the external auditors that would affect the independence of the external auditors.

The Audit Committee has full access to and co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director of the Company and executive officer to attend its meetings. The external auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

7. Auditors

The auditors, BDO LLP, have expressed their willingness to accept re-appointment.

8. Additional disclosure requirements of the Listing Manual of the Singapore Exchange Securities Trading Limited

The auditors of the subsidiaries and associates of the Company are disclosed in Notes 6 and 7 to the financial statements. In the opinion of the Board of Directors and Audit Committee, Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

On behalf of the Board of Directors

Foo Chew Tuck
Director

Tan Lian Huat
Director

Singapore
4 July 2011

STATEMENT BY DIRECTORS

In the opinion of the Board of Directors,

(a) the accompanying financial statements comprising the statements of financial position of the Group and of the Company, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity of the Group and of the Company and consolidated statement of cash flows together with the notes thereon are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; 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

Foo Chew Tuck
Director

Tan Lian Huat
Director

Singapore
4 July 2011

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF JASON MARINE GROUP LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Jason Marine Group Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 March 2011, the consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity of the Group and of the Company and consolidated statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 18 to 79.

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, Cap. 50 (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.

Auditors' 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF JASON MARINE GROUP LIMITED (Continued)

Report on the financial statements (Continued)

Opinion

In our opinion, the accompanying 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 of the Company as at 31 March 2011 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

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 those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

BDO LLP
Public Accountants and
Certified Public Accountants

Singapore
4 July 2011

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2011

	Note	Group			Company	
		31 March 2011 $'000	31 March 2010 $'000	1 April 2009 $'000	31 March 2011 $'000	31 March 2010 $'000
			(Restated) (Note 29)	(Restated) (Note 29)		
Non-current assets						
Intangible asset	4	474	-	-	-	-
Plant and equipment	5	699	504	615	-	-
Investments in subsidiaries	6	-	-	-	15,000	15,000
Investments in associates	7	132	110	134	-	-
Available-for-sale financial assets	8	1,227	1,058	643	-	-
Other receivable	10	153	184	218	-	-
		2,685	1,856	1,610	15,000	15,000
Current assets						
Inventories	9	7,262	7,030	9,986	-	-
Trade and other receivables	10	19,390	10,340	16,143	238	1
Prepayments		328	566	173	20	34
Derivative financial instruments	11	7	-	-	-	-
Cash and cash equivalents	12	9,401	13,504	8,209	4,226	2,525
		36,388	31,440	34,511	4,484	2,560
Less:						
Current liabilities						
Trade and other payables	13	12,918	9,715	15,410	206	829
Finance lease payables	14	25	73	72	-	-
Bank borrowings	15	2,218	-	4,284	-	-
Current income tax payable		403	1,248	1,411	-	-
		15,564	11,036	21,177	206	829
Net current assets		20,824	20,404	13,334	4,278	1,731

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2011 (Continued)

		Group			Company	
	Note	31 March 2011 $'000	31 March 2010 $'000 (Restated) (Note 29)	1 April 2009 $'000 (Restated) (Note 29)	31 March 2011 $'000	31 March 2010 $'000
Less:						
Non-current liabilities						
Finance lease payables	14	19	16	89	-	-
Deferred tax liabilities	16	61	58	45	-	-
		80	74	134	-	-
		23,429	22,186	14,810	19,278	16,731
Capital and reserves						
Share capital	17	17,967	17,967	1,040	17,967	17,967
Foreign currency translation reserve/(account)	18	36	54	(2)	-	-
Accumulated profits/(losses)		5,399	4,165	13,772	1,311	(1,236)
Equity attributable to owners of the parent		23,402	22,186	14,810	19,278	16,731
Non-controlling interests		27	-	-	-	-
Total equity		23,429	22,186	14,810	19,278	16,731

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

	Note	2011 $'000	2010 $'000 (Restated) (Note 29)
Revenue	19	45,169	51,522
Cost of sales		(34,366)	(36,638)
Gross profit		10,803	14,884
Other items of income			
Interest income		37	35
Other income	20	669	512
Other items of expense			
Distribution costs		(3,941)	(3,577)
General and administrative expenses		(5,533)	(5,136)
Other expenses		(598)	(1,233)
Finance costs	21	(16)	(67)
Share of results of associates, net of tax		(35)	(24)
Profit before income tax	22	1,386	5,394
Income tax expense	23	(185)	(1,041)
Profit for the financial year		1,201	4,353
Profit attributable to:			
Owners of the parent		1,234	4,353
Non-controlling interests		(33)	-
		1,201	4,353
Earnings per share	24		
- Basic and diluted		1.16 cents	8.63 cents

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

	2011 $'000	2010 $'000 (Restated) (Note 29)
Profit for the financial year	1,201	4,353
Other comprehensive income:		
Foreign currency differences on translation of foreign operations	(20)	56
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the financial year, net of tax	(20)	56
Total comprehensive income for the financial year	1,181	4,409
Total comprehensive income attributable to:		
Owners of the parent	1,216	4,409
Non-controlling interests	(35)	-
	1,181	4,409

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

Group	Note	Share capital $'000	Foreign currency translation reserve/ (account) $'000	Accumulated profits $'000	Equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 April 2010							
- as previously stated		17,967	54	4,146	22,167	-	22,167
- restatement due to change in accounting policy	29	-	-	19	19	-	19
- as restated		17,967	54	4,165	22,186	-	22,186
Profit for the financial year		-	-	1,234	1,234	(33)	1,201
Other comprehensive income for the financial year							
Foreign currency differences on translation of foreign operations		-	(18)	-	(18)	(2)	(20)
Total comprehensive income for the financial year		-	(18)	1,234	1,216	(35)	1,181
Transactions with the non-controlling interests							
Issue of shares to non-controlling interests		-	-	-	-	62	62
Total transactions with the non-controlling interests		-	-	-	-	62	62
Balance at 31 March 2011		17,967	36	5,399	23,402	27	23,429

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

Group	Note	Share capital $'000	Foreign currency translation reserve/ (account) $'000	Accumulated profits $'000	Total equity $'000
Balance at 1 April 2009					
- as previously stated		1,040	(2)	13,817	14,855
- restatement due to change in accounting policy	29	-	-	(45)	(45)
- as restated		1,040	(2)	13,772	14,810
Profit for the financial year					
- as previously stated		-	-	4,289	4,289
- restatement due to change in accounting policy	29	-	-	64	64
- as restated		-	-	4,353	4,353
Other comprehensive income for the financial year					
Foreign currency differences on translation of foreign operations		-	56	-	56
Total comprehensive income for the financial year		-	56	4,353	4,409
Transactions with the owners of the parent					
Share swap pursuant to the restructuring exercise	17	(1,040)	-	-	(1,040)
Issuance of ordinary shares pursuant to the restructuring exercise	17	15,000	-	-	15,000
Merger reserve account pursuant to the restructuring exercise		-	-	(13,960)	(13,960)
Issuance of ordinary shares pursuant to initial public offering exercise	17	3,360	-	-	3,360
Share issue expenses	17	(393)	-	-	(393)
Total transactions with owners of the parent		16,927	-	(13,960)	2,967
Balance at 31 March 2010, as restated		17,967	54	4,165	22,186

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

Company	Note	Share capital $'000	Accumulated profits/ (losses) $'000	Total equity $'000
Balance at 1 April 2010		17,967	(1,236)	16,731
Profit for the financial year		-	2,547	2,547
Total comprehensive income for the financial year		-	2,547	2,547
Balance at 31 March 2011		17,967	1,311	19,278
Balance at 1 April 2009		-*	(19)	(19)
Loss for the financial year		-	(1,217)	(1,217)
Total comprehensive income for the financial year		-	(1,217)	(1,217)
Transactions with the owners of the parent				
Issuance of ordinary shares pursuant to the restructuring exercise	17	15,000	-	15,000
Issuance of ordinary shares pursuant to initial public offering exercise	17	3,360	-	3,360
Share issue expenses	17	(393)	-	(393)
Total transactions with owners of the parent		17,967	-	17,967
Balance at 31 March 2010		17,967	(1,236)	16,731

* Denotes less than $1,000

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

	2011 $'000	2010 $'000 (Restated) (Note 29)
Operating activities		
Profit before income tax	1,386	5,394
Adjustments for:		
Allowance for doubtful third parties trade receivables	99	236
Allowance for inventory obsolescence	-	219
Amortisation of intangible asset	76	-
Changes in value of derivative financial instruments	7	-
Depreciation of plant and equipment	237	228
Dividend income	(19)	-
(Gain)/Loss on disposals of plant and equipment	(24)	3
Interest expenses	16	67
Interest income	(37)	(35)
Share of results of associates	35	24
Write-back of allowance for doubtful third parties trade receivables no longer required	(37)	(44)
Write-back of allowance for inventory obsolescence no longer required	(374)	-
Operating cash flows before working capital changes	1,365	6,092
Working capital changes:		
Inventories	142	2,737
Trade and other receivables	(9,095)	5,645
Prepayments	238	(393)
Trade and other payables	3,203	(5,695)
Cash (absorbed by)/generated from operations	(4,147)	8,386
Income tax paid	(1,027)	(1,191)
Net cash (used in)/from operating activities	(5,174)	7,195

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

	Note	2011 $'000	2010 $'000 (Restated) (Note 29)
Investing activities			
Purchase of plant and equipment		(408)	(121)
Acquisition of intangible asset		(550)	-
Acquisition of available-for-sale financial assets		(169)	(415)
Investment in an associate		(75)	-
Issue of shares to non-controlling interests		62	-
Proceeds from disposal of an associate		18	-
Proceeds from disposals of plant and equipment		30	1
Dividend received		19	-
Interest received		37	35
Net cash used in investing activities		(1,036)	(500)
Financing activities			
Proceeds of bank borrowings		6,244	7,170
Repayments of bank borrowings		(4,026)	(11,454)
Repayments of obligations under finance leases		(77)	(72)
Proceeds from issuance of shares		-	3,360
Share issue expenses		-	(393)
Reversal of fixed deposits pledged		23	20
Interest paid		(16)	(67)
Net cash from/(used in) financing activities		2,148	(1,436)
Net change in cash and cash equivalents		(4,062)	5,259
Cash and cash equivalents at beginning of financial year		12,732	7,417
Effects of exchange rate changes on cash and cash equivalents		(18)	56
Cash and cash equivalents at end of financial year	12	8,652	12,732

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

These notes form an integral part of and should be read in conjunction with the financial statements.

1. General corporate information

Jason Marine Group Limited (the "Company") is a public limited company, incorporated and domiciled in Singapore with its registered office and principal place of business at 194 Pandan Loop, #06-05 Pantech Business Hub, Singapore 128383. The Company's registration number is 200716601W. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2011 were authorised for issue in accordance with a Directors' resolution dated 4 July 2011.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards ("FRS"). The financial statements are presented in Singapore dollar and all values are rounded to the nearest thousand ($'000) except as where otherwise indicated. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the management to exercise judgement in the process of applying the Group's and the Company's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on the management's best knowledge of historical experience and other factors, including expectations of future events 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 financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

During the financial year, the Group and the Company adopted the new or revised FRS and Interpretations of FRS ("INT FRS") that are relevant to their operations and effective for the current financial year. Changes to the Group's and the Company's accounting policies have been made as required in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The adoption of the new or revised FRS and INT FRS did not result in any substantial changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial years except as discussed below.

FRS 27 (2009) Consolidated and Separate Financial Statements

Changes in the accounting policies resulting from the adoption of FRS 27 (2009) include the following:

- Effects of all transactions with non-controlling interests are to be recorded in equity if there are no changes in control and these transactions will no longer result in goodwill or gains and losses.

- In the event where control is lost, any remaining interests in the entity are re-measured to fair value, and a gain or loss is recognised in profit or loss.

- The Group has applied FRS 27 (2009) prospectively to transactions with non-controlling interests from1 April 2010. The changes do not have any impact on the financial statements for the current financial year.

FRS 103 (2009) Business Combinations
Changes in the accounting policies resulting from the adoption of FRS 103 (2009) include the following:

- All considerations given to purchase a business are to be recorded at fair value at the acquisition date, with contingent considerations classified as debt subsequently re-measured through profit or loss if the fair value changes were to take place after the measurement period.

- The Group has a choice on an acquisition-by-acquisition basis to measure the non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's net assets.

- All acquisition-related costs are expensed.

- The Group has applied FRS 103 (2009) prospectively to all business combinations taking place from 1 April 2010. Assets and liabilities that arose from business combinations whose acquisition dates are before 1 April 2010 are not adjusted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS and INT FRS issued but not yet effective

As at the date of the authorisation of these financial statements, the Group and the Company have not adopted the following FRS and INT FRS that have been issued but not yet effective:

		Effective date (Annual periods beginning on or after)
FRS 12	: Amendments to FRS 12 – Deferred Tax: Recovery of Underlying Assets	1 January 2012
FRS 24	: Related Party Disclosures (Revised)	1 January 2011
FRS 101	: Amendment to FRS 101 – Limited Exemption from Comparative FRS 107 Disclosures for First-time Adopters	1 July 2010
	: Amendments to FRS 101 – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
FRS 107	: Amendments to FRS 107 Disclosures – Transfers of Financial Assets	1 July 2011
INT FRS 114	: Amendments to INT FRS 114 – Prepayments of a Minimum Funding Requirement	1 January 2011
INT FRS 115	: Agreements for the Construction of Real Estate	1 January 2011
INT FRS 119	: Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Singapore Financial Reporting Standards for Small Entities		1 January 2011

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group and the Company expect that the adoption of the above FRS and INT FRS, if applicable, will have no material impact on the financial statements in the period of initial adoption, except as discussed below.

FRS 24 (2010) Related Party Disclosures

FRS 24 (2010) changes certain requirements for related party disclosures for entities under control, joint control or significant influence of a government ("government-related entities"). FRS 24 (2010) also made related party relations symmetrical between each of the related parties and new relationships were included and clarified in the definition of a related party. The Group and the Company will apply the amendments to FRS 24 retrospectively for annual periods beginning on or after 1 April 2011 and is currently determining the impact of the changes to the definition of a related party on the related disclosures. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group or the Company when implemented.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to the end of the financial year. The financial statements of the subsidiaries are prepared for the same reporting date as that of the parent company.

Accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group to ensure consistency.

Subsidiaries are consolidated from the date of which control is transferred to the Group up to the effective date on which the control ceases. In preparing the consolidated financial statements, inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment loss of the asset transferred.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.3 Business combinations

Business combinations from 1 April 2010

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

Business combinations from 1 April 2010 (Continued)

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Business combinations before 1 April 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree are not reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was probable and a reliable estimate was determinable. Subsequent measurements to the contingent consideration affected goodwill.

2.4 Plant and equipment

Plant and equipment are initially recorded at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure relating to the plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the standard performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.4 Plant and equipment (Continued)

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the plant and equipment over their estimated useful lives as follows:

	Years
Office equipment	7
Furniture and fittings	10
Motor vehicles	5
Electrical fittings	7
Plant and machinery	7
Renovation	3
Computers	3

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

2.5 Intangible asset

Computer software

Computer software license is initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditure, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense as incurred.

Computer software license is subsequently carried at cost less accumulated amortisation and impairment losses, if any.

Amortisation is calculated using the straight-line method to allocate the amount of the computer software over its estimated useful life of three years.

The useful life and amortisation method are reviewed at each financial year-end to ensure that the period of amortisation and amortisation method are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the computer software.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.6 Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any, in the Company's separate financial statements.

2.7 Associates

Associates are entities, not being a subsidiary or a joint venture, in which the Group has significant influence, but not control. This generally coincides with the Group having not less than 20% or not more than 50% of the voting power and has board representation.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Associates are equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associates.

Investments in associates 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 associate's post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in other comprehensive income. These post-acquisition movements are adjusted against the carrying amount of the investments. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or has made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

After application of the equity method of accounting, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investments in associates.

2.8 Impairment of non-financial assets

The carrying amounts of the Group's and the Company's non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.8 Impairment of non-financial assets (Continued)

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets. Impairment loss is recognised in profit or loss, unless it reverses a previous revaluation credited to other comprehensive income, in which case it is charged to other comprehensive income up to the amount of any previous revaluation.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the assets belong. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment loss recognised in prior periods is reversed only if there has been a change in the estimates used to determine the 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. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment loss are recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss recognised in profit or loss in prior periods is treated as a revaluation increase. After such a reversal, the depreciation or amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a "weighted average" basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which the inventories can be realised in the normal course of business less estimated cost of completion and costs incurred in marketing and distribution. When necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.

During the current financial year, the Group changed its accounting policy on the determination of the cost of inventories from "first-in, first-out" basis to "weighted average" basis to better reflect the value of its inventories. Accordingly, this change in accounting policy has been applied retrospectively, from the earliest period presented (Note 29).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.10 Financial assets

The Group and the Company classify their financial assets as loans and receivables and available-for-sale financial assets. The classification depends on the purpose of which the assets are acquired. The management determines the classification of the financial assets at initial recognition and re-evaluates this designation at the end of the reporting period, where allowed and appropriate.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the statements of financial position.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other categories. They are included in non-current assets unless the management intends to dispose of the assets within 12 months after the end of the reporting period.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit 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 and the Company have transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount and the net consideration proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to the asset is also recognised in profit or loss.

Initial and subsequent measurement

Financial assets are initially recognised at fair value, plus in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any.

After initial recognition, available-for-sale financial assets are re-measured at fair value with gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment when the available-for-sale financial assets are derecognised.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.10 Financial assets (Continued)

Impairment

The Group and the Company assess at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) Loans and receivables

An allowance for impairment loss of loans and receivables is recognised when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of allowance 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. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of 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 shall be reversed either directly or by adjusting an allowance account. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

(ii) Available-for-sale financial assets

Significant or prolonged decline in the fair value of debt or equity security below cost, significant financial difficulties of the issuer or obligor and the disappearance of an active trading market are considerations to determine whether there is objective evidence that the available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in equity is transferred from equity to profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss. Reversals of impairment loss on debt instruments are recognised in profit or loss if the increase in fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

2.11 Derivative financial instruments

Derivative financial instruments held by the Group are recognised as assets or liabilities on the statement of financial position and classified as financial assets or financial liabilities at fair value through profit or loss.

The Group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivative financial instruments that do not qualify for hedge accounting are taken to profit or loss for the financial year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profile.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.12 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash and deposits with banks and financial institutions. Cash and cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, cash at bank and fixed deposits net of fixed deposits pledged.

2.13 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

The accounting policies adopted for other financial liabilities are set out below:

(i) Trade and other payables

Trade and other payables are recognised initially at cost which represents the fair value of the consideration to be paid in the future, less transaction cost, for goods received or services rendered, whether or not billed to the Group and the Company, and are subsequently measured at amortised cost using the effective interest method.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(ii) Bank borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within 12 months after the end of the reporting period are presented as current borrowings even though the original term was for a period longer than 12 months and an agreement to refinance or to reschedule payments on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the end of the reporting period are presented as non-current borrowings in the statement of financial position of the Group.

Recognition and derecognition

Financial liabilities are recognised on the statements of financial position when, and only when, the Group and the Company become parties to the contractual provisions of the financial instruments.

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.13 Financial liabilities (Continued)

Recognition and derecognition (Continued)

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.14 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of their liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received by the Group and the Company. Incremental costs directly attributable to the issuance of new equity instruments are shown in the equity as a deduction from the proceeds.

2.15 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of business. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is presented, net of rebates and discounts and sales related taxes.

Revenue from sale of goods is recognised when goods are delivered to the customer and the significant risks and rewards of ownership has been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably.

Revenue from rendering of services and airtime is recognised when the services have been performed and accepted by the customers in accordance to the relevant terms and conditions of the contracts.

Interest income is recognised on a time-apportionment basis using the effective interest method.

Dividend income is recognised when the shareholders' right to receive is established.

2.16 Grants

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss as and when the underlying expenses are included and recognised in profit or loss to match such related expenditures.

Government grant – Jobs credit scheme

The Singapore government introduced a cash grant known as the Jobs Credit Scheme in its Budget for 2009 in a bid to help businesses preserve jobs in the economic downturn. The amount received for jobs credit are paid to eligible employers in instalments and the amount an employer can receive would depend on the fulfillment of the conditions as stated in the Scheme.

The Group recognises the amounts received for jobs credit at their fair values as other income in the month of receipt of these grants from the government.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.17 Leases

Group as lessee of finance leases

Leases in which the Group assumes substantially the risks and rewards of ownership are classified as finance leases.

Upon initial recognition, plant and equipment acquired through finance leases are capitalised at the lower of its fair values and the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised.

Subsequent to initial recognition, the plant and equipment is accounted for in accordance with the accounting policy applicable to that plant and equipment. Lease payments are apportioned between finance charge and reduction of the lease liability. The finance charge is allocated to each period during the lease term so as to achieve a constant periodic rate of interest on the remaining balance of the finance lease liability. Finance charge is recognised in profit or loss.

Group as lessee of operating leases

Leases of assets in which 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 recognised in 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 financial year in which termination takes place.

2.18 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as expenses in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlement

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

2.19 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as expenses in profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.20 Income tax

Income tax expense for the financial year comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current income tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to income tax payable in respect of previous financial years.

Deferred tax is provided, using the liability method, for temporary differences at the end of the reporting period when the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured using the tax rates expected to be applied to the temporary differences when they are realised or settled, based on tax rates enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax authority and there is intention to settle the current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, 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.

2.21 Foreign currencies

Items included in the individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency").

The consolidated financial statements and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

2. Summary of significant accounting policies (Continued)

2.21 Foreign currencies (Continued)

In preparing the financial statements, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items and on re-translating of monetary items are recognised in profit or loss for the financial year. Exchange differences arising on the re-translation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the results and financial positions, changes in equity and cash flows of the Group's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rate at the end of the reporting period;

(ii) income and expenses are translated at average exchange rate for the financial year (unless this 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 foreign currency exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve/(account) in equity.

2.22 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

3. Critical accounting judgements and key sources of estimation uncertainty

3.1 Critical judgements in applying the accounting policies

In the process of applying the Group's and the Company's accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

(i) Impairment of investments in subsidiaries and financial assets

The Group and the Company follow the guidance of FRS 36 and FRS 39 in determining whether an investment in subsidiary or a financial asset is impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the fair value of an investment in subsidiary or financial asset is less than its cost and the financial health of and near-term business outlook for the financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

3.2 Key sources of estimation uncertainty

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

(i) Amortisation of intangible asset

Intangible asset is amortised on a straight-line basis over the asset's useful life. The management estimates the useful life of the intangible asset to be 3 years. The estimated useful life that the Group places the intangible asset into productive use reflects the managements' estimate of the period the Group intends to derive future economic benefits from the intangible asset. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual value of the asset, therefore future amortisation could be revised. The carrying amount of the Group's intangible asset as at 31 March 2011 was approximately $474,000 (2010: $Nil).

(ii) Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The management estimates the useful lives of these assets to be within 3 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's plant and equipment as at 31 March 2011 was approximately $699,000 (2010: $504,000).

(iii) Allowance for doubtful receivables

The management establishes allowance for doubtful receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers the historical experience and changes to its customers' financial position. If the financial conditions of receivables were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 March 2011 were approximately $19,543,000 and $238,000 (2010: $10,524,000 and $1,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(iv) Allowance for inventory obsolescence

Inventories are stated at the lower of cost and net realisable value. The management primarily determines cost of inventories using the weighted average method. The management estimates the net realisable value of inventories based on assessment of receipt or committed sales prices and provide for excess and obsolete inventories based on historical and estimated future demand and related pricing. In determining excess quantities, the management considers inventory forecast uncertainty, recent sales activities, related margin and market positioning of the products. However, factors beyond its control, such as demand levels and pricing competition, could change from period to period. Such factors may require the Group to reduce the value of its inventories. The carrying amount of the Group's inventories as at 31 March 2011 was approximately $7,262,000 (2010: $7,030,000).

(v) Income taxes

The Group recognises expected liabilities for income tax based on estimation of the likely tax due, which requires significant judgment as to the ultimate tax determination of certain items. Where the final tax outcome of these matters differs from the amounts that were initially recognised, such differences will impact the current income tax and deferred tax provisions in the financial years in which such determination is made. The carrying amounts of the Group's current income tax payable and deferred tax liabilities as at 31 March 2011 were approximately $403,000 and $61,000 (2010: $1,248,000 and $58,000) respectively.

(vi) Allowance for available-for-sale financial assets

Management has determined that the fair value of the Group's available-for-sale financial assets cannot be reliably measured and accordingly, the investment is stated at cost less impairment losses, if any.

Determining whether the available-for-sale unquoted equity investment amounting to approximately $1,227,000 (2010: $1,058,000) is impaired requires an estimation of the value in use of the investment. The value in use calculation requires the Group to estimate the future cash flows expected and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment and is confident that the allowance for impairment losses, where necessary, is adequate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

4. Intangible asset

	Group 2011 $'000	Group 2010 $'000
Computer software		
Cost		
Balance at beginning of financial year	-	-
Additions	550	-
Balance at end of financial year	550	-
Accumulated amortisation		
Balance at beginning of financial year	-	-
Amortisation for the financial year	76	-
Balance at end of financial year	76	-
Carrying amount		
Balance at end of financial year	474	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

5. Plant and equipment

	Office equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Electrical fittings $'000	Plant and machinery $'000	Renovation $'000	Computers $'000	Total $'000
Group								
2011								
Cost								
Balance at 1 April 2010	135	280	513	36	180	112	588	1,844
Additions	47	39	51	9	114	24	156	440
Disposals	(10)	-	(95)	-	-	-	(6)	(111)
Currency translation adjustment	-	-	(1)	-	-	-	(1)	(2)
Balance at 31 March 2011	172	319	468	45	294	136	737	2,171
Accumulated depreciation								
Balance at 1 April 2010	83	225	321	35	90	94	492	1,340
Depreciation for the financial year	23	15	61	1	27	15	95	237
Disposals	(5)	-	(95)	-	-	-	(5)	(105)
Balance at 31 March 2011	101	240	287	36	117	109	582	1,472
Carrying amount								
Balance at 31 March 2011	71	79	181	9	177	27	155	699

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

5. Plant and equipment (Continued)

	Office equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Electrical fittings $'000	Plant and machinery $'000	Renovation $'000	Computers $'000	Total $'000
Group								
2010								
Cost								
Balance at 1 April 2009	152	273	502	34	162	95	618	1,836
Additions	16	7	11	2	18	19	48	121
Disposals	(33)	-	-	-	-	(2)	(78)	(113)
Balance at 31 March 2010	135	280	513	36	180	112	588	1,844
Accumulated depreciation								
Balance at 1 April 2009	96	214	263	33	73	79	463	1,221
Depreciation for the financial year	18	11	58	2	17	17	105	228
Disposals	(31)	-	-	-	-	(2)	(76)	(109)
Balance at 31 March 2010	83	225	321	35	90	94	492	1,340
Carrying amount								
Balance at 31 March 2010	52	55	192	1	90	18	96	504

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

5. Plant and equipment (Continued)

As at the end of the reporting period, the carrying amounts of plant and equipment which were acquired under finance lease agreements were as follows:

	Group 2011 $'000	Group 2010 $'000
Motor vehicles	100	192

Finance leased asset is pledged as a security for the related finance lease payables.

For the purpose of consolidated statement of cash flows, the Group's additions to plant and equipment were financed as follows:

	Group 2011 $'000	Group 2010 $'000
Additions of plant and equipment	440	121
Acquired under finance lease agreement	(32)	-
Cash payments to acquire plant and equipment	408	121

6. Investments in subsidiaries

	Company 2011 $'000	Company 2010 $'000
Unquoted equity shares, at cost	15,000	15,000

Incorporation of subsidiaries

On 14 April 2010, Jason Venture Pte. Ltd., a subsidiary, subscribed for 2,040 ordinary shares of KRW5,000 each in the issued and paid-up capital of Jason Korea Co., Ltd, a company incorporated in South Korea, for a cash consideration of KRW10,200,000 (approximately $13,000) representing 51% equity interest in Jason Korea Co., Ltd.

On 11 January 2011, Jason Venture Pte. Ltd., a subsidiary, subscribed for 51,000 ordinary shares of $1 each in the issued and paid-up capital of Baze Marine & Offshore Pte. Ltd., a company incorporated in Singapore, for a cash consideration of $51,000 representing 51% equity interest in Baze Marine & Offshore Pte. Ltd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

6. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows:

Name of company (Country of incorporation)	Effective equity interest 2011 %	2010 %	Principal activities
Held by the Company			
Jason Electronics (Pte) Ltd [1] (Singapore)	100	100	Design, integration, installation and commissioning of radio, satellite communication and navigational systems
Jason Asia Pte Ltd [1] (Singapore)	100	100	Servicing of communication and navigational systems
Jason Venture Pte. Ltd. [1] (Singapore)	100	100	Investment holding company
Held by Jason Venture Pte. Ltd.			
Jason Elektronik (M) Sdn. Bhd. [2] (Malaysia)	100	100	Trading and servicing of communication, navigation, and automation equipment
Jason (Shanghai) Co., Ltd [3] (People's Republic of China)	100	100	Sales and service of radio, satellite communication and navigation system
PT Jason Elektronika [4] (Indonesia)	99	99	Import trading, maintenance and support services of communication, navigation and automation equipment and spares
Jason Korea Co., Ltd [5] (South Korea)	51	-	Manufacture, sales and service of marine offshore and industrial communication, navigation and automation systems
Baze Marine & Offshore Pte. Ltd. [6] (Singapore)	51	-	Dormant
Held by Jason Asia Pte Ltd			
PT Jason Elektronika [4] (Indonesia)	1	1	Import trading, maintenance and support services of communication, navigation and automation equipment and spares

[1] Audited by BDO LLP, Singapore
[2] Audited by UHY Diong, Chartered Accountants, Malaysia
[3] Audited by Shanghai Dacheng, Certified Public Accountants, People's Republic of China
[4] Audited by Tanubrata Sutanto Fahmi & Rekan, Indonesia, a member of BDO International Limited
[5] Audited by Daesung Tax Accounting Corp., South Korea
[6] Dormant

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

7. Investments in associates

	Group 2011 $'000	2010 $'000
Unquoted equity shares, at cost	158	103
Share of post acquisition results	(26)	7
	132	110

The details of the associates are as follows:

Name of company (Country of incorporation)	Effective equity interest 2011 %	2010 %	Principal activities
Jason Electronics (Thailand) Co., Ltd [1] (Thailand)	49	49	Sales and service of radio, satellite communications and navigational system
Sing Partners Marine Pte. Ltd. [2] (Singapore)	-	20	Liquidated
iProMar (Pte.) Ltd. [3] (Singapore)	25	25	Dormant

[1] Audited by BDO Limited, Thailand
[2] Liquidated during the financial year
[3] Audited by Akber Ali & Co., Certified Public Accountants, Singapore

The Company's associate, Sing Partners Marine Pte. Ltd., was placed under members' voluntary liquidation pursuant to Section 290 (1)(b) of the Singapore Companies Act, Cap. 50 on 26 January 2010. The notice of the final meeting has been advertised on 15 March 2010 and the liquidation was finalised on 19 July 2010.

On 8 July 2010, the Group increased its capital contribution by $75,000 on its associate, iProMar (Pte.) Ltd. The increase did not change the Group's effective equity interest of the associate.

The associates' financial year end is December. The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group are as follows:

	2011 $'000	2010 $'000
Assets and liabilities		
Total assets	621	373
Total liabilities	(138)	(125)
Results		
Revenue	810	605
Loss for the financial year	(177)	(102)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

8. Available-for-sale financial assets

	Group	
	2011 $'000	2010 $'000
Unquoted investments		
Balance at beginning of financial year	1,058	643
Additions	169	415
Balance at end of financial year	1,227	1,058

The investments in unquoted equity shares represent investments in companies engaged in the same business. As the unquoted investments do not have quoted market prices in an active market and there are no other available methods to reasonably estimate the fair values, it is not practicable to determine the fair values of the unquoted investments with sufficient reliability.

Available-for-sale financial assets are denominated in the following currencies:

	Group	
	2011 $'000	2010 $'000
Singapore dollar	204	204
Euro	169	-
Korean won	812	812
Indian rupee	42	42
	1,227	1,058

9. Inventories

	Group		
	31 March 2011 $'000	31 March 2010 $'000 (Restated)	1 April 2009 $'000 (Restated)
Trading goods	7,262	7,030	9,986

The cost of inventories recognised as an expense and included in "cost of sales" line item in profit or loss was approximately $20,715,000 and $25,751,000 for the financial years ended 31 March 2011 and 2010 respectively.

During the financial year, the Group carried out a review of the realisable values of its inventories and the review led to the recognition of an allowance for inventory obsolescence of approximately $Nil (2010: $219,000) and write-back of allowance for inventory obsolescence no longer required of approximately $374,000 (2010: $Nil) that have been included in "other expenses" and "other income" line items in profit or loss. The write-back of allowance for inventory obsolescence no longer required were recognised when the related inventories were subsequently sold above costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

10. Trade and other receivables

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Non-current				
Advance to staff	153	184	-	-
Current				
Trade receivables				
- third parties	18,685	10,527	-	-
- an associate	102	45	-	-
	18,787	10,572	-	-
Allowance for doubtful trade receivables - third parties	(478)	(459)	-	-
	18,309	10,113	-	-
Non-trade receivables				
- third parties	214	37	1	1
- subsidiaries	-	-	237	1
- an associate	1	-	-	-
	215	37	238	2
Security and other deposits	121	119	-	-
Advance to suppliers	674	-	-	-
Advance to staff	71	71	-	-
	19,390	10,340	238	1
	19,543	10,524	238	1

Trade receivables are unsecured, interest-free and generally on 30 to 90 (2010: 30 to 90) days credit terms.

The trade amount due from an associate is unsecured, interest-free and repayable within the normal trade credit term.

The non-trade amounts due from subsidiaries and an associate are unsecured, interest-free and repayable on demand.

Advances to suppliers pertains to the payments made by the Group in advance for the purchase of inventories.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

10. Trade and other receivables (Continued)

Advance to staff represents a loan of approximately $355,000 granted to a staff. The loan is unsecured and bears interest of 3.5% per annum and repayable over 5 years commencing from April 2008. The non-current portion of advance to staff is repayable as follows:

	Group	
	2011 $'000	2010 $'000
In the second year	71	71
In the third year	71	71
In the fourth year	11	42
	153	184

The non-current portion of advance to staff approximates its fair value.

Movements in allowance for doubtful third parties trade receivables were as follows:

	Group	
	2011 $'000	2010 $'000
Balance at beginning of financial year	459	340
Allowance made during the financial year	99	236
Write-back of allowance during the financial year	(37)	(44)
Allowance written off during the financial year	(43)	(73)
Balance at end of financial year	478	459

Allowance for doubtful third parties trade receivables of approximately $99,000 (2010: $236,000) was recognised in profit or loss subsequent to a debt recovery assessment performed during the financial year.

The write-back of allowance for doubtful trade receivables amounting to approximately $37,000 (2010: $44,000) was recognised in profit or loss when the related trade receivables were subsequently recovered.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Singapore dollar	12,468	5,287	238	1
United States dollar	5,711	4,327	-	-
Euro	1,085	279	-	-
Ringgit Malaysia	139	581	-	-
Others	140	50	-	-
	19,543	10,524	238	1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

11. Derivative financial instruments

	Group			
	2011		2010	
	Assets $'000	Liabilities $'000	Assets $'000	Liabilities $'000
Forward contracts	7	-	-	-

The Group utilises currency derivatives to manage its exposure to foreign exchange movements arising from its foreign currency denominated business transactions.

The Group is a party to a variety of foreign currency forward contracts in the management of its exchange rates exposures. The instruments purchased are primarily denominated in the currencies of the Group's principal markets.

As at the end of the reporting period, the total notional amounts outstanding contracts to which the Group is committed are as follows:

	Group	
	2011 $'000	2010 $'000
Forward foreign currency contracts	3,185	-

As at 31 March 2011, the fair value gain of the forward currency contracts is estimated to be approximately $7,000 (2010: $Nil). These amounts are based on quoted market prices for equivalent forward currency contracts at the end of the reporting period.

12. Cash and cash equivalents

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Fixed deposits	5,565	10,435	3,908	2,500
Cash and bank balances	3,836	3,069	318	25
Cash and cash equivalents on statements of financial position	9,401	13,504	4,226	2,525
Fixed deposits pledged	(749)	(772)		
Cash and cash equivalents included in the consolidated statement of cash flows	8,652	12,732		

Fixed deposits are placed for one week to three months (2010: one week to six months) from the end of the reporting period and the effective interest rates on the fixed deposits were 0.0300% to 0.5625% (2010: 0.0625% to 0.3800%) per annum.

As at 31 March 2011, fixed deposits of approximately $749,000 (2010: $772,000) have been pledged as securities for banking facilities as disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

12. Cash and cash equivalents (Continued)

Cash and cash equivalents are denominated in the following currencies:

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Singapore dollar	7,244	9,882	4,226	2,525
United States dollar	1,549	2,516	-	-
Euro	157	863	-	-
Ringgit Malaysia	294	80	-	-
Others	157	163	-	-
	9,401	13,504	4,226	2,525

13. Trade and other payables

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Trade payables - third parties	8,164	4,779	-	-
Non-trade payables				
- a related company	-	-	-	725
- third parties	408	299	24	4
	408	299	24	729
Accrued operating expenses	1,559	2,617	182	100
Advance billings	1,059	1,856	-	-
Customers' deposits	1,728	164	-	-
	12,918	9,715	206	829

Trade payables are unsecured, interest-free and repayable within the normal trade credit term of 30 to 120 (2010: 30 to 120) days.

The non-trade amount due to a related company is unsecured, interest-free and payable on demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

13. Trade and other payables (Continued)

Trade and other payables are denominated in the following currencies:

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Singapore dollar	5,188	5,293	206	829
United States dollar	3,522	3,033	-	-
Euro	2,028	574	-	-
Japanese yen	259	132	-	-
British pound	59	83	-	-
Norwegian kroner	1,174	471	-	-
Others	688	129	-	-
	12,918	9,715	206	829

14. Finance lease payables

Group	Minimum lease payments $'000	Future finance charges $'000	Present value of minimum lease payments $'000
2011			
Current liabilities			
Within one financial year	26	(1)	25
Non-current liabilities			
After one financial year but within five financial years	20	(1)	19
	46	(2)	44
2010			
Current liabilities			
Within one financial year	76	(3)	73
Non-current liabilities			
After one financial year but within five financial years	16	*-	16
	92	(3)	89

* Denotes less than $1,000

The finance lease terms are 3 years (2010: 3 to 7 years). The effective interest rates for the finance lease obligations ranges from 3.81% to 6.00% (2010: 4.74% to 6.09%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

14. Finance lease payables (Continued)

Interest rates are fixed at contract date and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair values of non-current finance leases as at 31 March 2011 approximate their carrying amounts.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets, which will revert to the lessors in the event of default by the Group.

The finance lease payables are denominated in Singapore dollar.

15. Bank borrowings

	Group	
	2011 $'000	2010 $'000
Trust receipts	2,218	-

Trust receipts have maturity of 45 days to 2 months (2010: Nil) and bear effective interest ranging from 1.50% to 2.83% (2010: Nil%) per annum.

As at the end of the reporting period, the Group's banking facilities are secured by:

(a) fixed deposits with banks of approximately $749,000 (2010: $772,000) as referred to in Note12 to the financial statements;

(b) personal guarantee of certain Directors of the Company amounting to approximately $862,000 (2010: $692,000); and

(c) corporate guarantee of the Company amounting to approximately $2,611,000 (2010: $Nil).

As at the end of the reporting period, the Group has banking facilities as follows:

	Group	
	2011 $'000	2010 $'000
Banking facilities granted	16,285	9,405
Banking facilities utilised		
- trust receipts	2,218	-
- bankers' guarantee	1,255	692
	3,473	692

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

15. Bank borrowings (Continued)

Bank borrowings are denominated in the following currencies:

	Group	
	2011 $'000	2010 $'000
Singapore dollar	177	-
United States dollar	443	-
Euro	1,358	-
Norwegian kroner	240	-
	2,218	-

16. Deferred tax liabilities

	Group	
	2011 $'000	2010 $'000
Balance at beginning of financial year	58	45
Charged to profit or loss	3	13
Balance at end of financial year	61	58

Deferred tax liabilities arise as a result of temporary differences between the tax written down values and the carrying amounts of plant and equipment computed at the prevailing statutory income tax rate of 17%.

17. Share capital

	Group and Company			
	2011	2010	2011	2010
	Number of ordinary shares		$'000	$'000
Issued and fully-paid				
Balance at beginning of financial year	106,000,000	1,040,076	17,967	1,040
Share swap of ordinary shares pursuant to the restructuring exercise	-	(1,040,074)	-	(1,040)
Issuance of ordinary shares pursuant to the restructuring exercise	-	14,999,998	-	15,000
Sub-division of 1 share into 6 shares	-	75,000,000	-	-
Issuance of ordinary shares pursuant to initial public offering exercise	-	16,000,000	-	3,360
Share issue expenses	-	-	-	(393)
Balance at end of financial year	106,000,000	106,000,000	17,967	17,967

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

17. Share capital (Continued)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

On 15 September 2009, the Company issued 14,999,998 ordinary shares pursuant to the restructuring exercise for the acquisition of Jason Electronics (Pte) Ltd and Jason Asia Pte Ltd for a consideration of approximately $15,000,000. The ordinary shares of the Company were increased to 90,000,000 ordinary shares through the sub-division of every 1 ordinary share in the Company into 6 ordinary shares.

On 20 October 2009, the Company issued 16,000,000 ordinary shares at $0.21 per share for cash pursuant to the Company's initial public offering. The intended use of the net proceeds from the initial public offering will be for investment and/or joint ventures and general working capital.

Included in the share issue expenses were professional fees paid to the auditors of the Company amounting to approximately $26,000 in respect of the professional services rendered as independent reporting auditors in connection with the Company's initial public offering.

For the Group's comparative for 1 April 2009, the amount is a summation of the share capital of Jason Marine Group Pte. Ltd. (2 ordinary shares) Jason Electronics (Pte) Ltd (1,000,000 ordinary shares) and Jason Asia Pte Ltd (40,074 ordinary shares).

18. Foreign currency translation reserve/(account)

The foreign currency translation reserve/(account) comprises all foreign 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 and is not distributable.

19. Revenue

	Group	
	2011 $'000	2010 $'000
Sale of goods	33,521	39,463
Rendering of services	10,037	9,898
Airtime revenue	1,611	2,161
	45,169	51,522

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

20. Other income

	Group	
	2011 $'000	2010 $'000
Write-back of allowance for doubtful third parties trade receivables no longer required	37	44
Write-back of allowance for inventory obsolescence no longer required	374	-
Gain on disposals of plant and equipment	24	-
Government grants		
- capability development scheme	65	-
- jobs credit scheme	29	384
- others	60	70
Dividend income	19	-
Sundry income	61	14
	669	512

21. Finance costs

	Group	
	2011 $'000	2010 $'000
Interest expenses		
- finance leases	3	7
- trust receipts	13	60
	16	67

22. Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Group	
	2011 $'000	2010 $'000
Cost of sales		
Depreciation of plant and equipment	8	6
Distribution costs		
Entertainment	216	223
Transportation and travelling	175	394

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

22. Profit before income tax (Continued)

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges (Continued):

	Group	
	2011 $'000	2010 $'000
General and administrative expenses		
Depreciation of plant and equipment	229	222
Amortisation of intangible asset	76	-
Initial public offering expenses **	-	865
Legal and professional fees	659	354
Loss on disposals of plant and equipment	-	3
Operating lease expenses		
- rental of office equipment	17	12
- rental of office	577	478
Other expenses		
Foreign exchange loss, net	498	778
Allowance for doubtful third parties trade receivables	99	236
Allowance for inventory obsolescence	-	219

** Included in initial public offering expenses is an amount approximately $146,000 paid to the auditors of the Company in respect of professional services rendered as independent reporting auditors.

The profit before income tax also includes:

	Group	
	2011 $'000	2010 $'000
Staff costs		
Salaries, wages and bonuses	8,537	7,363
Contributions to defined contribution plans	812	714
Other employee benefits	180	303
	9,529	8,380

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

22. Profit before income tax (Continued)

The staff costs are recognised in the following line items in profit or loss:

	Group	
	2011 $'000	2010 $'000
Cost of sales	3,834	3,390
Distribution costs	3,430	2,697
General and administrative expenses	2,265	2,293
	9,529	8,380

The staff costs include the remuneration of Directors as shown in Note 25 to the financial statements.

23. Income tax expense

	Group	
	2011 $'000	2010 $'000
Current income tax		
- current financial year	180	1,118
- under/(over) provision in prior financial years	1	(90)
	181	1,028
Deferred income tax		
- current financial year	3	13
- under provision in prior financial year	1	-
	4	13
Total income tax expense recognised in profit or loss	185	1,041

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

23. Income tax expense (Continued)

Reconciliation of effective income tax rate

	Group	
	2011 $'000	2010 $'000
Profit before income tax	1,386	5,394
Share of results of associates	35	24
	1,421	5,418
Income tax calculated at Singapore's statutory income tax rate of 17%	242	921
Effect of different income tax rate in other countries	(48)	(3)
Expenses not deductible for income tax purposes	784	301
Income not subject to income tax	(756)	(66)
Double deduction of approved expenses	(4)	(3)
Tax exemption	(26)	(52)
Deferred tax assets not recognised	18	6
Under/(Over) provision of current income tax in prior financial years	1	(90)
Under provision of deferred income tax in prior financial year	1	-
Others	(27)	27
	185	1,041

As at 31 March 2011, the Group has unabsorbed capital allowances and tax losses amounting to approximately $Nil (2010: $8,500) and $104,000 (2010: $27,000) respectively, which are subject to agreement with the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Company and its subsidiaries operate.

The unrecognised deferred tax assets relating to certain subsidiaries have not been recognised as there is no certainty that there will be sufficient future taxable profits to realise these future benefits. Accordingly, the deferred tax assets have not been recognised in the financial statements in accordance with the accounting policy in Note 2.20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

24. Earnings per share

The calculation for earnings per share is based on:

	Group	
	2011	2010
Profit for the financial year attributable to owners of the parent ($'000)	1,234	4,353
Actual (2010: Weighted average) number of ordinary shares ('000)	106,000	50,419
Earnings per share (in cents)		
Basic and diluted	1.16	8.63

Basic earnings per share is calculated by dividing the profit for the financial year attributable to owners of the parent by the actual (2010: Weighted average) number of ordinary shares in issue during the financial year. As the Group has no dilutive potential ordinary shares, the diluted earnings per share is equivalent to basic earnings per share for the financial year.

25. Significant related party transactions

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions during the financial year at rates and terms agreed between the parties:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Related parties				
Rental of office premises from related parties	234	217	-	-
Associate				
Sales to an associate	101	134	-	-
Sub-contract charges from an associate	64	109	-	-
Directors of the Company				
Acquisition of unquoted investments in Jason Electronics (Pte) Ltd and Jason Asia Pte Ltd from Directors of the Company	-	15,000	-	15,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

25. Significant related party transactions (Continued)

Compensation of key management personnel

The remuneration of Directors of the Company who are also the key management personnel of the Group and the Company during the financial year are as follows:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Short-term benefits	827	1,127	-	-
Post-employment benefits	20	-	-	-
Directors' fees	155	70	155	70
	1,002	1,197	155	70

26. Operating lease commitments

Group as a lessee

As at the end of the reporting period, there were operating lease commitments for rental payable in subsequent accounting periods as follows:

	Group	
	2011 $'000	2010 $'000
Not later than one financial year	469	404
After one financial year but not later than five financial years	39	115
	508	519

The above operating lease commitments are based on existing rental rates. The lease agreements provide for periodic revision of such rates in the future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

27. Segment information

Management has determined the operating segment based on the reports reviewed by the chief operating decision maker.

Management considers the business from both geographic and business segment perspective. Geographically, management manages and monitors the business in these primary geographic areas: Singapore, People's Republic of China, Southeast Asia other than Singapore and other countries. These locations are engaged in sale of goods, rendering of services and airtime revenue.

The Group's reportable segments are strategic units that are organised based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies.

Management monitors the operating results of the segments separately for the purpose of making decisions about resource to be allocated and of assessing performance. Unit performance is evaluated based on operation profit or loss which is similar to accounting profit or loss.

Income taxes are managed on a Group basis.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operations before tax expense not including non-recurring gains and losses and foreign exchange gains or losses.

There is no change from prior periods in the measurement methods used to determine reported unit profit or loss.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, which approximate market prices. These intersegment transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

27. Segment information (Continued)

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Adjustments and eliminations $'000	Total $'000
2011						
Revenue						
External revenue	33,521	10,037	1,611	-	-	45,169
Inter-segment revenue	232	671	5	-	(908)	-
	33,753	10,708	1,616	-	(908)	45,169
Results						
Interest income	8	3	1	25	-	37
Interest expense	(15)	(1)	-	(41)	41	(16)
Depreciation of plant and equipment	(116)	(84)	(2)	(35)	-	(237)
Amortisation of intangible asset	-	-	-	(76)	-	(76)
Share of results of associates	-	-	-	2	(37)	(35)
Other non-cash expenses:						
- allowance for doubtful third parties trade receivables	(86)	(13)	-	-	-	(99)
Segment profit	934	354	367	2,473	(2,742)	1,386
Capital expenditure						
Plant and equipment	297	23	-	120	-	440
Intangible asset	-	-	-	550	-	550
Assets and liabilities						
Segment assets	26,951	8,343	1,001	5,589	(4,170)	37,714
Available-for-sale financial assets	-	-	-	1,231	(4)	1,227
Investments in associates	-	-	-	186	(54)	132
						39,073
Segment liabilities	12,072	4,273	564	2,473	(4,141)	15,241
Current income tax payable	-	-	-	403	-	403
						15,644

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

27. Segment information (Continued)

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Adjustments and eliminations $'000	Total $'000
2010						
Revenue						
External revenue	39,463	9,898	2,161	-	-	51,522
Inter-segment revenue	215	389	2	-	(606)	-
	39,678	10,287	2,163	-	(606)	51,522
Results						
Interest income	6	2	1	52	(26)	35
Interest expense	(66)	(1)	-	(26)	26	(67)
Depreciation of plant and equipment	(105)	(88)	-	(35)	-	(228)
Share of results of associates	-	-	-	(8)	(16)	(24)
Other material non-cash expenses:						
- allowance for doubtful third parties trade receivables	(101)	(133)	(2)	-	-	(236)
- allowance for inventory obsolescence	(177)	(42)	-	-	-	(219)
Segment profit, as restated	4,573	580	564	(582)	259	5,394
Capital expenditure						
Plant and equipment	46	50	-	25	-	121
Assets and liabilities						
Segment assets	24,704	7,021	1,025	2,787	(3,409)	32,128
Available-for-sale financial assets	-	-	-	1,062	(4)	1,058
Investments in associates	-	-	-	127	(17)	110
						33,296
Segment liabilities	9,043	2,218	477	1,531	(3,407)	9,862
Current income tax payable	-	-	-	1,248	-	1,248
						11,110

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

27. Segment information (Continued)

Geographical information

The Group's three business segments operate in four main geographical areas. Revenue is based on the country in which the customer is located.

	Group 2011 $'000	Group 2010 $'000
Revenue from external customers		
Singapore	22,208	24,327
People's Republic of China	11,137	13,825
Southeast Asia other than Singapore	4,205	7,455
Others	7,619	5,915
	45,169	51,522
Non-current assets		
Singapore	1,180	475
People's Republic of China	192	235
Southeast Asia other than Singapore	80	88
Others	6	-
	1,458	798

Non-current assets information presented above excludes available-for-sale financial assets.

Major customer

Revenue from one customer amounting to approximately $3,614,000 (2010: $6,698,000) under sale of goods segment represents approximately 8% (2010: 13%) of total revenue.

28. Financial instruments, financial risks and capital management

The Group's and the Company's activities expose them to credit risk, market risk (including interest rate risk and foreign exchange risk), and liquidity risk. The Group's and the Company's overall risk management strategy seek to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's management then establish the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure these risks.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

28. Financial instruments, financial risks and capital management (Continued)

28.1 Credit risk

Credit risks refer to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. The Group and the Company perform ongoing credit evaluation of their counterparties' financial condition and generally do not require collaterals.

The Group and the Company do not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the top five and Nil (2010: five and Nil) trade receivables from third parties amounting to approximately $5,637,000 and $Nil (2010: $3,080,000 and Nil) respectively as at the end of the reporting period.

The carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's and the Company's maximum exposure to credit risk. The Group and the Company do not hold any collateral.

The Group's and the Company's major classes of financial assets are cash and cash equivalents and trade and other receivables.

Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the Group. The Group's historical experience in the collection of receivables falls within the credit terms. The Company does not have trade receivables.

The age analysis of the Group's trade receivables that are past due but not impaired is as follows:

	Group Gross receivables 2011 $'000	Group Impairment 2011 $'000	Group Gross receivables 2010 $'000	Group Impairment 2010 $'000
Past due 0 to 1 months	4,964	-	3,073	-
Past due 1 to 2 months	1,156	-	651	-
Past due 2 to 3 months	814	-	415	-
Past due over 3 months	2,926	478	2,451	459

The impaired trade receivables arise mainly from sales to customers who have difficulty in settling the amounts due.

28.2 Market risk

(i) Foreign exchange risk management

Foreign currency risk arises from transactions denominated in currencies other than the functional currency of the entities within the Group. The currencies that give rise to this risk are primarily United States dollar and Euro. The Company does not have exposures to foreign currency risk as it does not maintain currencies other than its functional currency.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

28. Financial instruments, financial risks and capital management (Continued)

28.2 Market risk (Continued)

(i) Foreign exchange risk management (Continued)

The Group monitors its foreign currency exchange risks closely and maintains funds in various currencies to minimise currency exposure due to timing differences between sales and purchases. Currency translation risk arises when commercial transactions, recognised assets and liabilities and net investment in foreign operations are denominated in the currency that is not the entity's functional currency.

It is not the Group's policy to take speculative positions in foreign currencies. Where appropriate, the Group enters into foreign currency forward currency contracts with its principal bankers to mitigate the foreign currency risks (mainly export sales and import purchases).

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Group			
	Assests		Liabilities	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
United States dollar	7,260	6,843	3,965	3,033
Euro	1,242	1,142	3,386	574

Foreign currency sensitivity analysis

The Group's exposure to foreign currency risks are mainly United States dollar and Euro.

The following table details the Group's sensitivity to a 5% change in United States dollar and Euro against Singapore dollar. The sensitivity analysis assumes an instantaneous 5% change in the foreign currency exchange rates from the end of the reporting period, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in United States dollar and Euro are included in the analysis. Consequentially, reported changes in the values of some of the financial instruments impacting the results of the sensitivity analysis are not matched with the offsetting changes in the values of certain excluded items that those instruments are designed to finance or hedge.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

28. Financial instruments, financial risks and capital management (Continued)

28.2 Market risk (Continued)

(i) Foreign exchange risk management (Continued)

Foreign currency sensitivity analysis (Continued)

	Group Profit or Loss	
	2011 $'000	2010 $'000
United States dollar		
Strengthened against Singapore dollar	165	190
Weakened against Singapore dollar	(165)	(190)
Euro		
Strengthened against Singapore dollar	(107)	28
Weakened against Singapore dollar	107	(28)

The potential impact on profit or loss of the Group as described in the sensitivity analysis above is attributable mainly to the Group's foreign currency exchange rate exposure on monetary assets and liabilities denominated in currencies other than functional currency of the entities within the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

28. Financial instruments, financial risks and capital management (Continued)

28.2 Market risk (Continued)

(ii) Interest rate risk management

The Group's exposure to market risk for changes in interest rates relates primarily to fixed deposits, finance lease payables and bank borrowings as shown in Notes 12, 14 and 15 of the financial statements.

The Group's results are affected by changes in interest rates due to the impact of such changes on interest income and expenses from short-term bank deposits and bank borrowings which are at floating interest rates. It is the Group's policy to obtain quotes from banks to ensure that the most favourable rates are made available to the Group.

If the interest rate increases or decreases by 0.5% (2010: 0.5%), profit before income tax of the Group, will decrease or increase by $80 (2010: $Nil) arising mainly as a result of higher or lower interest expenses on floating rates bank borrowings.

28.3 Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows so as to finance the Group's and the Company's operations. As part of their overall prudent liquidity management, the Group and the Company minimise liquidity risk by ensuring availability of funding through an adequate amount of committed credit facilities from financial institutions and maintains sufficient level of cash to meet their working capital requirements.

The following table details the Group's and the Company's remaining contractual maturity for their non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to receive or pay.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

28. Financial instruments, financial risks and capital management (Continued)

28.3 Liquidity risk (Continued)

Contractual maturity analysis

Group	Within one financial year $'000	After one financial year but within five financial years $'000	Total $'000
2011			
Financial assets			
Non-interest bearing	23,155	-	23,155
Variable interest bearing	5,581	-	5,581
Fixed interest bearing	73	158	231
	28,809	158	28,967
Financial liabilities			
Non-interest bearing	12,918	-	12,918
Variable interest bearing	2,266	-	2,266
Fixed interest bearing	26	20	46
	15,210	20	15,230
2010			
Financial assets			
Non-interest bearing	20,704	-	20,704
Variable interest bearing	10,458	-	10,458
Fixed interest bearing	73	190	263
	31,235	190	31,425
Financial liabilities			
Non-interest bearing	9,715	-	9,715
Fixed interest bearing	76	16	92
	9,791	16	9,807

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

28. Financial instruments, financial risks and capital management (Continued)

28.3 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

Company	Within one financial year $'000	After one financial year but within five financial years $'000	Total $'000
2011			
Financial assets			
Non-interest bearing	556	-	556
Variable interest bearing	3,920	-	3,920
	4,476	-	4,476
Financial liabilities			
Non-interest bearing	206	-	206
2010			
Financial assets			
Non-interest bearing	26	-	26
Variable interest bearing	2,506	-	2,506
	2,532	-	2,532
Financial liabilities			
Non-interest bearing	829	-	829

The Group's operations are financed mainly through equity, accumulated profits, finance leases and bank borrowings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

28. Financial instruments, financial risks and capital management (Continued)

28.4 Capital management policies and objectives

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

The management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations based on their operating cash flows. The Group's and the Company's overall strategy remains unchanged from 2010.

The management monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by equity attributable to owners of the parent plus net debt. The Group includes within net debt, trade and other payables, finance lease payables and bank borrowings less cash and cash equivalents. Equity attributable to owners of the parent consists of share capital, foreign currency translation reserve/(account) and accumulated profits.

	Group	
	2011 $'000	2010 $'000
Trade and other payables	12,918	9,715
Finance lease payables	44	89
Bank borrowings	2,218	-
Less: Cash and cash equivalents	(9,401)	(13,504)
Net debt/(cash)	5,779	(3,700)
Equity attributable to owners of the parent	23,402	22,186
Total capital	29,181	18,486
Gearing ratio (%)	19.8	n.m.

The gearing ratio of the Group as at 31 March 2010 and of the Company as at 31 March 2011 and 2010 are not disclosed as it is not meaningful because the cash and cash equivalents is higher than all the Group's and the Company's liabilities respectively.

The Group is in compliance with all borrowing covenants for the financial years ended 31 March 2011 and 2010.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

28. Financial instruments, financial risks and capital management (Continued)

28.5 Fair value of financial assets and financial liabilities

The carrying amounts of the Group's and the Company's cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short term maturity of these financial instruments. The fair values of non-current asset in relation to receivable from an employee and the non-current liabilities in relation to finance lease payables are disclosed in Notes 10 and 14 to the financial statements respectively.

The fair values of financial assets and liabilities are determined as follows:

the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The management considers that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by the valuation method. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2011				
Available-for-sale financial assets	-	1,227	-	1,227
2010				
Available-for-sale financial assets	-	1,058	-	1,058

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

29. Change in accounting policy

The Group has changed its accounting policy on the determination of the cost of inventories from "first-in, first-out" basis to "weighted average" basis. Accordingly, this change in accounting policy has been applied retrospectively. The change in accounting policy has resulted in a decrease in accumulated profits as at 1 April 2009 of approximately $45,000, a decrease in cost of sales and correspondingly an increase in profit before income tax of approximately $64,000 during the financial year ended 31 March 2010, and an increase in cost of sales and correspondingly a decrease in profit before income tax of approximately $26,000 during the current financial year ended 31 March 2011.

As a result, certain line items have been amended on the face of the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows. The items restated in the comparatives are as follows:

	Group	
	As previously reported $'000	As restated $'000
Consolidated statement of financial position		
As at 1 April 2009		
Inventories	10,031	9,986
Accumulated profits	13,817	13,772
As at 31 March 2010		
Inventories	7,011	7,030
Accumulated profits	4,146	4,165
Consolidated income statement		
2010		
Cost of sales	(36,702)	(36,638)
Profit before income tax	5,330	5,394
Profit for the financial year	4,289	4,353
Consolidated statement of comprehensive income		
2010		
Total comprehensive income for the financial year	4,345	4,409
Consolidated statement of changes in equity		
2010		
Accumulated profits	4,146	4,165
Consolidated statement of cash flows		
2010		
Profit before income tax	5,330	5,394
Inventories	2,801	2,737

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011 (Continued)

30. Events after the end of the reporting period

On 16 May 2011, the Group subscribed for an additional 4,118 redeemable convertible preference shares in e-MLX Co., Ltd, an available-for-sale financial asset, with a par value of Korean won 10,000 (approximately $12) each for an aggregate principal amount of Korean won 345,000,000 (approximately $400,000) which represents an increase of 5.16% equity interest from 12.53% to 17.69%.

On 25 May 2011, the Company declared a first and final tax exempt (one-tier) dividend of 0.1 cent per ordinary share amounting to $106,000 in respect of the financial year ended 31 March 2011. The final dividend has not been recognised as a liability as at the end of the reporting period as it is subject to approval by shareholders at the Annual General Meeting of the Company.

SHAREHOLDING STATISTICS
AS AT 16 JUNE 2011

ISSUED AND FULLY PAID-UP CAPITAL : S$17,966,654
NO. OF SHARES ISSUED : 106,000,000
CLASS OF SHARES : ORDINARY SHARES
VOTING RIGHTS : ONE VOTE PER SHARE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1 - 999	0	0.00	0	0.00
1,000 - 10,000	194	45.97	1,223,000	1.15
10,001 - 1,000,000	222	52.61	12,523,000	11.81
1,000,001 & ABOVE	6	1.42	92,254,000	87.04
TOTAL	422	100.00	106,000,000	100.00

TOP TWENTY SHAREHOLDERS

NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
FOO CHEW TUCK	81,300,000	76.70
TAN FUH GIH	5,000,000	4.72
SIRIUS VENTURE CONSULTING PTE LTD	2,700,000	2.55
THOMAS TAN SOON SENG (THOMAS CHEN SHUNCHENG)	1,182,000	1.12
PHILLIP SECURITIES PTE LTD	1,052,000	0.99
TAN LIAN HUAT	1,020,000	0.96
PANG YOKE MIN	500,000	0.47
LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	400,000	0.38
TENG CHAI HAI	400,000	0.38
DBS VICKERS SECURITIES (S) PTE LTD	317,000	0.30
OCBC SECURITIES PRIVATE LTD	317,000	0.30
LEE POH HUAT	303,000	0.29
GOH CHAI SIN	300,000	0.28
TAY SOCK NGING	260,000	0.25
YEAP LAM YANG	250,000	0.24
CIMB SECURITIES (S'PORE) PTE LTD	230,000	0.22
WOON SEOW GEK AGNES	200,000	0.19
LIM LI SEAH	196,000	0.18
KWA CHIN TIONG ALBERT	175,000	0.17
LEE GEOK LOY	170,000	0.16
TOTAL	96,272,000	90.85

SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST	DEEMED INTEREST
Foo Chew Tuck	81,300,000	-

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 16 June 2011, approximately 19.79% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

JASON MARINE GROUP LIMITED

Company Registration No.: 200716601W
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Jason Marine Group Limited (the "Company") will be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Wednesday, 27 July 2011 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2011 and the Reports of the Directors and the Auditors thereon.
   (Resolution 1)
2. To declare a first and final one-tier tax exempt dividend of 0.1 Singapore cent per share in respect of the financial year ended 31 March 2011.
   (Resolution 2)
3. To approve the Directors' fees of S$155,000 for the financial year ended 31 March 2011.
   (2010 : S$68,750)
   (Resolution 3)
4. To re-elect Mr Tan Lian Huat, a Director retiring under Article 98 of the Articles of Association of the Company.
   (Resolution 4)
5. To re-appoint Mr Sin Hang Boon as a Director of the Company, who is retiring pursuant to Section 153(6) of the Companies Act, Chapter 50, to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.
   [See Explanatory Note 1]
   (Resolution 5)
6. To re-appoint Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.
   (Resolution 6)

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

"THAT pursuant to Section 161 of the Companies Act, Chapter 50 and subject to Rule 806 of the Rules of Catalist, authority be and is hereby given to the Directors of the Company to issue and allot new shares ("Shares") in the capital of the Company (whether by way of rights, bonus or otherwise) and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS that:

(1) the aggregate number of the Shares to be issued pursuant to such authority (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority), does not exceed 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below), and provided further that where shareholders of the Company ("Shareholders") are not given the opportunity to participate in the same on a pro-rata basis ("non pro-rata basis"), then the Shares to be issued under such circumstances (including the Shares to be issued in pursuance of Instruments made or granted pursuant to such authority) shall not exceed 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) of the Company at the time such authority was conferred, after adjusting for:

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

(b) new Shares arising from the exercise of share options which are outstanding or subsisting at the time such authority was conferred; and

(c) any subsequent consolidation or subdivision of the Shares;

and, in relation to an Instrument, the number of Shares shall be taken to be that number as would have been issued had the rights therein been fully exercised or effected on the date of the making or granting of the Instrument;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Listing Manual of the SGX-ST for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Articles of Association of the Company for the time being; and

(4) (unless revoked or varied by the Company in a general meeting) the authority so conferred shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."
[See Explanatory Note 2]

(Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

8. AUTHORITY TO GRANT OPTIONS AND ISSUE SHARES UNDER THE JASON EMPLOYEE SHARE OPTION SCHEME

"THAT pursuant to Section 161 of the Companies Act, Chapter 50, approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares in the share capital of the Company pursuant to the exercise of options granted in accordance with the provisions of the Jason Employee Share Option Scheme (the "Scheme"), and, pursuant to the Scheme, to offer and grant options from time to time in accordance with the provisions of the Scheme, provided always that the aggregate number of the Scheme Shares shall not exceed fifteen (15) per cent of the total number of issued shares excluding treasury shares of the Company from time to time."
[See Explanatory Note 3]

(Resolution 8)

9. OTHER BUSINESS

To transact any other ordinary business that may be properly transacted at an Annual General Meeting of the Company.

BY ORDER OF THE BOARD

Foo Hui Min
Pan Mi Keay
Company Secretaries
12 July 2011

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or not more than two 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 194 Pandan Loop, #06-05 Pantech Business Hub, Singapore 128383 not later than 48 hours before the time appointed for the Meeting.

STATEMENT PURSUANT TO ARTICLE 59 OF THE COMPANY'S ARTICLES OF ASSOCIATION

1. Mr Sin Hang Boon will, upon re-appointment as Director, continue to serve as a member of the Audit Committee and he will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist. He will also continue to serve as the Chairman of the Nominating Committee and Remuneration Committee.

2. Ordinary Resolution 7, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting, to allot and issue shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted) which the Directors may issue under this Resolution would not exceed 100% of the issued share capital of the Company at the time of passing this Resolution. For issue of shares and convertible securities other than on a pro-rata basis to all shareholders of the Company, the aggregate number of shares and convertible securities to be issued shall not exceed 50% of the issued share capital of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

3. Ordinary Resolution 8, if passed, will empower the Directors to offer and grant options in accordance with the provisions of the Scheme and to allot and issue new shares in the Company for the exercise of any options already granted and accepted under the Scheme up to a number not exceeding 15% of the total number of issued shares (excluding treasury shares) in the share capital of the Company.

JASON MARINE GROUP LIMITED
Registration Number : 200716601W
(Incorporated in the Republic of Singapore)

IMPORTANT
1. For investors who have used their CPF monies to buy Jason Marine Group Limited's shares, this Annual Report 2011 is forwarded to them at the request of their CPF Approved Nominees and is sent solely 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.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

PROXY FORM

I / We, ______________________________

of ______________________________

being a member/members of Jason Marine Group Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholding(s)	
		No. of Shares	%
Address			

and/or (delete where appropriate)

Name	NRIC/Passport No.	Proportion of Shareholding(s)	
		No. of Shares	%
Address			

as my/our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Wednesday, 27 July 2011 at 11.00 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 Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

Resolution No.	Ordinary Resolutions	For	Against
1.	Adoption of Reports of the Directors and the Auditors and Audited Financial Statements for the financial year ended 31 March 2011.		
2.	To declare a first and final one-tier tax exempt dividend of 0.1 Singapore cent per share in respect of the financial year ended 31 March 2011.		
3.	Approval of Directors' fees of S$155,000 for the financial year ended 31 March 2011.		
4.	Re-election of Mr Tan Lian Huat as Director.		
5.	Re-appointment of Mr Sin Hang Boon as Director.		
6.	Re-appointment of Messrs BDO LLP as Auditors.		
7.	Authority to allot and issue shares.		
8.	Authority to grant options and to issue shares under the Jason Employee Share Option Scheme.		

Dated this __________ day of ____________________ 2011

Total number of Shares in :	No. of Shares held
(a) CDP Register	
(b) Register of Members	

....
Signature(s) of Member(s)/ Common Seal

IMPORTANT: Please read notes overleaf

Notes:-

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or not more than two proxies to attend and vote in his/her stead.
2. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the power of attorney or a duly certified copy thereof must be lodged with the instrument.
4. A corporation which is a member 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 Section 179 of the Companies Act, Chapter 50.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 194 Pandan Loop, #06-05 Pantech Business Hub, Singapore 128383 not less than 48 hours before the time appointed for the Annual General Meeting.
6. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse the admission of any person or persons appointed under the instrument of proxy, to the Annual General Meeting.
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 shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member(s) are not shown to have shares entered against his/her/their name(s) in the Depository Register as at 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/her name appears on the Depository Register 48 hours before the time appointed for the Annual General Meeting.

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Affix Postage
Stamp Here

The Company Secretary
JASON MARINE GROUP LIMITED
194 Pandan Loop
#06-05 Pantech Business Hub
Singapore 128383

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