FORTIFYING OUR BRAND

ANNUAL REPORT 2017

JASON MARINE GROUP LIMITED

MOVING BEYOND 40

Over the past 40 years, Jason Marine has established itself as a reliable leading marine electronics support service provider and systems integrator. And as we step into our next decade, we will make every effort to fortify our brand, harnessing the latest innovations in digital technology to remain at the forefront.

We will continue to strengthen our relationships with our people, suppliers and customers, as well as improve our cost efficiency to sustain our businesses. Supported by our sound balance sheet, we will emerge an even stronger player in the industry.

CORPORATE PROFILE

Jason Marine Group Limited ("**Jason Marine**" or the "**Company**") is a leading marine electronics systems integrator and support services provider for the marine and offshore oil & gas industries. The Company and its subsidiaries (the "**Group**") have established a track record of delivering quality results safely and efficiently which has enabled it to become one of the industry's key players in Singapore and forging lasting relationships with a global customer base.

Established in 1976 with its headquarters in Singapore, Jason Marine has since expanded to Indonesia, Malaysia, Thailand and into key shipbuilding markets such as South Korea and China. It carries an extensive range of supplies from renowned manufacturers and continues to add products chosen to meet customers' exacting requirements.

The Group's proven expertise in marine communication, navigation and automation systems enables it to offer one-stop solutions that span design, supply, integration, installation, testing, commissioning and maintenance. Jason Marine also provides certification services and sells satellite airtime services to complement its communications business.

OUR VISION

To be a Global World Class Company in Marine Electronics

OUR VALUES

CHARACTER

Integrity and honesty
Positive attitude
Excellent teamwork

COMPETENCE

Excellent quality work
Deliver expected results
Innovation and creativity

COMMITMENT

Passion and drive
Walk the extra mile
Seek opportunities

协作

❝ Key customers turn to us because we don't just resell products – we can look at the big picture and help them boost performance through careful system integration. ❞

Li Zhi Heng
Bid-Proposal Manager

❝ Close bonds across the different teams make it easier to get things done for the client. ❞

May Lim San San
Procurement Manager

❝ We have earned a name for dependability, which has given us a sturdy base of clients and will help us secure more. We are also moving to boost our product range by adding new suppliers and integrating their solutions into our portfolio. ❞

Shaun Teo
Head of Business Unit, Energy

Xié Zuò | Unity

Listening to our people on the ground, we are able to provide more effective solutions to our customers' needs.

"Jason Marine really invests in its people, giving us every opportunity to upgrade. What we think matters, which encourages innovation and positive change."

Chua Sin Tat
Sales Manager

"Fresh marketing initiatives are taking us into online channels that will eventually offer users a whole new product experience."

Sally Yap
Marketing Executive

"It's not just about clinching sales, it's about earning clients' trust – I learnt that from the start when I saw how our senior management worked to build strong relationships with every customer."

Fabian Soh
Sales Engineer

诚信

Chéng Xìn | Trust

Partnering our suppliers, we are able to tap on their expertise to offer relevant and technologically-advanced equipment and innovative solutions to customers.

创优

“We make training a key priority so we can keep our people well-grounded in the latest technologies and the highly sophisticated systems in use today.”

Michael Lai
Lead Service Engineer

“My 17 years here have been a rich learning experience throughout – Jason has always encouraged me to take on new challenges, even making it possible for me to get my MBA.”

Ooi Chee Kong
Senior Operations Manager

“Despite the challenges, we're confident we can grow the company further because we have the competencies and the commitment to make the most of new opportunities.”

Keith Lim
Sales Director

“Customers know they can rely on us to get to the root of the problem when they send equipment in for servicing.”

Ho Nam Sin
Head of In-House Engineering Support

Chuàng Yōu | Innovation

Staying close to our customers to understand their needs, and upholding quality service standards, we aim to remain their preferred service provider.

CHAIRMAN'S STATEMENT

"This spirit of 日升 – Jason Marine's name in Chinese – defines our team's determination to rise above even the most challenging circumstances, just as surely as the sun rises in the east every day."

MR FOO CHEW TUCK
Executive Chairman

DEAR VALUED SHAREHOLDERS,

Forty-one years since Jason Marine was founded... entering 2017, we have stepped firmly into our fifth decade of operations. During this time, we have worked tirelessly to build a brand known for quality and integrity, never faltering in our resolve to build a sustainable business with the vision and the resilience to stand up to the industry's cyclical nature.

We have achieved these goals, establishing Jason Marine as a name to be trusted, largely because we realised early the wisdom of a Turkish proverb often cited as a key to lasting success: "If speaking is silver, then listening is gold."

Our readiness to listen – to our people, customers, suppliers and business partners – and our readiness to act on what they tell us have kept us strongly attuned to industry developments, and enabled us to provide relevant answers that demonstrate our acute grasp of client needs.

As we move into the next decade, our resolve to uphold these tenets has only deepened, spurring us on to find new ways to boost operational efficiency while embracing the latest technologies so we can give our clients the very best solutions for their business needs. This spirit of 日升 – Jason Marine's name in Chinese – defines our team's determination to rise above even the most challenging circumstances, just as surely as the sun rises in the east every day, which has seen us through another difficult year.

This year, we are pleased to present our inaugural Sustainability Report, which was developed in line with the standards laid out by the Global Reporting Initiative (GRI) for the reporting of environmental, social and governance practices. These standards are among several well-known reporting frameworks. The Singapore Exchange now requires all companies listed here to provide sustainability reports for financial years ending on or after 31 December 2017. Our top management team was heavily involved in the detailed materiality assessment needed to prepare this inaugural report.

FY2017 FINANCIAL REVIEW

The outlook for the oil and gas (O&G) sector has taken a turn for the better since late 2016, following production cuts to narrow the demand-supply gap. Oil prices have thus stabilised to some degree but, even so, it will take time for the effects to filter through to the entire industry value chain. As a result, the operating environment in the marine electronics sector remained challenging for Jason Marine during the financial year ended 31 March 2017 (FY2017).

Overall revenue dropped 10.8% to S$33.2 million in FY2017, largely because of lower demand for the Group's goods as well as repair, maintenance and airtime services. However, Jason Marine was able to improve its earnings, achieving a net profit of S$0.4 million in FY2017 against the net loss of S$6.0 million in the financial year ended 31 March 2016 (FY2016), thanks to sustained efforts to reduce costs and increase operational efficiency since the O&G sector entered the downturn in 2014.

The Group's focus on streamlining its cost structure and careful working capital management resulted in a positive net operating cashflow of S$11.4 million, adding S$9.8 million to the net cash position, which stood at S$23.9 million as at 31 March 2017.

BUILDING A SUSTAINABLE BUSINESS – FORTIFYING OUR BRAND

The name Jason Marine has come to stand for competence, commitment and integrity. These values continue to fortify our brand and will help drive us forward into this next decade.

Listening to Our People
协作 Unity

We listen, we act. Our people on the ground actively engage with both customers and suppliers, taking pains to fully understand what clients need so we can devise solutions that best match their requirements, while staying abreast of market trends.

At the same time, our own constant dialogue with our people enables us to understand their aspirations so we can help them acquire and develop skills that will advance their careers within the Group. To arm them with the newest and most sophisticated technologies, we send all our engineers and technicians for regular upgrading courses. Today, such upgrades are critical as technology is rapidly transforming port and maritime operations around the world.

Listening to our people has served to unite the Group over the years, enabling us to march forth as one, drawing on the strength of a shared vision and purpose.

Partnering Our Suppliers
诚信 Trust

We listen, we act. Jason Marine has established an extensive network of suppliers whose brand names are known over the world. In the past decade, we have worked hand in hand with these partners to develop cost-efficient and effective offerings for our customers that have allowed them to propel their businesses forward.

Our partners know they can trust us to uphold their reputation, brands and products in Asia, backed by our technical competency and our commitment to delivering excellence in every project. In turn, our teams on the ground are able to tap their expertise so we can work out the most compelling solutions, merging brands and products into creatively integrated systems that meet or even surpass requirements by offering clients fresh ways to enhance productivity and operations efficiency.

Staying Close to Our Customers
创优 Innovate

We listen, we act. Working closely with our clients gives us a precise understanding of their requirements and allows us to anticipate their needs, so we can continue to craft the most relevant solutions for them even as their businesses grow and evolve.

Customer needs often reflect shifting market trends as advancements in digital technology transform the business landscape. Recognising that we must adapt swiftly to such changes, we are working with various technology partners, including our 24.4%-owned Sense Infosys Pte. Ltd., to develop truly innovative solutions that will enable us to stand apart in an industry where creativity and versatility are key.

ACKNOWLEDGMENTS AND APPRECIATION

On behalf of the Board, I must thank Ms Foo Hui Min, who resigned as Chief Financial Officer in October 2016, for her many invaluable contributions to Jason Marine during her years with us. I would also like to take this opportunity to introduce Ms Esabelle Saw, who has been with the Group since 2015, as our Financial Controller.

To all our people on the ground as well as our management team, let me say that your passionate commitment to Jason Marine has certainly not gone unnoticed – the unity and the spirit that you have shown have been both inspirational and instrumental in enabling us to stay the course through these hard times. As for our business partners, we deeply appreciate your unwavering support, which has helped us build and reinforce our position as a leading marine electronics systems integrator and support services provider. Finally, to our shareholders, your continued faith in us will drive us on, past the challenges that we must still face, to a brighter future ahead.

MR FOO CHEW TUCK
Executive Chairman

BOARD OF DIRECTORS

From left to right:
Eileen Tay-Tan Bee Kiew | Sin Hang Boon | Foo Chew Tuck | Tan Lian Huat | Eugene Wong Hin Sun

MR FOO CHEW TUCK

Executive Chairman

For 41 years, Jason Marine's growth and aspirations have been shaped by our founder, Mr Foo Chew Tuck, 66, whose vision for the Group has enabled it to become a leading comprehensive solutions provider of marine electronics systems. As a leader of the management team, he has demanded the highest standards of quality and service throughout the Group, helping it build strong ties with customers and partners alike that have stood the test of time, even in the most challenging of environments.

He has fostered strong bonds within Jason Marine, where his emphasis on character, competence and commitment has nurtured a robust work ethic within the workplace. Our people at Jason Marine work hard to create a brighter future for the Company, which in turn makes their welfare a top priority by championing their individual development and working to enrich their lives with knowledge, skills and experience.

He is also a firm believer in giving back to society, devoting his personal time to community services.

A veteran in the marine electronics business, Mr Foo is a full member of the Singapore Institute of Directors. He earned his bachelor degree in science at Oklahoma City University in 1988 and a master degree in business administration in 1992. In addition, he has a diploma in marketing from The Chartered Institute of Marketing in the UK in 1987.

MR TAN LIAN HUAT

Chief Executive Officer

Mr Tan Lian Huat, 64, 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 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, 49, is a non-independent, non-executive director of the Group, having been appointed to the board on 15 September 2009. He founded Sirius Venture Capital Pte Ltd, a venture investment company, in September 2002, and has been its managing director since its incorporation. He is currently non-executive chairman of CrimsonLogic Pte Ltd and non-executive vice-chairman of Japan Foods Holding Ltd. He currently serves as a non-executive director of several private and public listed companies, including Singapore Kitchen Equipment Limited and Neo Group Limited which are listed on the Catalist board of the SGX-ST. He also sits on the board of AVA Singapore and International Enterprise Singapore and Cargo Community Network Pte Ltd, a subsidiary of Singapore Airlines Cargo and Singapore Cruise Centre Pte Ltd, a Temasek Portfolio company.

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. In 2011, Mr Wong completed the Owners President Management Program from the Harvard Business School. He has been qualified as a Chartered Financial Analyst (CFA) since 2001 and a Chartered Director (CDir) in 2014. He is a Fellow of the UK Institute of Directors, Australia Institute of Company Directors and a Board Leadership Fellow of The National Association of Corporate Directors, USA.

MRS EILEEN TAY-TAN BEE KIEW

Lead Independent Director

Mrs Eileen Tay-Tan Bee Kiew, 64, is the lead independent non-executive director of the Group, having been appointed to the board on 15 September 2009. She has more than 38 years of experience in areas such as accounting, auditing, taxation, public listings, due diligence, mergers and acquisitions, and business advisory. She was a partner at KPMG and served as a director of several companies, both private and publicly listed, in Singapore and Australia. Currently, she is also an independent director and chairman of SGX-ST Catalist-listed Singapore Kitchen Equipment Limited, an independent director of SGX-ST Mainboard-listed Sunningdale Tech Ltd and a member of the SPRING SEEDS Investment Panel.

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 Singapore Chartered Accountants (ICSA), 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 @ Sin Han Bun, 78, 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), under a localisation programme to replace the expatriate officers on loan from the then British Post Office. During his term of service, he has undertaken executive responsibilities ranging from frontline operation, to engineering planning & support, and business development, including a posting as senior executive to Belgacom S.A. in Belgium for 3 years. He returned to SingTel in 1999 and served as CEO of SingTel International, the company's strategic investment arm, overseeing merger and acquisition projects, 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.

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 TAN LIAN HUAT
Chief Executive Officer

The full profile of Mr Tan Lian Huat, our Chief Executive Officer, can be found on page 11 of the Annual Report.

MR FOO CHEW TUCK
Executive Chairman

The full profile of Mr Foo Chew Tuck, our Executive Chairman, can be found on page 11 of the Annual Report.

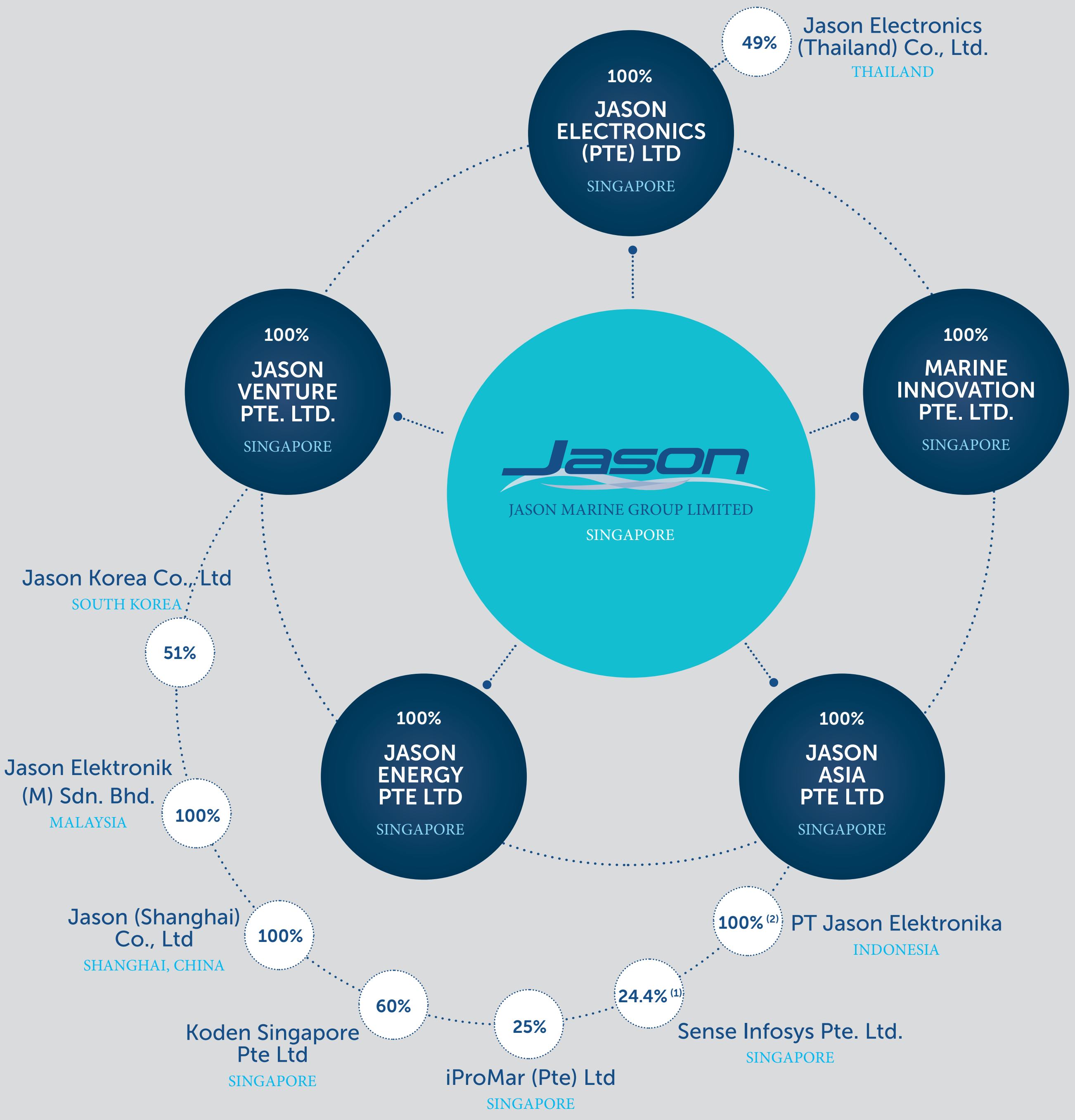
MS ESABELLE SAW HONG GAIK
Financial Controller

Ms Saw joined our Group in July 2015, and is now our Financial Controller. As our Financial Controller, she is responsible for overseeing all accounting and financial matters of the Group. She is also responsible for regulatory compliance and corporate secretarial matters of the Group.

She has garnered more than a decade of experience in audit and accounting roles. Before joining our Group, from 2013 to 2015, she was the financial manager of Hu An Cable Holdings Ltd., which is listed on both the Singapore and Taiwan bourses.

Ms Saw is a member of the Association of Chartered Certified Accountants (ACCA) in the UK and the Institute of Singapore Chartered Accountants (ISCA).

CORPORATE STRUCTURE



Notes:

(1) Upon conversion of all the convertible preference shares issued by Sense Infosys Pte. Ltd. into ordinary shares

(2) 1% owned by Jason Asia Pte Ltd and 99% owned by Jason Venture Pte. Ltd.

FINANCIAL AND OPERATIONS REVIEW

FY2017 IN REVIEW

Market conditions in the industry remained challenging for the financial year ended 31 March 2017 (FY2017). Even so, at Jason Marine, we refused to waver in our resolve to continue building a sustainable business, as we worked to uphold our brand and find new ways to optimise our operations.

Revenue

Overall revenue came in at S$33.2 million for FY2017, against S$37.2 million for the financial year ended 31 March 2016 (FY2016). The decline was due largely to lower contributions from the Group's three business segments in FY2017.

Earnings

Despite the drop in revenue, Jason Marine was able to post a net profit of S$0.4 million in FY2017, against a net loss of S$6.0 million in FY2016. The improvement in earnings was due largely to the Group's continued efforts to reduce costs and increase operational efficiency since the beginning of the downturn in the oil and gas (O&G) sector in around 2014.

Thanks to these efforts, distribution and general & administrative expenses have decreased steadily, falling from S$11.8 million in FY2016 to S$9.3 million in FY2017.

SEGMENT REVENUE AND PROFIT

Lower demand for the Group's goods, repair and maintenance services as well as airtime services contributed to a 10.8% fall in revenue in FY2017. Nevertheless, efforts to streamline operations did pay off. The overall gross profit margin rose from 19.1% in FY2016 to 30.1% in FY2017, supported mainly by higher gross margins achieved from the two segments: Sale of Goods and Rendering of Services.

Sale of Goods

This segment remains the Group's key revenue contributor, reporting S$22.5 million in revenue for FY2017, down 2.1% because of lower project sales in the O&G segment.

Even so, gross profit increased to S$7.2 million in FY2017, up 63.6% from the S$4.4 million posted in FY2016. The gross profit margin also increased, rising to 32.2% in FY2017 from 19.2% in FY2016.

Rendering of Services

Revenue for this segment dropped 21.6% to S$6.3 million in FY2017. However, even though less service work was carried out during the year, gross profit increased by 40.0% to S$2.1 million in FY2017, while the gross profit margin rose to 33.9% in FY2017 from 18.8% in FY2016.

Airtime Services

Segment revenue fell by 29.0% to S$4.4 million in FY2017 because of a decrease in airtime services taken up by customers. Gross profit decreased by about S$0.5 million to S$0.7 million in FY2017, while the gross profit margin fell to 14.3% in FY2017 from 19.2% in FY2016.

HIGHLIGHTS OF FINANCIAL POSITION AND CASHFLOW

Financial Position

Supported by the improved earnings performance and active working capital management, Jason Marine was able to report a net cash position of S$23.9 million as at 31 March 2017, compared with S$14.0 million as at 31 March 2016. As a result, net cash per share rose to 22.7 S¢ as at 31 March 2017.

Equity attributable to the owners of the parent amounted to S$22.3 million as at 31 March 2017, comprising about S$18.0 million in issued share capital and S$4.7 million in retained earnings. This represents a net asset value per share of 21.3 S¢ as at 31 March 2017.

Operating Activities

For FY2017, operating cashflows before working capital changes came to about S$1.9 million. Net cash generated from working capital amounted to S$8.9 million, largely because trade and other receivables decreased by S$9.4 million and inventories fell by S$1.4 million. These were partially offset by a S$1.7 million decline in trade and other payables and a S$0.3 million fall in deferred revenue. After refund of S$0.2 million in income tax, net cash generated from operating activities in FY2017 amounted to S$11.0 million, against the net cash outflow from operations of S$6.2 million for FY2016.

Investing Activities

Net cash used in investing activities in FY2017 came to about S$1.2 million, largely because the purchase of plant and equipment totalled S$0.7 million and the Group made an additional investment of S$0.6 million in Sense InfoSys Pte. Ltd., a 24.4%-owned associate.

Financing Activities

No cash was generated or used in financing activities in FY2017, as compared with FY2016 when net cash used in financing activities amounted to S$1.8 million.

As at 31 March 2017, the Company had 1,000,000 treasury shares, and 105,000,000 ordinary shares (excluding treasury shares).

OPERATIONS REVIEW

During FY2017, we continued to roll out measures to improve our cost structure and enhance operational efficiency. To improve project execution and our ability to adapt swiftly to clients' needs, we successfully deployed capabilities across all three business units – Marine, Offshore Oil & Gas and China – while assembling the best team for each job, ensuring prompt turnarounds and service quality.

For our people on the ground, we are well aware that digital technology is rapidly transforming the maritime sector. To leverage on these changes, we know it is crucial to equip them with the knowledge and skills to deliver innovative, cost-efficient and effective solutions that customers can count on. That is why we constantly send them for upgrading and training programmes designed to boost their competencies and update them on key market trends.

OUTLOOK

Our industry is highly cyclical and the past three years have been particularly difficult. We expect the financial year ending 31 March 2018 (FY2018) to be challenging as well, but we will press on with efforts to carry the Jason Marine brand forward to the next decade and beyond. Backed by a strong balance sheet, we will continue to invest in our people and exercise prudence in managing our costs, so that we can strengthen our existing business and seek out new opportunities by leveraging on technology to create value for customers.

LATEST PARTNERS

S.A. SEDNI

S.A. Sedni is a leader company specialized in the design of dedicated marine electronics and software for monitoring and control. It has contributed to the development of maritime ship systems for over 25 years using state of the art-technology, its experience and innovation. S.A. Sedni's safe, reliable and friendly solutions are designed to meet the challenging demands of shipyard and ship owners, covering most ship types and applications. A range of engineering services, simulation tools, technical support and training courses are provided world-wide through its network of agents and partners.

The products that S.A. Sedni distributes worldwide are:
- Diamar®: Integrated automation system for engine room.
- Nereida Loading computer. Sofware for loading & stability calculations.
- Nereida Containers. Management software of containers.
Application to manage container carriers.

KNL Networks

KNL Networks, founded in 2011, is a communication solution company that keeps businesses connected wherever they are in the world, even in areas where satellite coverage is poor, congested, or nonexistent. KNL Networks utilizes the latest software-defined and cognitive radio technologies offering a unique and innovative alternative to satellite communications. The service is simple, secure and provides global coverage. With KNL Networks, the customer can bring down their communication costs and keep business connected at all times and in any location.

SUSTAINABILITY REPORT

ABOUT THIS SUSTAINABILITY REPORT

We are pleased to present Jason Marine's inaugural annual Sustainability Report, for our financial year ended 31 March 2017 (FY2017). This report is set out on a "comply or explain" basis in accordance with Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual Section B: Rules of Catalist. Jason Marine has chosen the Global Reporting Initiative (GRI) framework as it is the most established international sustainability reporting standard and in respect of the extent to which such framework is applied, this report has been prepared in accordance with the GRI Standards: Core Option.

Jason Marine has been reporting on sustainability issues since our first annual report in 2010 on topics such as Health and Safety, Employee Development, and Community. This year, we further our efforts by aligning our reporting with international guidelines.

Being at the start of our reporting journey using GRI standards, scope of the policies and data covered in this report pertains to operations in Singapore only, where we are headquartered, unless indicated otherwise. We aim to expand scope of the report to our overseas operations in future.

We aim to seek external assurance in future. We welcome your feedback at csr@jason.com.sg.

BOARD STATEMENT ON SUSTAINABILITY

The key material environmental, social and governance factors for Jason Marine have been identified and reviewed by the Chairman and the CEO. The board of directors of Jason Marine (Board) oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group's strategic direction and policies. Sustainability is a part of Jason Marine's wider strategy to create long term value for all its stakeholders.

Our Approach to Sustainability

Sustainability Governance

At Jason Marine, we believe that good governance is the key to a sustainable business. Our policies - underpinned by our values: "Character, Competence, Commitment" - provide the framework for managing economic, environmental, social and governance (ESG) issues.

Managing environmental and social issues is part of our business model. Providing products and services that meet the requirements of customers and regulatory bodies requires stringent adherence to environmental and safety standards. Attention to social issues such as good labour practices and employee development helps to ensure excellent delivery of our products and solutions. We value relationships with our clients and the wider community, and the strong ties forged helps us tide over difficult times. We believe that in the long term, these efforts will be reflected in our economic performance.

Mr Foo Chew Tuck, our Executive Chairman, has been instrumental in leading Jason Marine in our sustainability journey. He works closely with the heads of business units including finance, human resources, health and safety, and procurement, who together make up the working team managing sustainability on a day-to-day basis.

Responsible Business and Operational Risk Management

To achieve our vision of being a world class company, having strong business ethics is of vital importance. We value integrity and honesty in our "Character", one of our core values, and believe that this is the right way to conduct a business. This value is continuously instilled in our employees and is part of the working culture in Jason Marine.

We recognise the importance of risk management in responsible business management. Our Business Continuity Management (BCM) Committee oversees the managing of operation risks and mitigation actions to reduce the risk of business disruptions. Our BCM Policy is part of the Management's review to ensure continuing suitability or when significant changes occur. We have also implemented management systems including the ISO9001:2008 (since 2009) for Quality Management and OHSAS18001:2007 Occupational Health and Safety Management System (since 2014). Our internal audit policies and procedures provide checks and balances on our processes.

Corruption, non-compliance and violation of human rights represent significant risks to Jason Marine's business and reputation. We further address these issues below.

Business Ethics, Anti-corruption and Compliance

We take a strong stand against corruptive practices and this value has been communicated during meetings to all of our employees, major suppliers and business partners. Any forms of corruption are escalated to the Chairman.

With regard to our employment process, we look out for possible conflicts of interest. Our code of conduct details Jason Marine's expectations on employee's conduct, the consequences if the rules of conduct are violated or not met, and also provides information on grievance procedures. It is made available on our intranet to all of our Singapore-based staff. Business ethics is communicated to regional heads of business units regularly.

Compliance with rules and regulations is also a key part of a responsible business. We keep ourselves up to date with international and local laws. For example, different ports in different countries have varying levels of security and laws regarding cargo, and controlled equipment to embargoed destinations can be a challenge. We comply with regulations including those on the environment, anti-competitive behaviour, and health and safety.

Being in the information communications and technology business, data privacy and cyber-security are important aspects in the consideration of business ethics and compliance. Jason Marine safeguards against these risks with implemented policies such as the Personal Data Protection Act Policy, which apply to both internal and external stakeholders. The policy applies to our employment and tender process, for example, where data privacy of applicants is respected. Access to personal data is restricted to authorized persons such as manager or Senior Management on a needs basis.

For FY2017, there were no significant fines or non-monetary sanctions for non-compliance with laws and regulations. There have also been no reported incidents of corruption during the reporting period.

It is Jason Marine's goal to maintain zero incidents of corruption. We will review policies on whistle blowing, anti-corruption and business gifts annually. We intend to conduct risk assessments on anti-corruption in the near future.

OUR MATERIAL ISSUES FOR SUSTAINABILITY

To identify and prioritize sustainability topics for inclusion in this report, we applied the principle of Materiality, by considering our activities, our economic, environmental, and social impacts, and the substantive expectations and interests of our stakeholders.

A materiality assessment workshop, facilitated by an independent consultant, Paia Consulting Pte Ltd was carried out in early 2016 based on the guidelines of Global Reporting Initiatives (GRI) & AA1000AS five-part materiality test. Our Senior Management and representatives from key business units participated actively in the workshop. External expectations and sustainability context were taken into account via benchmarking and input from the independent consultant.

Our key material issues, presented in order of priority, are shown in the table below:

Identified Material Issue	Section Reference for Information on Identified Material Issue (1)	Page Reference (1)
Priority level 1		
• Business Ethics, Anti-corruption and Compliance	Our Approach to Sustainability	17
• Economic Performance and Productivity	Financial and Operations Review, Community Engagement	14, 25
• Occupational Health and Safety	Occupational Health and Safety	20
• People Development, Labour Relations and Standards	People Development, Labour Relations and Standards	21
• Sustainable Procurement	Sustainable Procurement	26
Priority level 2		
• Community Engagement	Community Engagement	25
• Product Responsibility	Product Responsibility	20
• Waste Disposal Management	Safeguarding the Environment	23
Emerging key issue for reporting		
• Energy Efficiency	Safeguarding the Environment	23

Note:

(1) For each material issue identified, please refer to the relevant section of this annual report for details on the Company's policies, practices and performance for FY2017 as well as targets for the next financial year (including descriptive and quantitative information where relevant).

During the financial year ended 31 March 2017 (FY2017), we have started to look into waste disposal management and energy efficiency, and we aim to improve reporting on these issues in our next report.

We are planning to conduct an external stakeholder engagement in the financial year ending 31 March 2018 (FY2018) to validate our material issues/topics. Having external stakeholder engagement also helps to ensure that our sustainability efforts are aligned to our business strategy. Read more about our stakeholders on page 24 of this report.

The diagram below shows how our material issues are distributed around the value chain, which in turn helps to define the boundary of our material issues.

OUR VALUE CHAIN

Stages

Procurement
We procure high-quality materials and parts from reliable suppliers, which are based mainly in Europe. We also procure from USA, Korea, Denmark, Japan and Norway.

Sales & Servicing
We assemble procured materials into value-added products that meet customers' exacting requirements. We also provide repair and ICT services in shipyards and onboard vessels in Asia.

Reuse & Disposal
We minimise waste by reusing materials as much as possible, and manage the disposal of waste responsibly.

Material Issues

Business Ethics, Compliance and Anti-corruption
A responsible business upholds ethics, compliance and anti-corruption throughout the entire value chain.

Economic Performance & Productivity
It is vital that our economic performance remains healthy, in order to distribute value to our stakeholders for the long term. Besides generating revenue from our sales and services, saving costs throughout the value chain is also essential.

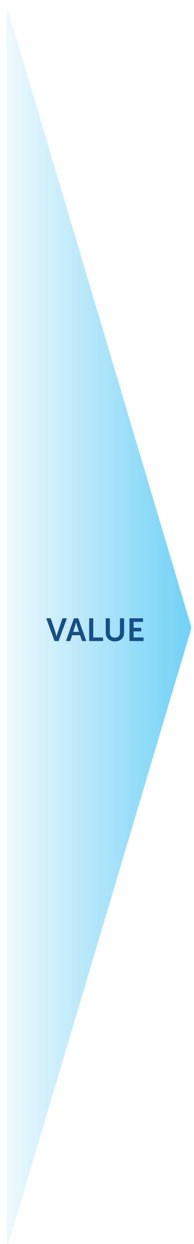
Occupational Health & Safety
The health and safety of our workers is most pertinent at the sale and servicing stage.

People Development, Labour Relations and Standards
Our workers at every point of our value chain should be given development opportunities and labour rights. We abide by labour regulations such as those prescribed by Ministry of Manpower.

Sustainable Procurement
We indirectly impact our suppliers and their communities through our procurement practices.

Community Engagement
We directly impact the maritime community whom we provide products and services for. We also indirectly impact the societies where we implement community engagements, and the areas where our products are disposed.

Product Responsibility
Product responsibility applies throughout the value chain. Procured equipment and used products should not be produced or disposed of at the expense of the natural environment or the society. At sale and servicing stage, we ensure that key product responsibility issues such as radiation are addressed.



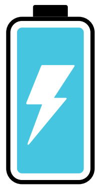
Product Responsibility

Integral to our mission of delighting customers is our responsibility in ensuring our customers are supplied with products that are safe. To manage this, we have identified potential impacts that may arise from the use of our equipment and systems, and put in place measures to prevent any negative effects.

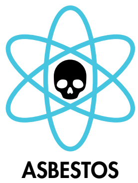
Our engineers are trained by the equipment manufacturer on safe handling of the equipment. End-user training is also provided to customers according to the manufacturer's operation manual to ensure safe operations.

We comply with the Shipper's Declaration for Dangerous Goods set out by the International Air Transport Association. There have been no incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of our products and services.

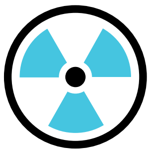
Read more about our Health and Safety measures for our workers below. We aim to develop indicators to track our performance in the area of product responsibility in the coming years.



Lithium Batteries power many of the electronic equipment and systems we supply. However, because they can overheat and combust easily, they are risky to transport and are classified as dangerous goods by the United Nations. To manage this risk, we use tested lithium batteries from original manufacturers or their approved sources that meet regulatory requirements, and engage qualified companies to dispose of the batteries responsibly.



Asbestos is a material that may be used in the manufacture of electronic devices. Heavy exposure to asbestos can result in lung disease and cancer. We ensure that all of our equipment are asbestos-free or fulfill regulatory standards on asbestos, to safeguard or customers from asbestos-related health issues.



Radiation from radio devices can reach unsafe levels, if radiation power density is not controlled. We ensure that our communication technologies are designed and deployed in ways that minimize operators' exposure to radiation – both during the installation process and also during the use of the platforms on board the ships.

Occupational Health and Safety

Health and safety for our workforce has been a key focus throughout our growth as a company. It is not only a fundamental right for our workers to be able to work in a safe environment, but when our employees' wellness is attained, our productivity increases, and our best is given to our customers.

Our Safety and Health Policy, which is publicly available on our website, applies to all employees and contractors, and focuses on prevention and compliance. We conduct safety risk assessments at all levels and at all operating locations.

We have a Safety Committee to oversee the promotion of safety culture and practices in the workplace. Led by a member of our Management, the committee includes a few representatives from each functional department. Monthly meetings are held to discuss safety related matters, including reviews of changes in regulatory requirements, outcomes of monthly safety inspection, results from regular risk assessments and the necessary preventive measures. The information is then disseminated by committee members to their peers during their respective department meetings. All of our employees are represented by the joint management-worker Safety Committee.

Our operations in Singapore has safety management systems in place. The certifications for bizSAFE STAR, OHSAS 18001:2007 and ISO 9001:2008 have been renewed in 2016.

Health and safety trainings on aspects such as risk assessment, fire safety, and first aid are provided for all staff according to their job requirements. Both workshop-based and field staff are sent for relevant risk management training sessions throughout the year, and familiarised with the latest safety frameworks. Specific programmes are provided for high-risk site engineers, where they learn how to work safely at height and in confined spaces. Relevant employees nominated as First-Aiders will be given CPR+AED training. In addition, we conduct health talks and activities for all our employees regularly.

We follow Ministry of Manpower (MOM)'s Workplace Safety and Health Guidelines to manage safety and health of our employees in shipyards and ships. One significant hazard that our field service engineers at shipyard or on board vessels may be exposed to is high noise level. To prevent noise-induced deafness (NID), all engineers are required to use appropriate personal protection equipment at work. All of our new engineers are required to go through audiometric tests, which are followed-up annually to monitor hearing and detect any symptoms of NID.

Accident Severity Rate per million man hours	
FY2017 :	8.33
FY2016 :	0
FY2015 :	5.83

Accident Frequency Rate per million man hours	
FY2017 :	4.16
FY2016 :	0
FY2015 :	2.91

Number of Injuries	
FY2017 :	1
FY2016 :	0
FY2015 :	1

We had no fatalities during the reporting period. We had one minor injury, resulting from the use of an inappropriate ladder while performing repair work onboard a vessel. An incident investigation was conducted to determine the root cause and the risk assessment on performing job onboard was updated to prevent future recurrence. Results of the investigation and the revised risk assessment were disseminated to all field staff to share the important lessons learnt from the incident.

We will continue to stress workplace safety at all times and aim for accident frequency rate (AFR) and accident severity rate (ASR) of zero in the upcoming years. For the next reporting period, we will also aim to report on absentee rate and lost day rate.

People Development, Labour Relations and Standards

At Jason Marine, we want to be the preferred employer of our people. We endorse the values of non-discrimination and diversity, and also uphold principles on human rights and good labour practices. Our employees are not covered by collective bargaining agreements, but are given the right to exercise freedom of association. Employees are given a minimum of one month's notice prior to any implementation of significant operational changes that could substantially affect them.

To monitor our performance in people management, we track data on new hires and turnover, and training hours, with considerations for diversity such as gender and age. These data are reviewed by our Management regularly.

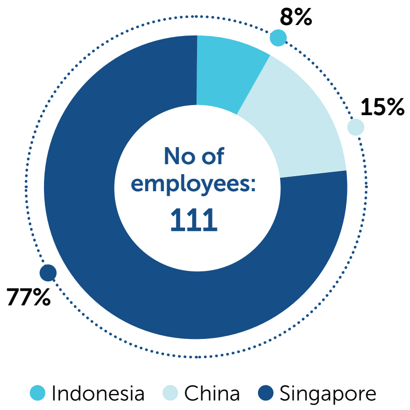
All employees for our operations in Singapore hold permanent contracts and work full-time. We seldom rely on workers who are not employees.

With the slowing of business during FY2016 and FY2017, our Singapore workforce dropped from 150 employees as at 31 March 2016 to 85 employees as at 31 March 2017. This is the result of natural attrition, recruitment freeze, non-renewal of contracts and right-sizing. For employees who did not leave the company voluntarily, they were given transition assistance through referral programmes. All employees who left were accorded terms that were more favourable or in accordance with their contracts.

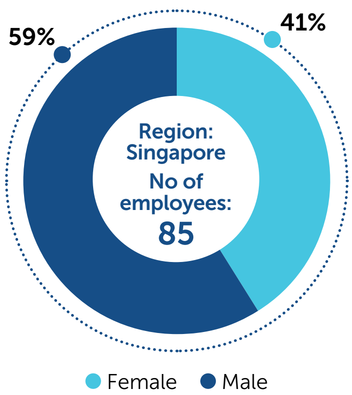
Jason Marine has been a signatory of the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) for more than 6 years.

We endorse TAFEP's guidelines to implement fair and merit-based employment practices.

Global Employee Profile



Gender Breakdown



SUSTAINABILITY REPORT

Rate of new hires and turnover, broken down by gender

Region: Singapore	Male	Female
Rate of new hire	8.2%	2.4%
Rate of turnover (total)	47.1%	21.2%
Rate of turnover (voluntary)	18.8%	9.4%

Rate of new hires and turnover, broken down by age group

Region: Singapore	< 30 years	30-50 years	>50 years
Rate of new hire	1.2%	9.4%	0%
Rate of turnover (total)	17.6%	43.5%	7.2%
Rate of turnover (voluntary)	5.9%	21.2%	1.1%

In light of our aging workforce, we look to attract the younger generation by reaching out to polytechnics with internship programmes, sponsorships, and providing more career advancement opportunities. We also make working at Jason Marine more attractive by increasing employee well-being with the adoption of more family friendly and quality work-life policy.

Jason Marine adheres to the TAFEP guidelines on re-employment of older employees. Although the current statutory retirement age is 62, eligible employees will be offered a re-employment contract on a yearly renewable basis, up to age 65 and up to age 67 with effect from 1 July 2017.

The Jason Marine Group employee engagement survey is conducted periodically, to determine the level of satisfaction and to gather feedback. Employees' inputs are taken into account in the formulation of human resource practices and programmes such as Corporate Social Responsibility (CSR) or Workplace Health Promotion (WHP) activities.

People Development

At Jason Marine, we believe that our people play a vital role for our success, and it is our mission that they are developed to their fullest. Talent attraction and development are thus crucial for Jason Marine, and we have policies and processes in place to ensure that our employees receive sufficient training and that their personal development goals are met. In FY2017, overall average training hours for our employees is 26.9.

Average no. of training hours per employee, by gender

Region: Singapore	Male	Female
FY2017	42.5	4.6

Average no. of training hours per employee, by employee category

Region: Singapore	Executives	Non-executive	Senior Management
FY2017	25.5	27.8	20.3

Our engineers are required to attend training at least twice a year, including refresher courses, training on new products and updates on system changes. Our sales support, finance, procurement and human resource departments do not have fixed training requirements, but undergo training as and when there are regulation updates or relevant courses. Due to the nature of our business, most of our employees are engineers, and most of our engineers are male. As a result male employees clock a higher average number of training hours.

To enable our team leaders and managers to carry out their functions more effectively, a series of leadership training programmes, conducted by external Human Resource consultant, Elizabeth Martin Associates, was rolled out in FY2017 for all team leaders and managers.

The evaluation of an employee's performance against their targets aids their personal development. To this end, we ensure that all of our employees receive regular performance reviews at least once a year under our Performance Management and Appraisal Policy.

For FY2018, we intend to conduct a Jason Marine Group employee engagement survey. We also plan to provide more information on our global workforce in our next report.

Safeguarding the Environment

Responsible business is also about being ethical in the way we treat the environment. It is expected of companies to safeguard natural resources for future generations. Jason Marine supports the precautionary principle, and aims to avoid negative impacts on the natural environment where feasible.

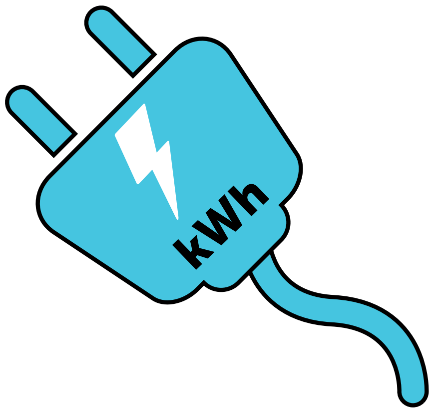
At Jason Marine, we reduce, reuse and recycle materials and resources whenever possible. We aim to incorporate environmental conservation measures at all stages of our production and operations right from the design stage, improve energy efficiency of our products, and minimise waste. We also comply with international guidelines on pollution management.

Environmental protection is no doubt a corporate responsibility. Yet we also see its value in the reduction of operational costs when material inputs and waste are reduced. For example, we reuse discarded paper boxes as our packaging material. By reusing materials, not only is waste minimised, but there are also cost savings from lower packaging expenses.

We continue to re-examine our business processes and seek innovative new ways to improve efficiency of our operations while reducing environmental impacts. As part of our Group-wide drive to adopt paperless solutions, we have leveraged our IT expertise and have gone electronic with most of our billing processes and customers' statements. We also employ energy-efficient systems that help us contain our environmental footprint while cutting operational costs. Extending our values of environmental protection to our supply chain, having ISO14001 certification is one of the consideration factors when selecting suppliers.

Due to the mobile nature of our operations, we expect that a significant portion of our energy and greenhouse gas emissions are consumed and generated during transport of equipment and during business travel. We aim to develop processes for the monitoring of our energy and greenhouse gas emission figures in the upcoming years.

Even though the environmental impact of our office activities is relatively immaterial, we believe it is important to instill values of environmental stewardship in our people. Recycling bins for paper, stationery and computers are provided at various locations in the office to encourage our staff to reuse and recycle materials wherever feasible. We also stress the importance of proper disposal of office equipment, especially with items such as laptops and printer cartridges, to reduce negative impacts of electronic waste. By regularly engaging our staff on environmental issues, we hope to be environmentally conscious in whatever we do.



Electricity consumption (kWh)

Region: Singapore

FY2016	FY2017
342,153	**210,330**

SUSTAINABILITY REPORT

OUR STAKEHOLDERS

As part of the materiality assessment process, Jason Marine identified five key stakeholder groups to engage with, based on their level of influence and interest.

Stakeholders	How we engage	Key topics raised
Investors	• Annual meetings	• Corporate governance • Financial performance • Business outlook
Employees	• Annual performance reviews • Annual Workplace Health Promotion activities • Employee engagement survey every 2 to 3 years	• Work-life balance • Cyber security • Career advancement • Learning and development needs
Customers	• Customer Satisfaction Surveys following services or job orders and after completion of projects	• Price of products and services • Quality, safety • Future needs and requirements
Business partners	• Business meetings • Conferences	• Meeting of sales targets • Review on financial performance and business outlook • Supply chain quality
Local community	• Community programmes in Singapore, under the Adopt-a-Precinct program, at least once a year	• Financial and logistical support to the community

JASON MARINE AND ITS SUBSIDIARIES IS A MEMBER OF THE FOLLOWING ASSOCIATIONS:

- Association of Singapore Marine Industries (ASMI)
- Association of Small and Medium Enterprises (ASME)
- Singapore International Chamber of Commerce (SICC)
- Singapore Business Federation (SBF)
- Singapore Human Resources Institute (SHRI)
- Singapore Chinese Chamber of Commerce and Industry (SCCCI)
- Singapore Institute of Directors (SID)
- Singapore Manufacturing Federation (SMF)
- Singapore Institute of Management (SIM)
- Global Compact Network Singapore (GCNS)
- Singapore Institute of International Affairs (SIIA)
- Singapore National Employers Federation (SNEF)

Community Engagement

At Jason Marine, it is our goal to be our society's preferred corporate citizen. The nature of our operations means that our main contact with the society is with the maritime community at the shipyards and vessels where we operate in, and those who use our systems and products. Through our stringent safety standards and responsible use of products as discussed in previous chapters, we ensure that any negative impacts for the maritime community are minimal.

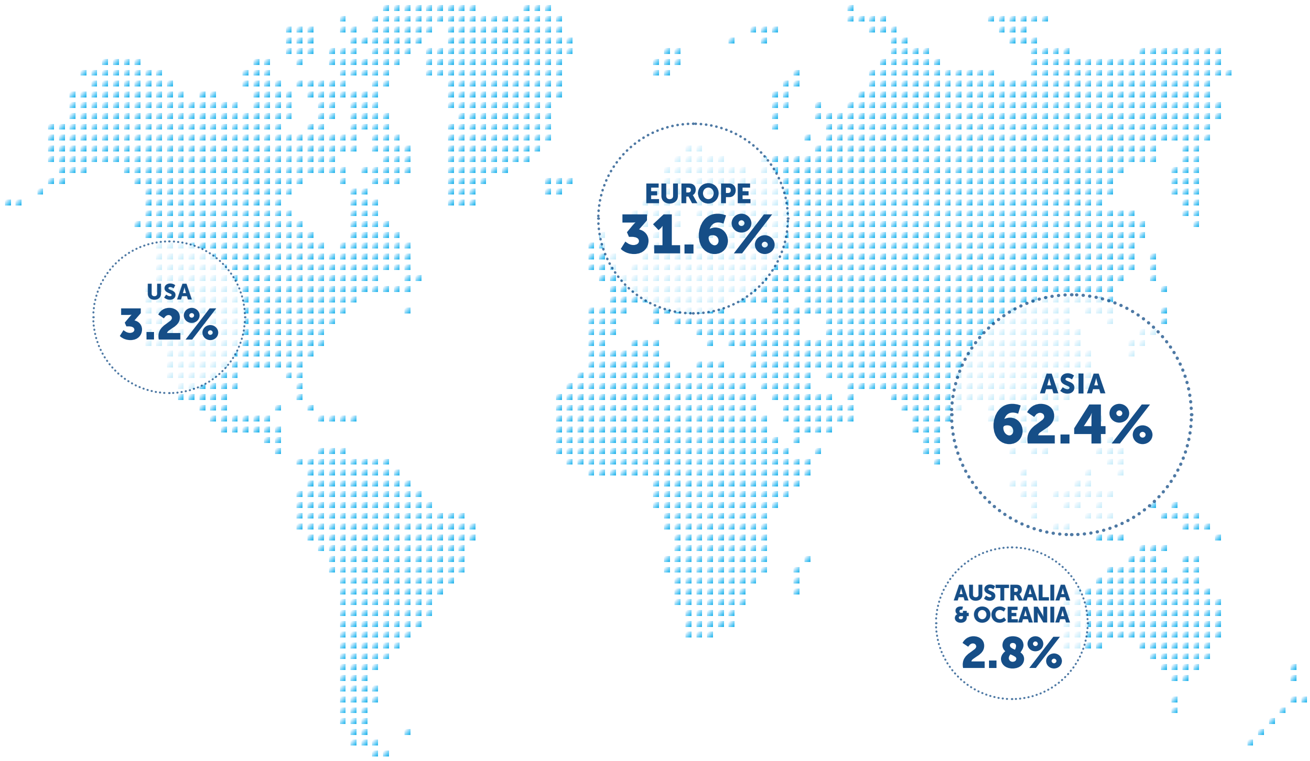
We also aim to positively impact local communities beyond the maritime community, and we have been doing so through community development and engagement programmes.

We remain committed to meeting local communities' needs and enabling vulnerable groups of the society. Since 2012, all of Jason Marine's operations in Singapore have implemented local community development programmes by joining the Adopt-a-Precinct (AAP) scheme of South West Community Development Council. Every year, we have been contributing to our adopted precinct, the Telok Blangah community, in different ways. This year, we sponsored 50 book vouchers amounting to $3,000 for low income children through the Telok Blangah Residents' Committee's Edu Aid event in December 2016.

SUSTAINABILITY REPORT

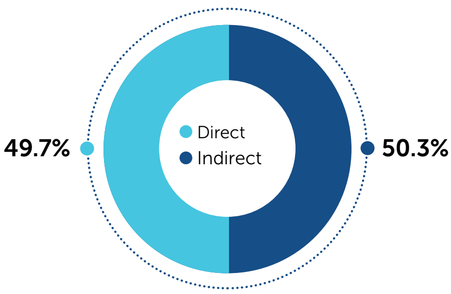
Sustainable Procurement

Demograhic distribution of products and services procured



Percentage of products and services purchased locally or overseas

Percentage of products and services acquired directly (from makers) or indirectly (from authorised dealers)



We procure from regional partners who provide us with the highest quality equipment, systems and solutions, in order to achieve the highest quality in our products and services. In line with our material issues of Business Ethics, Product Responsibility and Occupational Health and Safety, it is important to us to procure from suppliers with sound social and environmental practices. In the manufacturing stage, human rights issues and forced or child labour practices have potential negative impacts, together with the use of contentious materials such as rare earth metals in the production of the equipment. Jason Marine can indirectly influence our supply chain positively, through our supplier selection process. Extending our environmental values to our supply chain, having ISO14001 certification is one of the consideration factors when selecting suppliers.

Our sourcing activities can also have a positive influence on the local economy. We engage local suppliers whenever possible, but due to specific legal and technical requirements for our products, a large proportion of our systems and equipment are sourced from Europe and the USA. 37% of our products and services were purchased locally (i.e. from Singapore).

We aim to develop a Supplier Code of Conduct which stresses legal compliance and adherence to Jason Marine's business ethics. All key suppliers are to comply with the Supplier Code of Conduct. Currently, we have clear documentation procedures for our vendor pre-qualification process and also conduct continuous evaluation of our vendors' performance.

Read more about our latest partners on page 16.

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page References CGFR refers to Corporate Governance and Financial Report 2017
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	102-1	Name of the organization	Cover page
	102-2	Activities, brands, products, and services	1, 14-15
	102-3	Location of headquarters	1, 17
	102-4	Location of operations	1
	102-5	Ownership and legal form	1
	102-6	Markets served	1
	102-7	Scale of the organization	14-15, 21
	102-8	Information on employees and other workers	21 Data on employees and other workers is compiled by our HR department.
	102-9	Supply chain	19, 24
	102-10	Significant changes to the organization and its supply chain	14-16
	102-11	Precautionary Principle or approach	23
	102-12	External initiatives	21
	102-13	Membership of associations	24
	102-14	Statement from senior decision-maker	8-9
	102-16	Values, principles, standards, and norms of behavior	17-18
	102-18	Governance structure	10-12, 17, 20
	102-40	List of stakeholder groups	24
	102-41	Collective bargaining agreements	21
	102-42	Identifying and selecting stakeholders	24
	102-43	Approach to stakeholder engagement	24
	102-44	Key topics and concerns raised	24
	102-45	Entities included in the consolidated financial statements	13, 17
	102-46	Defining report content and topic Boundaries	18-19, 23
	102-47	List of material topics	18
	102-48	Restatements of information	N.A., first report
	102-49	Changes in reporting	N.A., first report
	102-50	Reporting period	17
	102-51	Date of most recent report	N.A., first report
	102-52	Reporting cycle	17
	102-53	Contact point for questions regarding the report	17
	102-54	Claims of reporting in accordance with the GRI Standards	17
	102-55	GRI content index	27-30
	102-56	External assurance	We aim to seek external assurance in future.

GRI Standard	Disclosure Number	Disclosure Title	Page References CGFR refers to Corporate Governance and Financial Report 2017
Material Topics			
Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	18-19, 25
	103-2	The management approach and its components	8-9, 15, 25
	103-3	Evaluation of the management approach	CGFR 4-18
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	25, CGFR 27-77, Economic value retained in FY 2017 is $3,431,000.
Procurement Practices			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	19, 26
	103-2	The management approach and its components	26
	103-3	Evaluation of the management approach	26
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	26 Local suppliers are suppliers based in the same country where our operations are. All countries in which Jason Marine has operations in are considered significant.
Anti-corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17-19
	103-2	The management approach and its components	17, CGFR 4-18
	103-3	Evaluation of the management approach	18
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	18
	205-2	Communication and training about anti-corruption policies and procedures	17 Anti-corruption policies and procedures have been communicated to governance body members, employees and contractors in Singapore.
	205-3	Confirmed incidents of corruption and actions taken	18
Anti-competitive Behaviour			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17-19
	103-2	The management approach and its components	17-18
	103-3	Evaluation of the management approach	We plan to evaluate our management approach in the years to come.
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There have been no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices.

GRI Standard	Disclosure Number	Disclosure Title	Page References CGFR refers to Corporate Governance and Financial Report 2017
Environmental Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17-19
	103-2	The management approach and its components	17-18
	103-3	Evaluation of the management approach	We plan to evaluate our management approach in the years to come.
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	18
Employment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	18-19, 21
	103-2	The management approach and its components	17, 21-22
	103-3	Evaluation of the management approach	22
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	22
Labour/ Management Relations			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	18-19, 21
	103-2	The management approach and its components	17, 21
	103-3	Evaluation of the management approach	18
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	21
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	18-19, 20
	103-2	The management approach and its components	20-21
	103-3	Evaluation of the management approach	20-21
GRI 403: Occupational Health and Safety 2016	403-1	Workers representation in formal joint management–worker health and safety committees	20
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	21
	403-3	Workers with high incidence or high risk of diseases related to their occupation	20
Training and Education			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	18-19, 21-22

GRI Standard	Disclosure Number	Disclosure Title	Page References CGFR refers to Corporate Governance and Financial Report 2017
Training and Education			
GRI 103: Management Approach 2016	103-2	The management approach and its components	22
	103-3	Evaluation of the management approach	22
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	22
	404-2	Programs for upgrading employee skills and transition assistance programs	22
	404-3	Percentage of employees receiving regular performance and career development reviews	22
Non-discrimination			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	18-19, 21-22
	103-2	The management approach and its components	21-22
	103-3	Evaluation of the management approach	22
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	There have been no reported incidents of discrimination during the reporting period.
Local Communities			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	18-19, 25
	103-2	The management approach and its components	25
	103-3	Evaluation of the management approach	We plan to evaluate our management approach in the years to come.
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	25
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	18-19, 20
	103-2	The management approach and its components	20
	103-3	Evaluation of the management approach	We plan to evaluate our management approach in the years to come.
GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	20
Socioeconomic Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	17-19
	103-2	The management approach and its components	17-19
	103-3	Evaluation of the management approach	We plan to evaluate our management approach in the years to come.
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	18

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Eileen Tay-Tan Bee Kiew *(Chairperson)*
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

Saw Hong Gaik
Pan Mi Keay

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Email: jmg@jason.com.sg

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Singapore 048544

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Singapore 188778
Partner-in-charge: Yeo Siok Yong
(Appointed since financial year ended 31 March 2016)

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Australia and New Zealand Banking Group Limited
Bank of China Limited, Singapore Branch
CIMB Bank Berhad, Singapore Branch
Citibank, N.A., Singapore Branch
The Hongkong and Shanghai Banking Corporation Limited, Singapore Office

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Fax: +86-21-6337 5969
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FORTIFYING OUR BRAND

CORPORATE GOVERNANCE AND FINANCIAL REPORT 2017

JASON MARINE GROUP LIMITED

MOVING BEYOND 40

Over the past 40 years, Jason Marine has established itself as a reliable leading marine electronics support service provider and systems integrator. And as we step into our next decade, we will make every effort to fortify our brand, harnessing the latest innovations in digital technology to remain at the forefront.

We will continue to strengthen our relationships with our people, suppliers and customers, as well as improve our cost efficiency to sustain our businesses. Supported by our sound balance sheet, we will emerge an even stronger player in the industry.

CORPORATE PROFILE

Jason Marine Group Limited ("**Jason Marine**" or the "**Company**") is a leading marine electronics systems integrator and support services provider for the marine and offshore oil & gas industries. The Company and its subsidiaries (the "**Group**") have established a track record of delivering quality results safely and efficiently which has enabled it to become one of the industry's key players in Singapore and forging lasting relationships with a global customer base.

Established in 1976 with its headquarters in Singapore, Jason Marine has since expanded to Indonesia, Malaysia, Thailand and into key shipbuilding markets such as South Korea and China. It carries an extensive range of supplies from renowned manufacturers and continues to add products chosen to meet customers' exacting requirements.

The Group's proven expertise in marine communication, navigation and automation systems enables it to offer one-stop solutions that span design, supply, integration, installation, testing, commissioning and maintenance. Jason Marine also provides certification services and sells satellite airtime services to complement its communications business.

OUR VISION

To be a Global World Class Company in Marine Electronics

OUR VALUES

CHARACTER

Integrity and honesty
Positive attitude
Excellent teamwork

COMPETENCE

Excellent quality work
Deliver expected results
Innovation and creativity

COMMITMENT

Passion and drive
Walk the extra mile
Seek opportunities

FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS

	FY2017 (S$'000)	FY2016 (S$'000)	FY2015 (S$'000)	FY2014 (S$'000)	FY2013 (S$'000)
Revenue	33,155	37,169	56,421	50,188	37,896
Gross profit	9,992	7,088	14,729	13,612	10,843
Profit/(Loss) before income tax	642	(5,960)	4,361	3,032	581
Profit/(Loss) attributable to owners of the parent	363	(5,996)	3,890	2,780	517
Earnings/(Loss) per share (cents) *	0.35	(5.70)	3.70	2.64	0.49

* For comparative purpose, earnings/(loss) per share of the Group for the financial years shown were computed based on the weighted average number of ordinary shares in issue (excluding treasury shares) of 105,000,000 for FY2017.

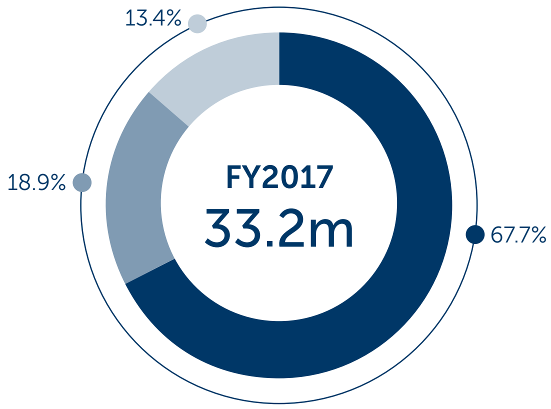
FINANCIAL POSITION

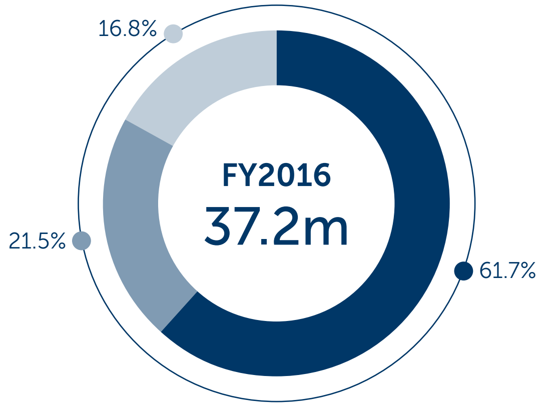
	As at 31 March				
	2017 (S$'000)	2016 (S$'000)	2015 (S$'000)	2014 (S$'000)	2013 (S$'000)
Non-current assets	3,315	2,173	3,142	3,402	3,049
Current assets	34,408	36,316	42,528	44,774	32,346
Current liabilities	15,318	16,526	15,952	20,673	10,400
Non-current liabilities	50	50	105	129	131
Equity	22,355	21,913	29,613	27,374	24,864
Net asset value per share (cents) #	21.29	20.87	28.20	26.07	23.68

For comparative purpose, net asset value per share of the Group for the financial years shown were computed based on 105,000,000 ordinary shares (excluding treasury shares) in issue as at 31 March 2017.

SEGMENT REVENUE

REVENUE
BY BUSINESS SEGMENT

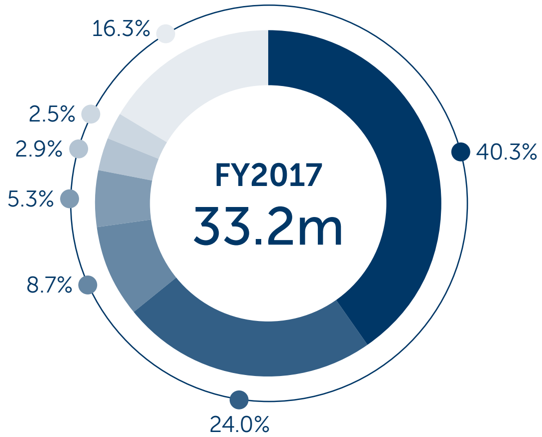


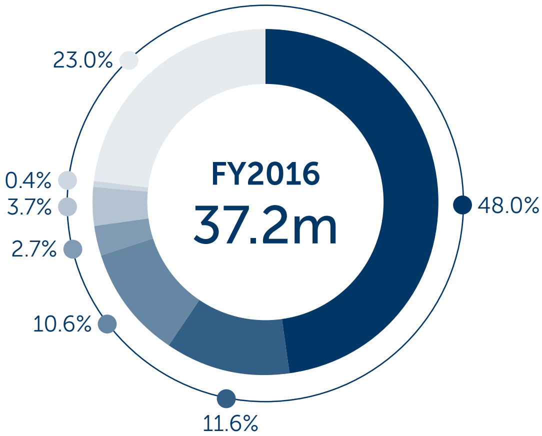


FY 2017	S$'000	%
Sale of goods	22,458	67.7%
Rendering of services	6,257	18.9%
Airtime revenue	4,440	13.4%
Total:	**33,155**	**100.0%**

FY 2016	S$'000	%
Sale of goods	22,930	61.7%
Rendering of services	7,980	21.5%
Airtime revenue	6,259	16.8%
Total:	**37,169**	**100.0%**

REVENUE
BY GEOGRAPHICAL SEGMENT





FY2017	S$'000	%
Singapore	13,374	40.3%
People's Republic of China	7,942	24.0%
Indonesia	2,899	8.7%
Malaysia	1,765	5.3%
Germany	957	2.9%
Philippines	823	2.5%
Others	5,395	16.3%
Total:	**33,155**	**100.0%**

FY2016	S$'000	%
Singapore	17,844	48.0%
People's Republic of China	4,302	11.6%
Indonesia	3,949	10.6%
Malaysia	1,015	2.7%
Germany	1,353	3.7%
Philippines	159	0.4%
Others	8,547	23.0%
Total:	**37,169**	**100.0%**

CORPORATE GOVERNANCE REPORT

The board of directors (the "**Board**") and the 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 performance of the Company and its subsidiaries (the "**Group**"), protection of the interests of the Company's shareholders ("**Shareholders**") and maximisation of long-term shareholder value.

This report describes the Company's corporate governance practices with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**") issued on 2 May 2012. For the financial year ended 31 March 2017 ("**FY2017**"), the Company has generally adhered to the guidelines of the Code and deviations from any guideline of the Code are explained in this report.

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:

(i) provide entrepreneurial leadership, set strategic aims and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

(ii) establish a framework of prudent and effective controls which enables the identification, assessment and management of risks, including safeguarding of Shareholders' interests and the Group's assets;

(ii) review management performance;

(iv) identify the key stakeholder groups and recognise that their perceptions affect the Group's reputation;

(v) set the Group's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met;

(vi) consider sustainability issues, for example, environmental and social factors, as part of its strategic formulation; and

(vii) provide oversight in the proper conduct of the Group's business and assume responsibility for corporate governance.

The directors of the Company (the "**Directors**") are of the view that they have objectively discharged their duties and responsibilities at all times as fiduciaries in the interests of the Company.

To assist the Board in the execution of its responsibilities, various Board committees, namely, the Audit and Risk Committee, Nominating Committee and Remuneration Committee, have been established and delegated with certain functions. The Audit and Risk Committee is headed by the Lead Independent Director and the Nominating and Remuneration Committees are headed by an Independent Director. The chairperson of the respective committees will report to the Board on the outcome of the committee meetings and their recommendations on the specific agendas mandated to the committees by the Board. Further details of the scope and functions of the various committees are provided under the sections on Principles 4, 5, 7, 8 and 12 of this report.

The Board meets at least twice a year prior to the announcement 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 Constitution provide for Board meetings by means of conference telephone, video-conferencing, audio-visual or other electronic means of communication.

The attendance of the Directors at meetings of the Board and the Board committees during FY2017 is tabulated below:

	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee
Total number of meetings held	3	3	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 Non-Independent Director				
Mr Wong Hin Sun, Eugene	3	3	1	1
Independent Directors				
Mr Sin Hang Boon	3	3	1	1
Mrs Eileen Tay-Tan Bee Kiew	3	3	1	1

N/A denotes "not applicable"

Material matters which specifically require the Board's decision or approval include the following corporate matters:

(i) annual budgets;

(ii) half-year and full-year results announcements and the release thereof;

(iii) annual reports and accounts for presentation at annual general meetings ("**AGMs**");

(iv) annual corporate strategies;

(v) new commitments to loans and lines of credit from banks and financial institutions;

(vi) major increase or decrease in a subsidiary company's capital;

(vii) issuance of shares;

(viii) investment and divestment, or entry into new businesses;

(ix) convening of Shareholders' meetings;

(x) declaration of interim dividends and proposal of final dividends; and

(xi) appointments to the Board and the various Board committees.

The Company has documented the guidelines for matters that require the Board's decision or approval. The Company also 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, the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Executive Directors and the management for operational efficiency.

There has been no change to the members of the Board since the Company's listing on the Catalist board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in October 2009. The Company will provide a newly-appointed Director guidance and orientation (including management's presentation) which will allow such person 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 for a newly-appointed Director. Upon appointment, a Director will be provided a formal letter which sets out his duties and obligations. If a newly-appointed Director does not have any prior experience as a director of a listed company, the Company will arrange for such person to undertake training in the roles and responsibilities of a director of a listed company and to familiarise such person with the relevant rules and regulations governing a listed company.

CORPORATE GOVERNANCE REPORT

While the Directors are generally responsible for their own individual training needs, continuous and on-going training programmes are made available to the Directors from time to time such as courses on directors' duties and responsibilities as well as seminars and talks on relevant subject fields.

The Directors are conscious of the importance of continuing education in areas such as legal and regulatory responsibilities and accounting issues, so as to update and refresh themselves on matters that may affect their performance as a Board, or as a member of a Board committee. Accordingly, further training for Directors will extend to relevant new laws, regulations and changing commercial risks from time to time when appropriate. The Company shall be responsible for funding the training of the Directors.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board currently comprises five Directors, out of whom two are Independent Directors, one is a Non-Executive and Non-Independent Director and two are Executive Directors. The Independent Directors make up at least one-third of the Board.

While the Chairman of the Board is part of the management team, the Board is of the view that based on the Group's current size and operations, it is not necessary to have independent directors make up at least half of the Board at present as all the Board committees are chaired by Independent Directors. Nevertheless, the Board is reviewing the composition of Independent Directors on the Board with a view that Independent Directors will make up at least half of the Board by the 2018 AGM in accordance with the timeline specified under the guidelines of the Code.

As set out under the Code, an independent director is one who has no relationship with the Company, its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company. The Nominating Committee ("**NC**") deliberates annually to determine the independence of a Director bearing in mind the salient factors set out under this guideline in the Code as well as all other relevant circumstances and facts. To facilitate the NC in its review of the independent status of the Directors, each Non-Executive Director will confirm his/her independence on a yearly basis. The Executive Directors are considered non-independent. During FY2017, none of the Directors have served beyond nine years from the respective date of their first appointment.

The NC is of the view that the Board has the requisite blend of expertise, skills and attributes to oversee the Group'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 that the Board's present size is adequate for effective debate, strategic decision-making and in exercising accountability to Shareholders and delegating authority to the management, taking into account the nature and scope of the Group's operations. As the Group's activities continue to grow, the NC will continuously review the composition of the Board so that it will have the necessary competency to be effective.

The current Board composition provides a diversity of skill, experience, gender and knowledge to the Company as follows:-

	Balance and Diversity of the Board	
Core Competencies	**Number of Directors**	**Proportion of Board**
Accounting or finance	2	40%
Business management	5	100%
Legal or corporate governance	3	60%
Relevant industry knowledge or experience	2	40%
Strategic planning experience	5	100%
Customer based experience or knowledge	2	40%
Gender	**Number of Directors**	**Proportion of Board**
Male	4	80%
Female	1	20%

The Non-Executive Directors (including the Independent Directors) provide constructive advice on the Group's strategic and business plans. They constructively challenge and help develop proposals on strategy for the Group. They also review the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance of the Group.

To facilitate more effective check on management, the Non-Executive Directors meet as and when necessary and at least once a year without the presence of the management.

CORPORATE GOVERNANCE REPORT

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. Mr Foo Chew Tuck who is the Executive Chairman determines the overall strategic and expansion plans and is responsible for the overall business development and general management of the Group. Mr Tan Lian Huat who is the CEO is responsible for the daily management and operations as well as the overseeing of the Group's strategies and growth. The Executive Chairman and CEO are not related.

The Chairman's duties include:

(i) leading the Board to ensure its effectiveness on all aspects of its role;

(ii) setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;

(iii) promoting a culture of openness and debate at the Board;

(iv) ensuring that the Directors receive complete, adequate and timely information;

(v) ensuring effective communication with Shareholders;

(vi) encouraging constructive relations within the Board and between the Board and the management;

(vii) facilitating the effective contribution of Non-Executive Directors in particular;

(viii) encouraging constructive relations between Executive Directors and Non-Executive Directors; and

(xi) promoting high standards of corporate governance.

In view that the Executive Chairman of the Board is part of the management team and is not an independent director, Mrs Eileen Tay-Tan Bee Kiew is appointed as our Lead Independent Director in accordance with the guidelines set out in the Code. As the Lead Independent Director, she will be available to Shareholders if they have concerns and for which contact through the normal channels of the Chairman, the CEO or the Financial Controller has failed to resolve their concerns or is inappropriate. Whenever warranted, the Independent Directors will meet without the presence of the other Directors and will provide feedback to the Chairman after such meetings.

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 (who is chairman of the NC), Mrs Eileen Tay-Tan Bee Kiew and Mr Wong Hin Sun, Eugene. As both Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon are Independent Directors, the NC comprises a majority of independent directors.

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

(i) review board succession plans for Directors, in particular, for the Chairman and the CEO;

(ii) develop a process for evaluation of the performance of the Board, the various Board committees and the Directors;

(iii) review the training and professional development programs for the Board;

(iv) review, assess and make recommendation to the Board on all Board appointments and re-elections, taking into consideration the composition and progressive renewal of the Board and each Director's competencies and contributions;

(v) review and determine annually the independence of Directors;

(vi) decide the assessment process and implement a set of objective performance criteria to be applied from year to year for evaluation of the Board's performance; and

(vii) evaluate 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, including deciding whether a Director is able to and has been adequately carrying out his/her duties when he/she has multiple board representations.

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

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

(ii) while existing Directors and the management may make suggestions, seeks external help where necessary to source for potential candidates;

(iii) 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

(iv) makes recommendations to the Board for approval.

At present, no alternative Director has been appointed to the Board.

Under the Constitution of the Company, the Directors are required to retire at least once in every three years and one-third of the Directors shall retire by rotation at each AGM. 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 Non-Executive Director disclosing the required information. The NC is of the opinion that in respect of FY2017, the Board has been 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. The NC is satisfied that for FY2017, all the Directors have been able to and have adequately carried out their duties as Director notwithstanding their multiple board representations.

The NC and the Board are of the view that there should not be any restriction to the number of board representations that each Director may take up as multiple board representations do not necessarily hinder the Directors from carrying out their duties. The NC and the Board are of the view that multiple board representations may be beneficial as these widen the experience of the Directors and broaden the perspective of the Directors and the Board.

Key information regarding the Directors is disclosed under the section on "Board of Directors" in this Annual Report. The dates of first appointment and last re-election/re-appointment 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 / re-appointment
Mr Foo Chew Tuck	Executive Chairman	9 September 2007	23 July 2015
Mr Tan Lian Huat	CEO	9 September 2007	26 July 2016
Mr Wong Hin Sun, Eugene	Non-Executive Non-Independent Director	15 September 2009	23 July 2015
Mr Sin Hang Boon	Independent Director	15 September 2009	26 July 2016
Mrs Eileen Tay-Tan Bee Kiew	Lead Independent Director	15 September 2009	26 July 2016

At the forthcoming AGM, Mr Foo Chew Tuck and Mr Wong Hin Sun, Eugene are due for re-election pursuant to the Constitution of the Company. The NC has recommended and the Board has agreed for Mr Foo Chew Tuck and Mr Wong Hin Sun, Eugene to retire and seek re-election at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 5: BOARD PERFORMANCE

The NC has implemented a formal board evaluation process in assessing the effectiveness of the Board as a whole, the various Board committees 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.

The Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board, the various Board committees and the individual Directors for FY2017. The results of the appraisal exercise were tabulated, analysed and considered by the NC which then made recommendations to the Board on areas for improvement, aimed at helping the Board to discharge its duties more effectively. The appraisal process focused on the following areas of evaluation:

(i) Board and Board committees composition;

(ii) information to the Board;

(iii) Board and Board committees procedures;

(iv) Board and Board committees accountability;

(v) CEO and top management;

(vi) standards of conduct;

(vii) internal controls and risk management systems; and

(viii) audit process.

The NC is of the view that the Board and its various Board committees have contributed to the overall effectiveness of the Board as a whole. The Chairman will act on the results of the performance evaluation and, in consultation with the NC, will propose, where appropriate, new members to be appointed to the Board or seek resignation of Directors.

The Company did not engage any external facilitator for assessment of the Board, board committees and Directors during FY2017.

PRINCIPLE 6: ACCESS TO INFORMATION

The Directors 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 the Directors as and when they arise. The Board also receives regular reports pertaining to the operational and financial performance of the Group with explanations for material variance between budget and actual performance.

The Board members have separate and independent access to the management, who will on a timely manner, provide additional information as may be needed by the Board to make informed decisions.

The Board members also have separate and independent access to the Company Secretaries. The role of the Company Secretaries is clearly defined and includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. The Company Secretaries attend all Board meetings and ensure good information flows within the Board and its committees and between the management and the Non-Executive Directors. Minutes of the various Board committees are circulated to the whole Board for review and information.

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

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

CORPORATE GOVERNANCE REPORT

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The members of the Remuneration Committee ("**RC**") comprise entirely of Non-Executive Directors, namely Mr Sin Hang Boon (who is 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. As such, the RC comprises a majority of independent directors.

The principal functions of the RC, regulated by written terms of reference and undertaken by the RC during the year, include the following:

(i) review and recommend to the Board a general framework of remuneration and specific remuneration package for the Board and key management personnel covering all aspects of remuneration, including but not limited to fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind;

(ii) review and ensure that the remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive;

(iii) structure an appropriate portion of Executive Directors' and key management personnel's remuneration so as to link rewards to corporate and individual performance so as to align them with the interests of Shareholders and promote the long-term success of the Group; and

(iv) review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service to ensure that the termination clauses are fair and reasonable and not overly generous.

The RC reviews the framework for remuneration of the Directors and the management and recommends to the Board for adoption. The RC also determines specific remuneration packages and terms of employment for each Executive Director and management staff.

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, share-based incentives and awards, and benefits-in-kind for the Board and senior management are covered by the RC.

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

If necessary, the RC will seek expert advice inside and/or outside the Company on remuneration matters. The RC did not engage any remuneration consultant in respect of remuneration matters for FY2017.

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 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 (being 21 October 2009) and thereafter, their employment is renewed annually subject to termination clauses in the service agreements. The service agreement may be terminated by giving six (6) months' prior written notice or an amount equal to six (6) months' salary in lieu of such notice. Under the service agreements, each of the Executive Directors is entitled to be paid an incentive bonus annually which is pegged to the financial performance achieved by the Group for that financial year.

The Non-Executive Directors (including the Independent 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 chairperson of each of these committees being paid twice the amount of such additional fee. The Lead Independent Director is entitled to an additional amount for acting in such capacity. Such fees are pro-rated if a Director serves for less than one year. The Directors' fees are subject to approval by Shareholders at the AGM.

The Company has adopted the Jason Employee Share Option Scheme (the "**ESOS**") in September 2009 prior to its listing on the Catalist board of the SGX-ST. The purpose of the ESOS is to provide an opportunity for employees of the Group to participate in the equity of the Company so as to motivate them towards greater dedication, loyalty and higher standards of performance, and to give recognition to past contributions and services. Under the rules of the ESOS, the options that are granted may have exercise prices that are, at the RC's discretion, set at the price ("**Market Price**") equal to the average of the last dealt prices for the Company's ordinary shares ("**Shares**") on the Catalist for the five consecutive market days immediately preceding the relevant date of grant of the relevant option, or (provided that Shareholders' approval is obtained in a separate resolution) at a discount to the Market Price (subject to a maximum discount of 20%). Options which are fixed at the Market Price may be exercisable at any time by the participant after the first anniversary of the date of grant of that option while options granted at a discount to the Market Price may only be exercised after the second anniversary from the date of grant of the option. Options granted under the Scheme will have a life span of ten years. The options may be exercisable in full or in part only in respect of 1,000 Shares or multiple thereof, on payment of the exercise price. Since its adoption till the date of this report, no option has been granted under the ESOS. Accordingly, no Shares have been allotted on the exercise of options granted under the ESOS.

In addition to the ESOS, the Company has adopted the Jason Performance Share Plan (the "**PSP**") which was approved by Shareholders at an extraordinary general meeting held on 27 July 2011. The PSP was implemented to complement the ESOS and to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance. No share awards were granted and no new shares or treasury shares were issued or transferred to employees under the PSP during FY2017.

The ESOS and the PSP are administered by the RC currently comprising Mr Sin Hang Boon, Mrs Eileen Tay-Tan Bee Kiew and Mr Wong Hin Sun, Eugene. The RC has deliberated and it is currently intended that the PSP will serve as the main share-based compensation scheme for the Group. It is envisaged that the ESOS will be discontinued for the time being and accordingly, Shareholders' approval will be sought at the forthcoming AGM to empower Directors to allot and issue Shares pursuant to the PSP (but not in respect of the ESOS).

Controlling Shareholders and their associates are not entitled to participate in the ESOS and in the PSP. Non-Executive Directors are allowed to participate in the ESOS and in the PSP to give recognition to their services and contributions and to align their interests with that of the Group. In order to minimise any possible conflicts of interest and not to compromise their independence, such Non-Executive Directors will be primarily remunerated for their services by way of directors' fees and only a nominal amount of options and/or share awards will be granted to the Non-Executive Directors under the ESOS and PSP.

The aggregate number of Shares over which the RC may grant on any date, when added to the number of Shares issued and issuable in respect of all Shares granted under the ESOS, the PSP and any other share schemes to be implemented by the Company shall not exceed 15% of the issued share capital of the Company (excluding treasury shares) on the day preceding that date.

For the purpose of Rule 851 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), (i) there has been no grant of discounted options; (ii) none of the Directors of the Company has been granted any option or performance share; (iii) none of the participants under the ESOS and the PSP has been granted 5% or more of the total number of options or Shares (as the case may be) available under the ESOS and the PSP; and (iv) as the Company does not have any parent company, the participants of the ESOS and the PSP do not include any directors or employees of any parent company and its subsidiaries.

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.

The RC and Board are of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors and key management personnel in exceptional circumstances of misstatement of financial statements, or misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors and key management personnel in the event of such exceptional circumstances or breach of fiduciary duty.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

Given the highly competitive condition of the industry that the Group operates in, the Board is of the view that it is in the best interest of the Group to maintain confidentiality of the remuneration details of the Executive Directors and the key management personnel of the Group.

A breakdown showing the level and mix of the remuneration of the Directors in respect of FY2017 is as follows:

	Fees %	Salary and CPF^ %	Performance-related income %	Others %	Benefit-in-kind %	Total %
S$250,000 to S$499,000						
Mr Foo Chew Tuck	–	96	–	–	4	100
Below S$250,000						
Mr Tan Lian Huat	–	89	–	11	–	100
Mrs Eileen Tay-Tan Bee Kiew	100	–	–	–	–	100
Mr Sin Hang Boon	100	–	–	–	–	100
Mr Wong Hin Sun, Eugene	100	–	–	–	–	100

^ CPF denotes Central Provident Fund.

No Director has been granted share-based award during FY2017.

In respect of FY2017, the amount of directors' fees proposed to be payable to the Non-Executive Directors (including the Independent Directors) subject to the approval of Shareholders at the forthcoming AGM are as follows:

Name	Amount
Mrs Eileen Tay-Tan Bee Kiew	S$62,500
Mr Sin Hang Boon	S$60,000
Mr Wong Hin Sun, Eugene	S$50,000

Apart from the Executive Directors, the Group's key management team includes Ms Foo Hui Min (ex-Chief Financial Officer). A breakdown showing the level and mix of the remuneration of the Group's key management (who is not Directors or CEO) in respect of FY2017 is as follows:

	Salary and CPF^ %	Performance-related income %	Others %	Benefit-in-kind %	Total %
Below S$250,000					
Ms Foo Hui Min*	86	–	13	1	100

In respect of FY2017, the aggregate amount of remuneration paid to Ms Foo Hui Min* was approximately S$125,000.

^ CPF denotes Central Provident Fund.

* Ms Foo Hui Min ceased to be the Group's Chief Financial Officer with effect from 30 Oct 2016. The remuneration of Ms Foo Hui Min set out herein represents her actual remuneration for the period that she had served as Chief Financial Officer during FY2017. Ms Esabelle Saw Hong Gaik was appointed as Financial Controller with effect from 1 April 2017.

The Executive Directors and key management personnel are not entitled to any benefits upon termination, retirement or post-employment. During FY2017, the Group does not have any employees who are immediate family members of a Director or the CEO.

The variable bonus or incentive portion of the remuneration packages of the Executive Directors and key management personnel are linked to key performance indicators ("**KPIs**") that are determined in advance. Such KPIs typically include financial and non-financial KPIs. Financial KPIs are directly linked to the performance of the Group. Non-financial KPIs include action plans that are important to the long-term sustainability of the Group's performance, such as succession planning. During FY2017, the non-financial KPIs have been met by the Executive Directors and key management personnel.

PRINCIPLE 10: ACCOUNTABILITY

The Board has embraced openness and transparency in the conduct of the Company's affairs, whilst preserving the interests of the Group. The Board provides a balanced and understandable assessment of the Group's performance, position and prospects through announcements of the Group's half-year and full-year results and announcements of the Group's major corporate developments from time to time. In line with the continuous disclosure obligations under the Catalist Rules, the Board has and will continue to inform Shareholders promptly of all pertinent information. Such information is disclosed to Shareholders on a timely basis through SGXNET. All disclosures submitted to the SGX-ST on SGXNET are also made available on the Company's corporate website (www.jason.com.sg).

The Board is committed to ensure compliance with legislative and regulatory requirements including requirements under the Catalist Rules. The management provides the Board with monthly management accounts and as and when the Board may require from time to time. Such reports keep the Board informed of the Group's performance and contain explanation and information to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is committed to maintaining a sound system of internal controls to safeguard Shareholders' investments and the Group's assets. The Board oversees the management in the design, implementation and monitoring of the risk management and internal control systems.

The ARC and the Board reviews on an annual basis the adequacy of the Group'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 Group's strategic objectives. The 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.

During FY2017, the Company's appointed internal auditor, PricewaterhouseCoopers LLP, has conducted internal audit review based on an agreed scope of review. In respect of FY2017, the Board has received from the Executive Chairman, CEO and the Financial Controller a letter of assurance confirming that the Group's financial records have been properly maintained and the Group's consolidated financial statements for FY2017 give a true and fair view of the Group's operations and finances, and that the Group's risk management and internal control systems were sufficiently effective.

Based on (i) the internal controls established and maintained by the Group, (ii) work performed by the internal and external auditors, (iii) reviews performed by the management, the ARC and the Board, and (iv) the aforementioned letter of assurance provided by the Executive Chairman, CEO and the Financial Controller, the Board with the concurrence of the ARC is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and risk management systems were adequate and effective for FY2017.

The Board notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities. However, the Board, together with the ARC and the management, will review the adequacy and effectiveness of the internal control framework on an on-going basis and address any specific issues or risks whenever necessary.

The Company has established a Management Risk Committee, headed by the Executive Chairman, to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 12: AUDIT AND RISK COMMITTEE

During FY2017, the Board has subsumed the risk management responsibilities under the Audit Committee and re-named as "Audit and Risk Committee" ("**ARC**").

The ARC comprises three Non-Executive Directors, namely Mrs Eileen Tay-Tan Bee Kiew (who is chairperson of the ARC), Mr Sin Hang Boon and Mr Wong Hin Sun, Eugene. All the members of the ARC are non-executive and the ARC comprises a majority (including the chairperson of the ARC) of independent directors.

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

The ARC 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 renaming is to better reflect the current duties and functions of the ARC which would include assisting the Board to oversee and ensure that such risk management and internal control systems have been appropriately implemented and monitored. As such, the terms of reference of ARC have incorporated risk management responsibilities.

The duties and responsibilities of the ARC are contained in 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 ARC performed the following main functions:

(i) recommending to the Board on the proposals to Shareholders on the appointment, re-appointment and removal of the external and internal auditors, and approving the remuneration and terms of engagement of the external and internal auditors;

(ii) reviewing the scope, changes, results and cost-effectiveness of the external and internal audit plan and process, and the independence and objectivity of the auditors;

(iii) reviewing the Group's half-yearly and annual 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;

(iv) reviewing, evaluating and reporting to the Board at least annually, having regard to input from external and internal auditors, the adequacy and effectiveness of the system of internal controls, including financial, operational, compliance and information technology controls;

(v) 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;

(vi) reviewing any significant financial reporting issues and judgments and estimates made by the management, so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;

(vii) reviewing the effectiveness of the Group's internal audit function; and

(viii) 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.

During FY2017, the ARC has met with the external auditors and internal auditors to review accounting, auditing and financial reporting matters to ensure that an effective control environment is maintained in the Group. The ARC has also met with the internal auditors and external auditors without the presence of the Company's management in March 2017 and May 2017 respectively.

In respect of FY2017, the ARC has reviewed the independence of the external auditors, Messrs BDO LLP and recommended that Messrs BDO LLP be nominated for re-appointment as auditors at the forthcoming AGM. In recommending the re-appointment of the auditors, the ARC considered and reviewed a number of key factors, including amongst other things, the adequacy of the resources and experience of the supervisory and professional staff as well as audit engagement partner to be assigned to the audit, and size and complexity of the Group and its businesses and operations.

Both the ARC and the Board have reviewed the appointment of different auditors for its subsidiaries and significant associated companies and are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the Company and the Group. Accordingly, the ARC and the Board confirms that the Company is in compliance with the Rules 712 and 716 of the Catalist Rules.

During FY2017, there were no non-audit services provided by Messrs BDO LLP and the amount of audit fees payable to Messrs BDO LLP and its network member firm in FY2017 was S$85,400. The ARC confirms that it has undertaken a review and as there was no non-audit service provided by the external auditors, Messrs BDO LLP, during FY2017, there was no factor affecting Messrs BDO LLP's independence in the ARC's opinion.

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

The ARC and the Board have put in place a whistle-blowing policy which allows employees or any other persons to raise concerns about possible improprieties in matters of financial reporting or other matters. To ensure independent investigation of such matters and for appropriate follow-up action, all whistle-blowing reports will be addressed to the chairperson of the ARC. Details of the whistle-blowing policy have been made available to all employees of the Group.

Details of the activities of the ARC are also provided under Principles 11 and 13 of this report. In addition to the activities undertaken to fulfil its responsibilities, the ARC is kept abreast by the management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements as well as attending the relevant external training and seminars in respect thereof.

No former partner of director of the Company's existing auditing firm is a member of the ARC.

PRINCIPLE 13: INTERNAL AUDIT

The internal audit function is currently outsourced to PricewaterhouseCoopers LLP, which reports directly to the ARC chairman. The ARC approves the appointment, termination, evaluation and compensation of the internal auditors. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC.

In the opinion of the Board, PricewaterhouseCoopers LLP meets the standards set out by both nationally and internationally recognised professional bodies, and is satisfied that the internal auditors are qualified and experienced personnel.

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

The ARC annually reviews the scope and results of the internal audit and ensures that the internal audit function is adequately resourced. With the appointment of PricewaterhouseCoopers LLP, the ARC has reviewed and is satisfied with the adequacy and effectiveness of the internal control function.

PRINCIPLE 14: SHAREHOLDER RIGHTS

Shareholders are treated fairly and equitably to facilitate their ownership rights. In line with the continuous disclosure obligations of the Company, pursuant to the Catalist Rules and Companies Act, the Board's policy is that Shareholders should be informed in a comprehensive manner and on a timely basis of all material developments of the Group which would likely to materially affect the price or value of the Company's Shares.

Shareholders have the opportunity to participate effectively in and vote at general meetings of Shareholders. They will be informed of the rules, including voting procedures that govern the general meetings.

The Company allows corporations which provide nominee or custodial services to appoint not more than two proxies so that Shareholders who hold Shares through such corporations can attend and participate in general meetings as proxies.

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders is managed by the Board and is facilitated through professional investors' relations firms engaged by the Company, namely OakTree Advisers Pte Ltd and ShareInvestor Pte Ltd.

The Company does not make price-sensitive disclosure to a selected group. All announcements are released via the SGXNET and are also available on the Company's corporate website (www.jason.com.sg) and the website of ShareInvestor Pte Ltd (www.shareinvestor.com). Shareholders receive the Annual Report together with the notice of AGM which is also accessible through the SGXNET. The notice of AGM is also advertised in a local newspaper.

The Company organises regular briefings with media and analysts, and participates in investor seminars to update the investing community of the Group's performance and developments. During such briefings and meetings, the Company solicits and understands the views of Shareholders and the investment community.

The Company has adopted a dividend policy, which was announced via SGXNET in May 2015. The Company will disclose the reason if dividends are not declared in accordance to the dividend policy. In respect of FY2017, the Board is not recommending any interim and final dividend having considered the Group's financial performance for FY2017 and the current challenging environment.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

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

The Board encourages Shareholders to attend general meetings to ensure a greater level of Shareholders' participation and to meet with the Board and the key management personnel so as to stay informed of the Group's developments and to raise issues and ask the Directors or the management questions regarding the Group's business and operations. The Directors and the management as well as external auditors will be present at general meetings to address Shareholders' queries.

Currently, the Constitution of the Company allows a member of the Company to appoint up to two proxies to attend and vote at general meetings. Pursuant to Section 181 of the Companies Act, a member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote in his stead. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

The Company practises having separate resolutions at general meetings on each substantially separate issue. The Company also makes available minutes of general meetings to Shareholders upon their requests.

The Company conducts voting by poll and makes an announcement on the detailed results showing the number of votes cast for and against each resolution and the respective percentages. At present, the Company does not conduct voting by poll via electronic polling method as Shareholders' turn-out at the AGMs has been manageable.

SUSTAINABILITY COMMITTEE

The Sustainability Committee ("**SC**") comprises:

Mr Foo Chew Tuck (Chairman)
Ms Esabelle Saw Hong Gaik (Member)
Mr Ooi Chee Kong (Member)
Ms Serene Tan (Member)
Ms May Lim San San (Member)

The SC was formed in FY2017 and headed by the Executive Chairman, Mr Foo Chew Tuck. The SC's responsibilities, as set out in its written terms of reference approved by the Board, are in the area of the Group's environmental, social and governance policies in line with SGX-ST's guidelines and regulations.

CORPORATE GOVERNANCE REPORT

DEALINGS 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. This code prohibits securities dealings by the Directors and the Group's employees while in possession of price-sensitive information and on short-term considerations. All Directors and the Group's 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.

CONTINUING SPONSOR

No fees relating to non-sponsorship activities or services were paid to the Company's sponsor, CIMB Bank Berhad, Singapore Branch, during FY2017.

INTERESTED PERSON TRANSACTIONS

Details of the interested person transactions for FY2017 presented in the format as required pursuant to Rule 907 of the Catalist Rules is tabled below:

Name of interested person	Aggregate value of all interested person transactions during FY2017 (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)
Mr Foo Chew Tuck		
Lease of office premises from:		
(i) JE Holdings Pte Ltd	181	–
(ii) Unity Consultancy Pte Ltd	14	–
(iii) Jason Harvest Pte Ltd	49	–
Total:	244	–

The Company did not obtain any general mandate from Shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

Save as disclosed above, there are no material contracts or loans entered into by the Group involving the interests of the CEO, any Director or Controlling Shareholder of the Company, either still subsisting at the end of FY2017 or if not subsisting, were entered into since 1 April 2017.

CORPORATE GOVERNANCE REPORT

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, oil price 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, industry 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 risks 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 looks 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.

Project execution risk

The Group is required to conform with technical specifications, operational procedures and time schedule for the satisfactory completion of any project contracted to the Group. The agreement between the Group and its customers would normally include a provision for the payment of liquidated damages by the Group in the event that the Group is unable to complete the projects in accordance with the terms of the contract. Unforeseeable circumstances could disrupt or delay the completion of the projects that the Group undertakes from time to time. Such disruption and/or delay will result in cost overruns and higher operating costs which may materially and adversely affect the Group's profitability. If the Group is the cause of the delay in the completion of the projects, the Group will be liable for liquidated damages which may materially and adversely affect its reputation, operations or financial performance. In addition, any failure by the Group to complete projects according to customers' specifications may also lead to claims of liquidated damages against the Group which would adversely affect its financial performance.

DIRECTORS' STATEMENT

The Directors of Jason Marine Group Limited (the "**Company**") are pleased present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 March 2017 and the statement of financial position and statement of changes in equity of the Company as at 31 March 2017.

1. OPINION OF THE DIRECTORS

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; 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.

2. DIRECTORS

The Directors of the Company in office at the date of this statement are as follows:

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

3. 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, except as disclosed in paragraph 5 below.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "**Act**"), the Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations, except as follows:

	Shareholdings registered in the name of Directors		**Shareholdings in which Directors are deemed to have an interest**	
	Balance at 1 April 2016	**Balance at 31 March 2017**	**Balance at 1 April 2016**	**Balance at 31 March 2017**
Company				
Number of ordinary shares				
Foo Chew Tuck	81,300,000	81,300,000	–	–
Tan Lian Huat	1,020,000	1,020,000	–	–
Wong Hin Sun Eugene	–	–	2,650,000	2,650,000

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 subsidiary corporations 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 ("**SGX-ST**"), the Directors of the Company state that, according to the register of directors' shareholdings, the Directors' interests as at 21 April 2017 in the shares of the Company have not changed from those disclosed as at 31 March 2017.

5. SHARE OPTIONS

Jason Employee Share Option Scheme

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.

Jason Performance Share Plan

The Company has implemented a performance share plan known as the "Jason Performance Share Plan" ("**PSP**"). The PSP was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 27 July 2011. The PSP is administered by the Remuneration Committee.

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

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 subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

6. AUDIT AND RISK COMMITTEE

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

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

The Audit and Risk Committee performed the functions specified in Section 201B(5) of the Singapore Companies Act, Chapter 50, and the Singapore Code of Corporate Governance, including the following:

(i) reviewing the audit plans and results of the external audit;

(ii) reviewing the audit plans and results of the internal auditors' examination and evaluation of the Group's system of internal accounting controls;

(iii) reviewing the Group's financial and operating results and accounting policies;

(iv) reviewing the consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company before their submission to the Directors of the Company and the external auditors' report on those financial statements;

(v) reviewing the half-yearly and full-year announcements on the results of the Company and the Group;

(vi) ensuring the co-operation and assistance given by the management to the Group's internal and external auditors;

(vii) making recommendation to the Board on the re-appointment of the Group's internal and external auditors; and

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

6. AUDIT AND RISK COMMITTEE (Continued)

The Audit and Risk 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 and Risk Committee has full access to and the 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 and executive officer to attend its meetings. The internal and external auditors have unrestricted access to the Audit and Risk Committee.

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

7. INDEPENDENT AUDITOR

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

8. ADDITIONAL DISCLOSURE REQUIREMENTS OF THE LISTING MANUAL OF THE SGX-ST

The auditors of the subsidiary corporations 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 and Risk Committee, Rule 716 of the Listing Manual of the SGX-ST has been complied with.

On behalf of the Board of Directors

Foo Chew Tuck
Director

Tan Lian Huat
Director

Singapore
27 June 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Jason Marine Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Jason Marine Group Limited (the "**Company**") and its subsidiaries (the "**Group**"), which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2017;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2017, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	AUDIT RESPONSE
1 Recoverability of trade receivables from third parties	
As at 31 March 2017, the Group has significant trade receivables from third parties amounting to $5,247,000, net of an allowance for impairment of $1,776,000, representing 15% of the Group's current assets. The Group's customers mainly operate in the marine and offshore oil & gas industries in Asia. Taking into account the challenging market conditions in these industries and the financial pressures faced by the Group's customers, there is an increase in the Group's credit risk exposure.	Our procedures included amongst others, the following: • tested the trade receivables aging report used by management in the recoverability assessment; • assessed the reasonableness of management's judgements of the recoverable amount of trade receivables with objective evidence of impairment, including those that are past due with no payments received during or subsequent to the financial year end or on a case-by-case basis for customers whose financial conditions may have deteriorated;

KEY AUDIT MATTER	AUDIT RESPONSE

1 Recoverability of trade receivables from third parties (Continued)

We focused on this area in our audit as the recoverability assessment performed by management involved significant judgement of the customers' ability to pay, including an evaluation of the creditworthiness and the past collection history of significant customers on a case-by-case basis.

Refer to note 3.2(iii) and note 9 of the accompanying financial statements.

- verified significant outstanding trade receivables to subsequent receipts; and
- evaluated the adequacy of the disclosures in relation to the significant and long outstanding trade receivables.

2 Valuation and impairment of investment in e-Marine Co., Ltd ("e-Marine")

In 2011, the Group invested in e-Marine through a purchase of 23,485 shares for a consideration of KRW1,035,000,000 (equivalent to approximately $1,228,000).

As stipulated in the shareholders agreement, the Group was granted a put option to redeem the shares, as well as the interest accrued at the rate of 5.38% per annum, which can be exercised anytime within an agreed time-line. Since the previous financial year, the Group had assessed and accounted for the investment in unquoted equity shares of e-Marine as an available-for-sale ("AFS") financial asset with the put option being recognised as an embedded derivative.

Management has engaged an independent valuer in deriving the fair values of the unquoted equity shares of e-Marine and the put option as at the end of the financial year, amounting to $279,000 and $464,000 respectively.

Based on the independent valuation, management recognised the subsequent decline in fair value of the AFS financial asset amounting to $169,000 as an impairment loss in the profit or loss in the current financial year.

We focused on this area as a key audit matter as a considerable amount of judgements are involved in determining the fair values of the AFS financial asset and embedded derivative as at the financial year end, taking into account that these fair values are measured using significant unobservable inputs (Level 3).

Refer to note 3.1(i), note 8, note 15 and note 28.5 of the accompanying financial statements.

Our procedures included amongst other, the following:

- assessed the competency, expertise and objectivity of the independent valuer, including obtaining an understanding of the independent valuer's scope of work and the terms of engagement;
- engaged our internal valuation specialist to assess the appropriateness of the independent valuer's valuation approach such as whether it is a generally accepted valuation method in the market and whether it is consistent with the requirement of FRSs;
- obtained the final valuation report issued by the independent valuer and, with the assistance of our internal valuation specialist, assessed the reasonableness of the significant judgements, key estimates and assumptions adopted such as historical comparable EBITDA multiple and marketability discount rate; and
- evaluated the appropriateness and adequacy of the fair value disclosures in the financial statements.

KEY AUDIT MATTER	AUDIT RESPONSE
3 Impairment assessment on the investment in an associate, Sense Infosys Pte. Ltd. ("Sense Infosys")	
During the current financial year, the Group, through its wholly-owned subsidiary Jason Venture Pte Ltd, had completed in its subscription for 51,340 new Series Preference Shares in the capital of Sense Infosys, an existing associate, for an aggregate price of $850,000. With the completion of the subscription, the Group's shareholding in Sense Infosys increased from 17.2% to 24.4% and Sense Infosys remains as an associate of the Group. As at 31 March 2017, the carrying amount of the investment in Sense Infosys is $1,231,000 and the Group's share of Sense Infosys' losses amounted to $219,000. As Sense Infosys reported losses in the current and prior financial years, there was objective evidence of impairment on the investment in Sense Infosys. Accordingly, management assessed its recoverable amount using the value-in-use approach by estimating the present value of the expected future cash flows to be derived from the investment in Sense Infosys. No impairment was necessary as based on the management's assessment. We focused on this area as a key audit matter as the impairment assessment requires the exercise of significant judgements about the feasibility of Sense Infosys' future business plan and other key assumptions including the projected gross profit margin, operating costs and discount rate. Refer to note 3.1(ii) and note 7 of the accompanying financial statements.	Our procedures included amongst other, the following: • assessed management's impairment assessment, including the appropriateness of the key assumptions such as revenue and gross profit margin applied in the discounted cash flow projections; • performed checks on the appropriateness of the input data used in the value-in-use calculation by management; and • performed sensitivity analysis around the key assumptions used in the discounted cash flow projections, including applying downside scenarios.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To the Members of Jason Marine Group Limited

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS 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 Act and FRSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yeo Siok Yong.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
27 June 2017

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2017

	Note	Group 2017 $'000	Group 2016 $'000	Company 2017 $'000	Company 2016 $'000
Non-current assets					
Intangible asset	4	6	31	–	–
Plant and equipment	5	1,463	901	–	–
Investments in subsidiaries	6	–	–	15,480	15,480
Investments in associates	7	1,117	578	–	–
Available-for-sale financial assets	8	592	662	–	–
Trade receivables	9	136	–	–	–
Deferred tax assets	10	1	1	–	–
Total non-current assets		3,315	2,173	15,480	15,480
Current assets					
Inventories	11	4,352	5,895	–	–
Trade and other receivables	9	5,506	16,051	575	8
Derivative financial instruments	15	464	139	–	–
Prepayments		212	274	24	31
Current income tax recoverable		–	1	–	–
Cash and cash equivalents	12	23,874	13,956	6,996	5,060
Total current assets		34,408	36,316	7,595	5,099
Less:					
Current liabilities					
Trade and other payables	13	7,298	8,710	274	316
Deferred revenue	14	7,525	7,801	–	–
Current income tax payable		495	15	–	1
Total current liabilities		15,318	16,526	274	317
Net current assets		19,090	19,790	7,321	4,782
Less:					
Non-current liabilities					
Deferred tax liabilities	10	50	50	–	–
Net assets		22,355	21,913	22,801	20,262
Equity					
Share capital	16	17,967	17,967	17,967	17,967
Treasury shares	17	(255)	(255)	(255)	(255)
Foreign currency translation account	18	(38)	(111)	–	–
Retained earnings		4,651	4,288	5,089	2,550
Equity attributable to owners of the parent		22,325	21,889	22,801	20,262
Non-controlling interests		30	24	–	–
Total equity		22,355	21,913	22,801	20,262

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

CONSOLIDATED INCOME STATEMENT

For the Financial Year Ended 31 March 2017

	Note	2017 $'000	2016 $'000
Revenue	19	33,155	37,169
Cost of sales		(23,163)	(30,081)
Gross profit		9,992	7,088
Other item of income			
Other income	20	1,516	1,253
Other items of expense			
Distribution costs		(4,771)	(6,271)
General and administrative expenses		(4,565)	(5,557)
Other expenses		(1,233)	(2,441)
Share of results of associates, net of tax		(297)	(32)
Profit/(loss) before income tax	21	642	(5,960)
Income tax expense	22	(269)	(24)
Profit/(loss) for the financial year		373	(5,984)
Profit/(loss) attributable to:			
Owners of the parent		363	(5,996)
Non-controlling interests		10	12
		373	(5,984)
Earnings per share			
– Basic and diluted	23	0.35 cents	(5.70) cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2017

	2017 $'000	2016 $'000
Profit/(loss) for the financial year	373	(5,984)
Other comprehensive income:		
Items that will or may be reclassified subsequently to profit or loss:		
Foreign currency differences on translation of foreign operations	69	89
Other comprehensive income for the financial year, net of tax	69	89
Total comprehensive income for the financial year	442	(5,895)
Total comprehensive income attributable to:		
Owners of the parent	436	(5,911)
Non-controlling interests	6	16
	442	(5,895)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2017

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Retained earnings $'000	Equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Group								
Balance at 1 April 2016		17,967	(255)	(111)	4,288	21,889	24	21,913
Profit for the financial year		–	–	–	363	363	10	373
Other comprehensive income for the financial year								
Foreign currency differences on translation of foreign operations		–	–	73	–	73	(4)	69
Total comprehensive income for the financial year		–	–	73	363	436	6	442
Balance at 31 March 2017		17,967	(255)	(38)	4,651	22,325	30	22,355
Balance at 1 April 2015		17,967	(25)	(196)	11,859	29,605	8	29,613
Loss for the financial year		–	–	–	(5,996)	(5,996)	12	(5,984)
Other comprehensive income for the financial year								
Foreign currency differences on translation of foreign operations		–	–	85	–	85	4	89
Total comprehensive income for the financial year		–	–	85	(5,996)	(5,911)	16	(5,895)
Treasury shares	17	–	(230)	–	–	(230)	–	(230)
Dividends	24	–	–	–	(1,575)	(1,575)	–	(1,575)
		–	(230)	–	(1,575)	(1,805)	–	(1,805)
Balance at 31 March 2016		17,967	(255)	(111)	4,288	21,889	24	21,913

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2017

	Note	Share capital $'000	Treasury shares $'000	Retained earnings $'000	Total equity $'000
Company					
Balance at 1 April 2016		17,967	(255)	2,550	20,262
Profit for the financial year		–	–	2,539	2,539
Total comprehensive income for the financial year		–	–	2,539	2,539
Balance at 31 March 2017		17,967	(255)	5,089	22,801
Balance at 1 April 2015		17,967	(25)	1,628	19,570
Profit for the financial year		–	–	2,497	2,497
Total comprehensive income for the financial year		–	–	2,497	2,497
Treasury shares	17	–	(230)	–	(230)
Dividends	24	–	–	(1,575)	(1,575)
		–	(230)	(1,575)	(1,805)
Balance at 31 March 2016		17,967	(255)	2,550	20,262

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 March 2017

	Note	2017 $'000	2016 $'000
Operating activities			
Profit/(loss) before income tax		642	(5,960)
Adjustments for:			
Allowance for impairment loss on doubtful third parties trade receivables	9	931	665
Allowance for impairment loss on doubtful third parties other receivables	9	–	505
Allowance for impairment loss on doubtful associate other receivables	9	–	50
Impairment loss on available-for-sale financial assets	8	169	780
Allowance for inventory obsolescence	21	105	–
Amortisation of intangible asset	4	25	33
Realised gain on derivative financial instruments	20	–	(184)
Fair value gain on derivative financial instruments	20	(325)	(139)
Depreciation of plant and equipment	5	456	491
Dividend income		(19)	–
(Gain)/loss on disposal of plant and equipment	20,21	(6)	4
Gain on disposal of available-for-sale financial assets	20	–	(186)
Interest income	20	(114)	(144)
Share of results of associates	7	297	32
Write-back of trade payables		(46)	–
Write-back of allowance for impairment loss on doubtful third parties trade and other receivables	9	(274)	(48)
Operating cash flows before working capital changes		1,841	(4,101)
Working capital changes:			
Inventories		1,438	345
Trade and other receivables		9,371	(3,294)
Prepayments		62	(27)
Trade and other payables		(1,725)	(2,021)
Deferred revenue		(276)	3,081
Cash generated from/(used in) operations		10,711	(6,017)
Interest received		114	144
Income tax refunded/(paid)		212	(376)
Net cash from/(used in) operating activities		11,037	(6,249)
Investing activities			
Acquisition of shares in an associate company		(568)	–
Disposal of available-for-sale financial assets	8	–	226
Dividend received	7	33	24
Proceeds from disposals of plant and equipment		11	3
Purchase of plant and equipment*	5	(664)	(626)
Net cash used in investing activities		(1,188)	(373)
Financing activities			
Dividends paid	24	–	(1,575)
Purchase of treasury shares	17	–	(230)
Net cash used in financing activities		–	(1,805)
Net change in cash and cash equivalents		9,849	(8,427)
Cash and cash equivalents at beginning of financial year		13,956	22,294
Effects of foreign exchange rate changes on cash and cash equivalents		69	89
Cash and cash equivalents at end of financial year	12	23,874	13,956

* During the financial year ended 31 March 2017, additions of plant and equipment amounted to $1,023,000 (2016: $626,000) of which $359,000 (2016: $Nil) was unpaid and included in trade payables as at 31 March 2017.

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2017

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

1. GENERAL CORPORATE INFORMATION

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

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 ultimate controlling party is Mr Foo Chew Tuck, a director of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRS") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

Singapore-incorporated companies listed on SGX-ST will be required to apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for annual period beginning on or after 1 January 2018. The Group will adopt the new framework on 1 April 2018.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("$") which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand ("$'000") as indicated.

The preparation of financial statements in conformity with FRS requires the management to exercise judgement, estimates and assumptions that affect Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on the management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have significant effect on the financial statement are disclosed in Note 3.

In the current financial year, the Group adopted the new or revised FRS that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS did not result in changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior years.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective

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

		Effective date (annual periods beginning on or after)
FRS 7 (Amendments)	: *Disclosure Initiative*	1 January 2017
FRS 12 (Amendments)	: *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 40 (Amendments)	: *Transfer of Investment Property*	1 January 2018
FRS 102 (Amendments)	: *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
FRS 109	: *Financial Instruments*	1 January 2018
FRS 110 and FRS 28 (Amendments)	: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
FRS 115	: *Revenue from Contracts with Customers*	1 January 2018
FRS 115 (Amendments)	: *Clarifications to FRS115 Revenue from Contracts with Customers*	1 January 2018
FRS 116	: *Leases*	1 January 2019
INT FRS 122	: *Foreign Currency Transactions and Advance Consideration*	1 January 2018
Improvements to FRSs (December 2016)		
FRS 28 (Amendments)	: *Investments in Associates and Joint Ventures*	1 January 2018
FRS 101 (Amendments)	: *First-Time Adoption of Financial Reporting Standards*	1 January 2018
FRS 112 (Amendments)	: *Disclosure of Interests in Other Entities*	1 January 2017

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

Except as disclosed below, management anticipates that the adoption of the above FRS and INT FRS in future periods, if applicable, will not have a material impact on the financial statements of the Group in the period of their initial adoption.

Adoption of IFRS-identical financial reporting standards

Singapore-incorporated companies listed on SGX-ST are required to apply a new financial reporting framework identical to IFRS in 2018. The Group will adopt the new financial framework on 1 April 2018 and will apply the equivalent of IFRS 1 First-time Adoption of International Financial Reporting Standards to the transition. This will involve restating the comparatives for the financial year ended 31 March 2017 and the opening statements of financial position as at 1 April 2016 in accordance with the new framework. The Group is in the process of assessing the impact of transition, including the impact from the adoption of IFRS 9 and 15 which is expected to be similar to the impact of FRS 109 and 115 disclosed below, as well as other transitional adjustments that may be required or elected under IFRS 1.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective (Continued)

FRS 7 (Amendments) Disclosure Initiative

The amendments require additional disclosures to enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group will adopt those amendments in the financial year beginning on 1 April 2017 and will include the additional disclosures in its financial statements for that financial year.

FRS 109 Financial Instruments

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Classification and measurement

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group can elect to recognise the gains and losses in other comprehensive income. Debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets can also be measured at fair value through other comprehensive income.

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

The Group has completed its preliminary assessment of the classification and measurement of its financial assets and financial liabilities and does not expect any significant changes to the classification and measurement of its financial assets and liabilities currently measured at amortised cost and fair value through profit or loss upon adoption of the standard.

The Group currently accounts certain AFS investment in unquoted equity instruments at cost less impairment loss, as disclosed in Note 8 to the financial statements. On adoption of FRS 109, the Group will be required to measure such investment in unquoted equity instruments at fair value, with the difference between the previous carrying value and the fair value recognised in the opening balance of retained earnings at the date of initial application.

Impairment

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment loss allowances as well as interest revenue. For financial assets at amortised cost or debt instruments at fair value through other comprehensive income, the Group will recognise (at a minimum) 12 months of expected losses in profit or loss.

Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition under the three-stage model or from initial recognition if the simplified model is applied.

The new impairment requirements are expected to result in changes to and likely increases in impairment loss allowances on trade and other receivables, due to earlier recognition of credit losses. The Group expects to adopt the simplified model for its trade receivables and will record an allowance for lifetime expected losses from initial recognition. For other receivables, the Group will initially provide for 12 months expected losses under the three-stage model. The Group is still in the process of determining how it will estimate expected credit losses and the sources of forward-looking data.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

FRS and INT FRS issued but not yet effective (Continued)

Transition

The Group plans to adopt FRS 109 in the financial year beginning on 1 April 2018 with retrospective effect in accordance with the transitional provisions and intends to elect not to restate comparatives for the previous financial year. The Group will include additional disclosure in the financial statements in the financial year when FRS 109 is adopted.

FRS 109 also requires additional financial statements disclosures which the Group will include in its financial statements in the financial year when FRS 109 is adopted.

FRS 115 Revenue from Contracts with Customers

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Group has performed a preliminary assessment of the impact of FRS 115. Based on this preliminary assessment, the impact upon adoption of FRS 115 is not expected to be material to the Group's financial statements. However, it will need to perform a more detailed analysis which considers all reasonable and supportable information to determine the extent of impact.

The Group plans to adopt the new standard in the financial year beginning 1 April 2018 using the full retrospective method and apply all the practical expedients available for full retrospective approach under FRS 115 as listed above.

FRS 116 Leases

FRS 116 supercedes FRS 17 *Leases* and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. FRS 116 requires lessees to capitalise all leases on the statement of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for short-term leases and leases of low-value assets. Subsequently, the lease assets will be depreciated and the lease liabilities will be measured at amortised cost.

From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under FRS 116. FRS 116 also requires enhanced disclosures by both lessees and lessors.

On initial adoption of FRS 116, there may be a potentially significant impact on the accounting treatment for leases, which the Group as lessee currently accounts for as operating leases. On adoption of FRS 116, the Group will be required to capitalise its rented office premise and office equipment on the statement of financial position by recognising them as 'right-of-use' assets and their corresponding lease liabilities for the present value of future lease payments. The group plans to adopt the standard in the financial year beginning 1 April 2019 using the modified retrospective in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that year.

2. 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 reporting period except as disclosed in Note 6 to the financial statements. 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 on which control is transferred to the Group to the date on which that 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 an 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 subsidiaries 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 subsidiaries. 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 subsidiaries, 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 retained earnings) 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 joint venture.

2.3 Business combinations

Business combinations from 1 April 2010

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for 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. Consideration also includes the fair value of any contingent consideration.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Business combinations (Continued)

Business combinations from 1 April 2010 (Continued)

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.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at 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's 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.

2.4 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 accumulated 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.

Computer software license is assessed for impairment whenever there is an indication that the intangible asset may be impaired. 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 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.

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	1-7
Renovation	3
Computers	3

The residual values, estimated 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 expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

2.6 Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Associates are initially recognised in the consolidated statement of financial position at cost, and subsequently accounted for using the equity method less any impairment losses. Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is included in the carrying amount of the investment in associates.

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.

For financial statements of the associate which are prepared as of the same reporting date of the Company, the most recent available audited financial statements of the associate are used by the Group in applying the equity method, where the date of the audited financial statements used is not co-terminus with that of the Group, the share of results is arrived at from the audited financial statements available and unaudited management financial statements to the end of the financial year.

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

2.8 Impairment of non-financial assets

The carrying amounts of 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Impairment of non-financial assets (Continued)

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost 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. 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 ordinary 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.

2.10 Financial assets

The Group classify 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.

<u>Loans and receivables</u>

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

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

Financial assets are recognised on the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instruments.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount and the net consideration proceeds and any cumulative gain or loss that had been recognised in other comprehensive income is 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.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less any impairment loss.

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 (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) 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.

Impairment

The Group 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

Loans and receivables

An allowance for impairment loss of loans and receivables is recognised when there is objective evidence that the Group 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.

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 is recognised directly in equity except for impairment losses on equity instruments at cost which are not reversed.

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 enters into derivative financial instruments to manage its exposure to foreign exchange rate risk and equity price risks, including foreign exchange forward contracts and put option.

Derivatives are initially recognised at their fair values at the date the derivative contract is entered into and are subsequently re-measured to their fair values at the end of each financial year. The method of recognising the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument, and if so, the nature of the item being hedged. The Group has not designated any of its derivatives as hedging instruments in the current or previous financial year.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, including derivatives not designated and effective as a hedging instrument; or it is designated as such upon initial recognition. The Group has not designated any financial liabilities as fair value through profit or loss upon initial recognition.

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

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 are subsequently measured at amortised cost using the effective interest method.

Recognition and derecognition

Financial liabilities are recognised on the statements of financial position when, and only when, the Group becomes party 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.

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 an entity after deducting all of its liabilities.

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

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised within the statements of changes in equity of the Group and of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Sales of goods

Revenue from sale of goods is recognised when equipments 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.

Rendering of services

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

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

Dividend income

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

2.17 Leases

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over lease term on a straight-line basis.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as leasing income.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Taxes

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.

Taxable profit differs from profit reported as profit or loss because it excluded items of income or expenses that are taxable or deductible in other years and it further excludes items of income or expenses that are not taxable or tax deductible.

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 balance sheet liability method, for temporary differences at the end of the reporting period between 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 at 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.

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, 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 recognised 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 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 account in equity.

2.21 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 recognised as a liability in the financial year in which the dividends are approved by the shareholders.

2.22 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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

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

3.1 Critical judgements made 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 available-for-sale equity instruments

The Group records impairment charges on available-for-sale equity investments when there have been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates using valuation techniques including the market approach performed by an independent valuation firm. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgements is required to determine the duration and extent to which the fair value of an investment is less than its cost (Note 15). The carrying amounts of the Group's available-for-sale equity instruments as at 31 March 2017 were approximately $592,000 (2016: $662,000).

(ii) Impairment of investments in subsidiaries and associates

Management reviews the investments in subsidiaries and associates for indication of impairment on an annual basis. Management has evaluated and concluded that there is no further indication of impairment in the investment of subsidiaries and associates for the financial year then ended as the subsidiaries and associates are assessed to be commercially viable. The total carrying amounts of the investment in subsidiaries and associates in the Company's and Group's statement of financial position as at 31 March 2017 are $15,480,000 and $1,117,000 (2016: $15,480,000 and $578,000).

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) Impairment of plant and equipment

Determining whether the plant and equipment are impaired and the amount of impairment losses require an estimation of the value-in-use or fair value less costs of disposal of the assets or CGU to which the assets has been allocated. The value-in-use calculation requires management to estimate future cash flows expected to arise from the assets or CGUs and a suitable discount rate in order to calculate the present value of those cash flows. The net carrying amount of the Group's plant and equipment as at 31 March 2017 was approximately $1,463,000 (2016: $901,000).

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(ii) 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, 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 2017 was approximately $4,352,000 (2016: $5,895,000).

(iii) Allowance for impairment loss of trade and other receivables

The management establishes allowance for impairment loss on 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 2017 were approximately $5,506,000 and $575,000 (2016: $16,051,000 and $8,000) respectively.

4. INTANGIBLE ASSET

	Group	
	2017	**2016**
	$'000	**$'000**
Computer software		
Cost		
Balance at beginning of year and at end of year	650	650
Accumulated amortisation		
Balance at beginning of year	619	586
Amortisation for the year	25	33
Balance at end of year	644	619
Carrying amount		
Balance at end of year	6	31

Amortisation of the computer software costs is included in the "General and administrative expenses" line item in the Group's profit or loss.

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								
2017								
Cost								
Balance at 1 April 2016	269	347	385	60	1,335	180	856	3,432
Additions	21	–	–	12	942	2	46	1,023
Disposals	(23)	(4)	(35)	–	(331)	(9)	(185)	(587)
Currency translation adjustment	–	–	(1)	–	1	–	(1)	(1)
Balance at 31 March 2017	267	343	349	72	1,947	173	716	3,867
Accumulated depreciation								
Balance at 1 April 2016	189	298	205	50	849	169	771	2,531
Depreciation for the year	23	10	47	4	307	10	55	456
Disposals	(19)	(3)	(35)	–	(331)	(9)	(185)	(582)
Currency translation adjustment	–	–	(1)	–	1	–	(1)	(1)
Balance at 31 March 2017	193	305	216	54	826	170	640	2,404
Carrying amount								
Balance at 31 March 2017	74	38	133	18	1,121	3	76	1,463
2016								
Cost								
Balance at 1 April 2015	254	347	422	60	1,372	179	911	3,545
Additions	26	–	178	–	384	1	37	626
Disposals	(10)	–	(213)	–	(420)	–	(90)	(733)
Currency translation adjustment	(1)	–	(2)	–	(1)	–	(2)	(6)
Balance at 31 March 2016	269	347	385	60	1,335	180	856	3,432
Accumulated depreciation								
Balance at 1 April 2015	177	287	371	46	981	148	762	2,772
Depreciation for the year	21	11	49	4	285	21	100	491
Disposals	(8)	–	(213)	–	(416)	–	(89)	(726)
Currency translation adjustment	(1)	–	(2)	–	(1)	–	(2)	(6)
Balance at 31 March 2016	189	298	205	50	849	169	771	2,531
Carrying amount								
Balance at 31 March 2016	80	49	180	10	486	11	85	901

6. INVESTMENTS IN SUBSIDIARIES

	Company 2017 $'000	Company 2016 $'000
Unquoted equity shares, at cost	16,100	15,100
Addition	–	1,000
Allowance for impairment loss	(620)	(620)
	15,480	15,480

The details of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership interest held by the Group 2017 %	Proportion of ownership interest held by the Group 2016 %	Proportion of ownership interest held by non-controlling interests 2017 %	Proportion of ownership interest held by non-controlling interests 2016 %
Held by the Company					
Jason Electronics (Pte) Ltd[1] (Singapore)	Design, integration, installation and commissioning of radio, satellite communication and navigational systems	100	100	–	–
Jason Asia Pte Ltd[1] (Singapore)	Servicing of communication and navigational systems	100	100	–	–
Jason Venture Pte. Ltd.[1] (Singapore)	Investment holding company	100	100	–	–
Jason Energy Pte. Ltd.[1] (Singapore)	Sale and service of marine communication, navigation and automation systems	100	100	–	–
Marine Innovation Pte. Ltd.[1] (Singapore)	Sale and service of marine communication, navigation and automation equipment	100	100	–	–

6. INVESTMENTS IN SUBSIDIARIES (Continued)

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-controlling interests	
		2017 %	2016 %	2017 %	2016 %
Held by Jason Venture Pte. Ltd.					
Jason Elektronik (M) Sdn. Bhd.[(2)] (Malaysia)	Trading and servicing of communication, navigation, and automation equipment	100	100	–	–
Jason (Shanghai) Co., Ltd[(3)] (People's Republic of China)	Sales and service of radio, satellite communication and navigation system	100	100	–	–
PT Jason Elektronika[(4)] (Indonesia)	Import trading, maintenance and support services of communication, navigation and automation equipment and spares	99	99	–	–
Jason Korea Co., Ltd.[(5)] (South Korea)	Manufacture, sales and service of marine offshore and industrial communication, navigation and automation systems	51	51	49	49
Koden Singapore Pte. Ltd.[(1)] (Singapore)	Marketing, sale, distribution and servicing of marine electronics products	60	60	40	40
Held by Jason Asia Pte. Ltd.					
PT Jason Elektronika[(4)] (Indonesia)	Import trading, maintenance and support services of communication, navigation and automation equipment and spares	1	1	–	–

(1) Audited by BDO LLP, Chartered Accountants, Singapore
(2) Audited by UHY, Chartered Accountants, Malaysia
(3) Audited by SBA Stone Forest Shanghai, Certified Public Accountants (Partnership), People's Republic of China
(4) Audited by Tanubrata Sutanto Fahmi & Rekan, a member of BDO International Limited, Indonesia
(5) Audited by Daesung Tax Accounting Corp., South Korea

Incorporation of subsidiary

On 25 May 2015, the Company incorporated a wholly-owned subsidiary, Marine Innovation Pte. Ltd. ("Marine Innovation") in Singapore with an issued share capital of S$1,000,000 comprising 1,000,000 ordinary shares. Marine Innovation has been established with the purpose to widen the Group's customer base and product portfolio through the sale and service of marine communication, navigation and automation equipment.

7. INVESTMENTS IN ASSOCIATES

	Group 2017 $'000	Group 2016 $'000
Unquoted equity shares, at cost	608	158
Acquisition of shares in an associate company	850	–
Reclassification	–	450
Share of post-acquisition results	(341)	(30)
	1,117	578

During the current financial year, the Group recognised $297,000 (2016: $32,000) share of loss after tax in the consolidated statement of comprehensive income and dividend of $14,000 (2016: $24,000) was received by the Group during the year.

The details of the associates are as follows:

Name of associates (Country of incorporation and principal place of business)	Principal activities	Effective equity interest held by the Group 2017 %	Effective equity interest held by the Group 2016 %
Jason Electronics (Thailand) Co., Ltd[(1)] (Thailand)	Sales and service of radio, satellite communications and navigational system	49	49
iPromar (Pte.) Ltd.[(2)] (Singapore)	Process plant and engineering services	25	25
Sense Infosys Pte Ltd[(3)] (Singapore)	Provision of consultancy and software development and marine networking and communication	24	17

(1) Audited by BDO Limited, a member of BDO International Limited, Thailand
(2) Audited by Moores Rowland, Singapore
(3) Audited by Brandon Soh & Associates PAC, Singapore

The activities of the associates are strategic to the Group activities. The Group has not recognised losses relating to iPromar (Pte.) Ltd. where it share of losses exceeds the Group's carrying amount of its investment in this associate. The Group's cumulative share of unrecognised losses were $58,000 (2016: $Nil) of which $58,000 (2016: $Nil) was the share of the current year's losses. The Group has no obligation in respect of those losses.

On 6 May 2016, a wholly-owned subsidiary of the Company, Jason Venture Pte Ltd subscribed for 51,340 new Series A2 Preference Shares in the capital of Sense Infosys Pte Ltd ("Sense Infosys") for an aggregate price of $850,000 or an issue price of approximately $16.56 for each Series A2 Preference Shares. The additional subscription was partially offset against an amount of $282,000 due from the same associate. Upon completion of the subscription, the Group has 24.4% deem interest in the equity interest of Sense Infosys.

In prior year, although the Group held less than 20% of the voting power in Sense Infosys, this entity was accounted for as an associate in view that the Group had representative in the board of directors of Sense Infosys.

7. INVESTMENTS IN ASSOCIATES (Continued)

Summarised financial information (material associate)

	2017 $'000	2016 $'000
Sense Infosys Pte. Ltd.		
Current assets	1,079	337
Non-current assets	759	719
Current liabilities	(424)	(1,029)
Non-current liabilities	(369)	–
Net assets	1,045	27

	2017 $'000	2016 $'000
Revenue	782	538
Net loss representing total comprehensive income for the financial year	(908)	(388)
Carrying value of material associate		
At 1 April	381	450
Add: Acquisition of shares	850	–
Less: Share of post-acquisition results	(219)	(69)
At 31 March	1,012	381

Summarised financial information (immaterial associates)

The following table summarises, in aggregate, the Group's share of profit and other comprehensive income of the Group's individually immaterial associated companies accounted for using the equity method:

	2017 $'000	2016 $'000
Net loss representing total comprehensive income for the financial year	(70)	(171)
Carrying value of immaterial associates		
At 1 April	197	158
Add: Share of post-acquisition results	(92)	39
At 31 March	105	197

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2017	**2016**
	$'000	**$'000**
At 1 April	662	1,932
Additions	99	–
Reclassification	–	(450)
Impairment loss* (Note 21)	(169)	(780)
Disposal	–	(40)
At 31 March	592	662

	2017	2016
	$'000	$'000
Available-for-sale financial assets, at cost	214	214
Available-for-sale financial assets, at fair value	378	448
At 31 March	592	662

* The impairment loss is included in the "Other expenses" line item in the profit or loss of the Group for the financial year then ended.

During the financial year, a wholly-owned subsidiary of the Company, Jason Electronics (Pte) Ltd completed the subscription for 4,961,000 shares of $0.02 each in Vallianz Holdings Limited, which was offset against trade receivables amounting $99,000 due from a subsidiary within the Vallianz Group.

During the financial year, the Group recognised an impairment loss of $169,000 (2016: $780,000) for unquoted equity securities as there was significant decline in the fair value of the investment in e-Marine Co., Ltd. below its cost. Correspondingly, the Group had also recognised the fair value gain on the put option embedded within the investment (Note 15).

On 29 October 2015, the Group disposed its entire 9% shareholding interest in the issued share capital of Rockson Automation GmbH to Highlander Ocean Engineering Technology Development (HK) Co., Limited of Hong Kong, for a cash consideration of EUR149,500 (or approximately $226,000).

In the previous financial year, investment in Sense Infosys had been reclassified to investments in associates, which the Group has determined to have significant influence.

Certain investments in unquoted equity instruments are stated at cost less impairment loss, as these instruments have no market prices and their fair value cannot be determined reliably using valuation techniques.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Non-current				
Finance lease receivables – third parties	136	–	–	–
Current				
Trade receivables				
– third parties	6,717	15,908	–	–
– finance lease receivables – third parties	74	–	–	–
– GST receivables	96	–	–	–
	7,023	15,908	–	–
Allowance for impairment loss on doubtful trade receivables – third parties	(1,776)	(1,136)	–	–
Trade receivables from third parties	5,247	14,772	–	–
Trade receivables – an associate	38	44	–	–
	5,285	14,816	–	–
Other receivables				
– third parties	546	589	3	4
– subsidiaries	–	–	568	–
– associate	54	337	–	–
	600	926	571	4
Allowance for impairment loss on doubtful other receivables – third parties	(518)	(505)	–	–
Allowance for impairment loss on doubtful other receivables – associate	(50)	(50)	–	–
	32	371	571	4
Security and other deposits	124	126	–	–
Advances to suppliers	187	693	4	4
Advances to staff	14	45	–	–
Total trade and other receivables	5,642	16,051	575	8
Less:				
– Advances to suppliers	(187)	(693)	(4)	(4)
– GST receivables	(96)	–	–	–
Add:				
– Cash and cash equivalents (Note 12)	23,874	13,956	6,996	5,060
– Total loans and receivables	29,233	29,314	7,567	5,064

Trade receivables due from third parties are unsecured, interest-free and generally on 30 to 90 (2016: 30 to 90) days credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The trade amount due from an associate is unsecured, interest-free, repayable within the normal trade credit terms and are to be settled in cash.

Other receivables (non-trade) due from a third party is unsecured, interest-free with fixed repayment terms.

Other receivables (non-trade) due from subsidiaries and associates are unsecured, interest-free, repayable on demand and are to be settled in cash.

Advances to suppliers pertain to the payments made in advance for the purchase of inventories.

Advances to staff is unsecured, interest-free and repayable on demand.

9. TRADE AND OTHER RECEIVABLES (Continued)

Finance lease receivables

	Group Minimum lease payments		Group Present value of minimum lease payments	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Amount receivable under finance lease				
Within one year	82	–	74	–
In second to fifth year inclusive	141	–	136	–
	223	–	210	–
Less: Unearned finance income	(13)	–	–	–
Present value of minimum lease payments receivable	210	–	210	–

	Group	
	2017 $'000	2016 $'000
Analysed as:		
Current finance lease receivables (recoverable within 12 months)	74	–
Non-current finance lease receivables (recoverable after 12 months)	136	–
	210	–

The Group enters into finance lease arrangements for certain of its marine equipment. All leases are denominated in United States dollar. The term of finance leases entered into is 1 to 3 years.

The interest rate inherent in the leases is fixed at the contract date for all of the lease term. The average effective interest contracted is approximately 4.08% (2016: Nil%).

Finance lease receivable balances are secured over the marine equipment leased. The Group is not permitted to sell or pledged the collateral in the absence of default by the lessee. However, in the event of default, the Group is entitled sell the asset, and has right to any proceeds from such a sale up to the total amount receivable from the lessee.

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancement. The carrying amount of third parties trade receivables individually determined to be impaired is as follows:

	Group	
	2017 $'000	2016 $'000
Past due for more than 90 days	1,776	1,136

Movements in allowance for impairment loss on doubtful third parties trade receivables are as follows:

	Group	
	2017 $'000	2016 $'000
Balance at beginning of financial year	1,136	707
Allowance made during the financial year (Note 21)	931	665
Write-back of allowance during the financial year (Note 20)	(268)	(48)
Allowance written off during the financial year	(23)	(188)
Balance at end of financial year	1,776	1,136

9. TRADE AND OTHER RECEIVABLES (Continued)

Allowance for impairment loss on doubtful third parties trade receivables of approximately $931,000 (2016: $665,000) was recognised in profit or loss subsequent to a debt recovery assessment performed during the financial year.

The write-back of allowance for impairment loss on doubtful third parties trade receivables amounting to approximately $268,000 (2016: $48,000) was recognised in profit or loss when the related trade receivables were subsequently recovered.

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancement.

Receivables that are impaired

At the end of the reporting period, the Group has provided an allowance of approximately $1,776,000 (2016: $1,136,000) for impairment of third party trade receivables which relate to debtors who have defaulted in payment.

Movements in allowance for impairment loss on doubtful third parties other receivables are as follows:

	Group	
	2017 $'000	2016 $'000
Balance at beginning of year	505	–
Allowance made during the financial year (Note 21)	–	505
Write-back of allowance during the financial year (Note 20)	(6)	–
Currency differences	19	–
Balance at end of financial year	518	505

Movements in allowance for impairment loss on doubtful associate other receivables are as follows:

	Group	
	2017 $'000	2016 $'000
Balance at beginning of year	50	–
Allowance made during the financial year (Note 21)	–	50
Balance at end of financial year	50	50

The currency profiles of trade and other receivables as at the end of the reporting period are as follows:

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
United States dollar	2,747	5,720	–	–
Singapore dollar	2,063	9,981	575	8
Euro	604	193	–	–
Chinese renminbi	113	31	–	–
Others	115	126	–	–
	5,642	16,051	575	8

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2017 $'000	2016 $'000
Deferred tax assets		
Balance at beginning of year	1	3
Credited to profit or loss	–	(2)
Balance at end of year	1	1
Deferred tax liabilities		
Balance at beginning of year	(50)	(105)
Credited to profit or loss	–	55
Balance at end of year	(50)	(50)

Deferred tax assets/(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% (2016: 17%).

11. INVENTORIES

	Group	
	2017 $'000	2016 $'000
Trading goods	4,352	5,895

The cost of inventories recognised as an expense and included in "cost of sales" line item in profit or loss was approximately $14,163,000 (2016: $17,890,000) for the financial year ended 31 March 2017.

During the financial year, the Group carried out a review of the realisable value of its inventories and the review led to the recognition of an allowance for inventory obsolescence of approximately $105,000 (2016: $Nil) that had been included in "other expenses" line item in profit or loss.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Fixed deposits	12,257	7,938	3,844	4,069
Cash and bank balances	11,617	6,018	3,152	991
Cash and cash equivalents as per statements of financial position	23,874	13,956	6,996	5,060

Fixed deposits are placed between one month to six months (2016: one month to twelve months) from the end of the reporting period and the effective interest rates on the fixed deposits were 0.62% to 5.75% (2016: 0.430% to 7.750%) per annum.

The currency profiles of cash and cash equivalents as at the end of the reporting period are as follows:

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
United States dollar	13,737	5,730	2,975	–
Singapore dollar	8,222	7,090	4,021	5,060
Ringgit Malaysia	297	319	–	–
Indonesian rupiah	516	363	–	–
Euro	969	264	–	–
Chinese renminbi	123	97	–	–
Others	10	93	–	–
	23,874	13,956	6,996	5,060

13. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Trade payables				
– third parties	3,000	3,823	–	–
– GST payables	–	97	–	–
– an associate	24	29	–	–
– non-controlling interests	402	239	–	–
	3,426	4,188	–	–
Other payables				
– third parties	300	395	19	31
Accrued expenses	1,451	1,794	255	285
Customers' deposits	513	371	–	–
Advances from customers	1,608	1,962	–	–
Total trade and other payables	7,298	8,710	274	316
Less:				
– Customers' deposits	(513)	(371)	–	–
– Advances from customers	(1,608)	(1,962)	–	–
– GST payables	–	(97)	–	–
Total trade and other payables, representing total financial liabilities carried at amortised cost	5,177	6,280	274	316

Trade payables are unsecured, interest-free and repayable within the normal trade credit terms of 30 to 120 (2016: 30 to 120) days.

The trade amounts due to an associate and non-controlling interests are unsecured, interest-free, repayable within the normal credit terms and to be settled in cash.

The currency profiles of trade and other payables, as at the end of the reporting period are as follows:

	Group		Company	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Singapore dollar	3,035	3,645	274	316
United States dollar	2,169	3,181	–	–
Euro	851	587	–	–
Chinese renminbi	774	732	–	–
British pound	50	211	–	–
Japanese yen	199	214	–	–
Others	220	140	–	–
	7,298	8,710	274	316

14. DEFERRED REVENUE

Group

Deferred revenue relate to billings made to customers for goods yet to be delivered and services yet to be rendered.

15. DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2017	2016
	$'000	$'000
Assets		
Put option	464	139

Put option arising from investment in e-Marine Co., Ltd

The Group entered into a shareholder agreement with e-Marine Co., Ltd where a put option had been granted in respect of the 23,486 common shares held. The put option, if exercised, will require e-Marine to acquire a part or all of the 23,486 common shares for KRW44,069 (equivalent to $51) per share, plus interest accrued on the aggregate consideration at a rate of 5.38% per annum for the period from 28 October 2011 to the date the put option is exercised. The exercise period of the put option is from 1 January 2017 to 31 December 2019.

As at 31 March 2017, the fair value gain of the put option contracts is estimated to be $464,000 (2016: $139,000). The valuation techniques used are binomial model and market approach to determine the underlying fair value of equity in e-Marine and that derives the fair value of put option.

16. SHARE CAPITAL

	Group and Company	
	2017	2016
	$'000	$'000
Issued and fully-paid		
106,000,000 ordinary shares at beginning and end of financial year	17,967	17,967

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.

17. TREASURY SHARES

	Group and Company			
	Number of ordinary shares		Amount	
	2017	2016	2017	2016
	'000	'000	$'000	$'000
Balance at beginning of financial year	1,000	103	255	25
Acquired during the financial year	–	897	–	230
Balance at end of financial year	1,000	1,000	255	255

During the previous financial year, the Company acquired 897,000 of its ordinary shares through purchases in the open market. The total amount paid to acquire the shares was approximately $230,000 and has been deducted from shareholders' equity.

18. FOREIGN CURRENCY TRANSLATION ACCOUNT

The foreign currency translation 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	
	2017	**2016**
	$'000	**$'000**
Sale of goods	22,458	22,930
Rendering of services	6,257	7,980
Airtime revenue	4,440	6,259
	33,155	37,169

20. OTHER INCOME

	Group	
	2017	**2016**
	$'000	**$'000**
Dividend income	19	–
Write-back of trade payables	46	–
Realised gain on derivative financial instruments	–	184
Fair value gain on derivative financial instruments	325	139
Foreign exchange gain, net	251	–
Gain on disposal of available-for-sale financial assets	–	186
Gain on disposal of plant and equipment	6	–
Government grants	283	336
Interest income	114	144
Marketing income	20	158
Sundry income	178	58
Write-back of allowance for impairment loss on doubtful third parties trade and other receivables (Note 9)	274	48
	1,516	1,253

21. PROFIT/(LOSS) 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	
	2017	**2016**
	$'000	**$'000**
Cost of sales		
Depreciation of plant and equipment	290	260
Distribution costs		
Advertisement and promotion	67	200
Entertainment	102	155
Transportation and travelling	233	227
General and administrative expenses		
Amortisation of intangible asset (Note 4)	25	33
Audit fees		
– auditors of the Company	79	79
– other auditors	17	12
Depreciation of plant and equipment	166	231
Legal and professional fees	742	795
Operating lease expenses		
– rental of office equipment	31	32
– rental of office premises	599	717
Other expenses		
Allowance for impairment loss on doubtful third parties trade receivables (Note 9)	931	665
Allowance for impairment loss on doubtful third parties other receivables (Note 9)	–	505
Allowance for impairment loss on doubtful associate other receivables (Note 9)	–	50
Impairment loss on available-for-sale financial assets (Note 8)	169	780
Allowance for inventory obsolescence (Note 11)	105	–
Loss on disposal of plant and equipment	–	4
Foreign exchange loss, net	–	487

The profit/(loss) before income tax also includes:

	Group	
	2017	**2016**
	$'000	**$'000**
Employee benefits expense		
Salaries, wages and bonuses	8,412	10,998
Contributions to defined contribution plans	1,058	1,092
Other employee benefits	110	275
	9,580	12,365

The employee benefits expense are recognised in the following line items in profit or loss:

	Group	
	2017	**2016**
	$'000	**$'000**
Cost of sales	3,288	4,172
Distribution costs	4,321	5,611
General and administrative expenses	1,971	2,582
	9,580	12,365

The employee benefits expense include the remuneration of Directors as shown in Note 26 to the financial statements.

22. INCOME TAX EXPENSE

	Group 2017 $'000	Group 2016 $'000
Current income tax		
– current financial year	18	9
– under provision in respect of prior financial years	251	69
	269	78
Deferred income tax		
– current financial year	–	(55)
– under provision in respect of prior financial years	–	1
	–	(54)
Total income tax expense recognised in profit or loss	269	24

Reconciliation of effective income tax rate

	Group 2017 $'000	Group 2016 $'000
Profit/(loss) before income tax	642	(5,960)
Share of results of associates	297	32
	939	(5,928)
Income tax calculated at Singapore's statutory income tax rate of 17% (2016: 17%)	160	(1,008)
Effect of different income tax rate in other countries	(63)	(98)
Expenses not deductible for income tax purposes	158	390
Income not subject to income tax	(145)	(87)
Enhanced tax deduction and tax rebate	(14)	(117)
Tax exemption	(8)	(11)
Deferred tax assets not recognised	142	923
Under provision in respect of prior financial years	251	70
Utilisation of deferred tax assets previously not recognised	(230)	(32)
Others	18	(6)
Total income tax expense recognised in profit or loss	269	24

As at 31 March 2017, the Group has unutilised tax losses of approximately $4,043,000 (2016: $5,562,000) and other deductible temporary differences of $716,000 (2016: $547,000) that are available for offset against future taxable profits of the Group, subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation. No deferred tax asset has been recognised on these tax losses and other deductible temporary differences as there is no certainty that there will be sufficient future taxable profits to realise these future benefits.

22. INCOME TAX EXPENSE (Continued)

The total unutilised tax losses of the Group included that of a subsidiary which is in People's Republic of China amounting to $1,402,000 (2016: $1,491,000) can only be utilised for set-off against its future taxable profits within five years from the date the tax losses were incurred. The breakdown of total unutilised tax losses of a subsidiary which is in People's Republic of China are as follows:

	2017		2016	
Year of tax losses	**$'000**	**Expiry date**	**$'000**	**Expiry date**
2011	–	–	616	Dec–2016
2012	441	Dec–2017	441	Dec–2017
2015	223	Dec–2020	223	Dec–2020
2016	211	Dec–2021	211	Dec–2021
2017	527	Dec–2022	–	–

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 2.19 to the financial statements.

23. EARNINGS PER SHARE

The calculation for earnings per share is based on:

	Group	
	2017	**2016**
Profit/(loss) attributable to owners of the parent ($'000)	363	(5,996)
Actual/Weighted number of ordinary shares in issue during the financial year applicable to basic earnings per share ('000)	105,000	105,141
– Basic and diluted earnings per share (in cents)	0.35	(5.70)

Basic earnings per share is calculated by dividing the profit for the financial year attributable to owners of the parent by the actual 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.

24. DIVIDENDS

	Group and Company	
	2017	**2016**
	$'000	**$'000**
Interim one-tier exempt dividend of $Nil (2016: $0.005) per share in respect of current financial year	–	525
Final tax-exempt dividend of $Nil (2016: $0.01) per share in respect of the previous financial year	–	1,050
	–	1,575

The Directors did not recommend any dividend to be paid for the current financial year.

25. OPERATING LEASE COMMITMENTS

Group as a lessor

The Group has entered into commercial leases on its maritime equipment. These non-cancellable leases have remaining lease terms of one year. Future minimum rental receivables under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2017 **$'000**	**2016** **$'000**
Not later than one financial year	240	221
After one financial year but not later than five financial years	–	36
	240	257

Group as a lessee

The minimum lease commitments under non-cancellable operating leases in respect of the office premise and office equipment contracted for as at the end of the reporting period are as follows:

	Group	
	2017 **$'000**	**2016** **$'000**
Not later than one financial year	413	659
After one financial year but not later than five financial years	111	221
	524	880

The above operating lease commitments are based on existing rental rates. The lease agreements provide for periodic revision of such rates in future. The leases typically run for an initial period of 1 to 3 (2016: 1 to 4) years, with an option to renew the lease for another 1 (2016: 1) year.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, in addition to those related party information disclosed elsewhere in these financial statements, the Group entered into the following transactions with related parties at rates and terms agreed:

	Group	
	2017 **$'000**	**2016** **$'000**
Related parties*		
Rental expense for office premises	244	288
Associate		
Sales	100	223
Purchases	–	10
Sub-contract charges	49	44
Dividend received	14	24
Loan to	–	282

* The Group has entered into a lease arrangement of office premises with JE Holdings Pte Ltd, Unity Consultancy Pte Ltd and Jason Harvest Pte Ltd, companies in which Mr Foo Chew Tuck have beneficial interests.

26. 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 during the financial year are as follows:

	Group	
	2017 $'000	2016 $'000
Short-term employee benefits	590	705
Post-employment benefits	12	11
Directors' fees	173	173
	775	889

27. SEGMENT INFORMATION

Management has determined the operating segments 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, Brazil, Indonesia, Vietnam, Malaysia and other countries. These locations are engaged in sale of goods, rendering of services and airtime revenue.

Sale of goods relates to the design, supply and sale of marine, communication, navigation and automation equipment. Rendering of services relates to the provision of maintenance and support services including repair works, troubleshooting, commissioning, radio survey and annual performance tests. Airtime revenue relates to provision of airtime for the satellite communication system.

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. Segment 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 of 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 segment 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.

27. SEGMENT INFORMATION (Continued)

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Eliminations $'000	Total $'000
2017						
Revenue						
External revenue	22,458	6,257	4,440	–	–	33,155
Inter–segment revenue	822	969	11	–	(1,802)	–
	23,280	7,226	4,451	–	(1,802)	33,155
Results						
Fair value gain on derivative financial instruments	–	–	–	325	–	325
Gain on disposal of plant and equipment	–	–	–	6	–	6
Write-back of allowance for impairment loss on doubtful third parties trade receivables	4	5	259	6	–	274
Interest income	–	–	–	114	–	114
Depreciation of plant and equipment	(91)	(321)	(8)	(36)	–	(456)
Amortisation of intangible asset	–	–	–	(25)	–	(25)
Share of results of associates	–	–	–	–	(297)	(297)
Other non-cash expenses:						
– allowance for impairment loss on doubtful third parties trade receivables	(301)	(35)	(595)	–	–	(931)
– allowance for inventory obsolescence	(105)	–	–	–	–	(105)
– impairment loss on available-for-sale financial asset	–	–	–	(169)	–	(169)
Segment (loss)/profit	1,010	235	(410)	2,961	(3,154)	642
Capital expenditure						
Plant and equipment	55	957	11	–	–	1,023
Assets and liabilities						
Segment assets	13,245	3,639	1,674	40,985	(23,529)	36,014
Available-for-sale financial assets	–	–	–	596	(4)	592
Investments in associates	–	–	–	1,266	(149)	1,117
						37,723
Segment liabilities	10,457	5,292	1,879	5,139	(7,894)	14,873
Current income tax payable	335	94	66	–	–	495
						15,368

27. SEGMENT INFORMATION (Continued)

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Eliminations $'000	Total $'000
2016						
Revenue						
External revenue	22,930	7,980	6,259	–	–	37,169
Inter-segment revenue	541	1,557	–	–	(2,098)	–
	23,471	9,537	6,259	–	(2,098)	37,169
Results						
Fair value gain on derivative financial instruments	–	–	–	323	–	323
Gain on disposal of available-for-sale financial asset	–	–	–	186	–	186
Write-back of allowance for impairment loss on doubtful third parties trade receivables	43	5	–	–	–	48
Interest income	53	18	20	53	–	144
Interest expense						
Depreciation of plant and equipment	(272)	(74)	(109)	(36)	–	(491)
Amortisation of intangible asset	–	–	–	(33)	–	(33)
Share of results of associates	–	–	–	–	(24)	(24)
Other non-cash expenses:						
– allowance for impairment loss on doubtful third parties trade receivables	(130)	(515)	(20)	–	–	(665)
– allowance for impairment loss on doubtful third parties other receivables	–	–	–	(505)	–	(505)
– allowance for impairment loss on doubtful associate other receivables				(50)		(50)
Impairment loss on available-for-sale financial asset	–	–	–	(780)	–	(780)
loss on disposal of plant and equipment	–	–	–	(4)	–	(4)
Segment (loss)/profit	(3,090)	(1,024)	48	1,109	(3,003)	(5,960)
Capital expenditure						
Plant and equipment	412	156	58	–	–	626
Assets and liabilities						
Segment assets	23,875	8,367	6,098	5,574	(6,665)	37,249
Available-for-sale financial assets	–	–	–	666	(4)	662
Investments in associates	–	–	–	513	65	578
						38,489
Segment liabilities	10,844	5,396	2,693	4,514	(6,886)	16,561
Current income tax payable	8	4	2	1	–	15
						16,576

27. SEGMENT INFORMATION (Continued)

Geographical information

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

	Group	
	2017 $'000	2016 $'000
Revenue from external customers		
Singapore	13,374	17,844
People's Republic of China	7,942	4,302
Indonesia	2,899	3,949
Malaysia	1,765	1,015
Germany	957	1,353
Philippines	823	159
Others	5,395	8,547
	33,155	37,169
Non-current assets		
Singapore	2,458	1,312
People's Republic of China	20	30
Others	108	168
	2,586	1,510

Non-current assets information presented above excludes available-for-sale financial assets, deferred tax assets and other receivables.

Major customers

During the financial year, revenue from two customers amounting to approximately $5,511,000 (2016: $6,337,000) under sale of goods segment, represents approximately 17% (2016: 17%) of total revenue.

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Group's and the Company's activities expose them to financial risks (including credit risk, foreign currency risk, and liquidity risk) arising in the ordinary course of business. The Group's and the Company's overall risk management strategy to 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 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 and exposure limits, 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.

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 does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the top one (2016: five) trade receivables from third parties amounting to approximately $1,036,000 (2016: $8,658,000) as at the end of the reporting period. The Company has significant credit exposure arising from the other receivables due from a subsidiary amounting to approximately $568,000 (2016: $Nil) as at 31 March 2017.

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

Cash and cash equivalents are mainly deposits with reputable banks with high credit ratings assigned by international credit rating agencies.

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 granted. The Company does not have trade receivables.

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

	Group	
	2017 $'000	2016 $'000
Past due for 1 to 30 days	1,022	1,902
Past due for 31 to 60 days	375	530
Past due for 61 to 90 days	963	163
Past due for more than 90 days	676	1,540

Management believes that no impairment allowance is necessary in respect of those trade receivables that are past due but not impaired. They are substantially companies with good collection track record and no recent history of default.

The Company has undertaken to provide continued financial support to certain of its subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the end of reporting period. As at year end, certain subsidiaries have deficiencies in shareholders' fund aggregating $4,334,000 (2016: $4,627,000).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2017

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

28.2 Foreign currency risk

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, Euro and Chinese renminbi. The Company does not have exposures to foreign currency risk as it does not maintain currencies other than its functional currency.

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 contracts with its principal bankers to mitigate the foreign currency risks (mainly export sales and import purchases).

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

	Group			
	Monetary assets		Monetary liabilities	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
United States dollar	16,484	11,450	2,169	3,181
Euro	1,573	457	851	587
Chinese renminbi	236	128	774	732

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% (2016: 5%) change in United States dollar, Euro and Chinese renminbi 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, Euro and Chinese renminbi 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.

	Group Increase/(Decrease) Profit or Loss	
	2017 $'000	2016 $'000
Strengthened against Singapore dollar	716	413
Weakened against Singapore dollar	(716)	(413)
Euro		
Strengthened against Singapore dollar	36	(7)
Weakened against Singapore dollar	(36)	7
Chinese renminbi		
Strengthened against Singapore dollar	(27)	(30)
Weakened against Singapore dollar	27	30

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

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 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.

Contractual maturity analysis

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. The table includes interest and principal cash flows.

	Within one financial year $'000	After one financial year but within five financial years $'000	After five financial years $'000	Total $'000
Group				
2017				
Financial liabilities				
Trade and other payables	5,177	–	–	5,177
Total undiscounted financial liabilities	5,177	–	–	5,177
2016				
Financial liabilities				
Trade and other payables	6,280	–	–	6,280
Total undiscounted financial liabilities	6,280	–	–	6,280

	Within one financial year $'000
Company	
2017	
Financial liabilities	
Other payables, representing total undiscounted financial liabilities	274
2016	
Financial liabilities	
Other payables, representing total undiscounted financial liabilities	316

The Group's and the Company's operations are financed mainly through equity and retained earnings. Adequate lines of credits are maintained to ensure the necessary liquidity is available when required.

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

28.3 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

The table below shows the contractual expiry by maturity of the Group and the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	Within one financial year		Within two to five financial years	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Company				
Financial guarantees	745	2,398	782	1,285

As at 31 March 2017, the Company has provided corporate guarantees to banks for performance guarantees given to the subsidiary customers amounting to approximately $1,527,000 (2016: $3,683,000). As at the end of the reporting period, the Company does not consider it probable that a claim will be made against the Company under the guarantees.

28.4 Capital management policies and objectives

The Group and the Company manage capital so as 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 capital structure of the Group consists of equity attributable to owners of the Company, comprising share capital (Note 16), treasury shares (Note 17), foreign currency translation reserve (Note 18) and retained earnings as disclosed in the consolidated statement of changes in equity of the Group and statement of changes in equity of the Company.

The Group's and the Company's management review the capital structure on a quarterly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group and the Company will balance their overall capital structure through the payment of dividends, new share issues and reacquisition of issued shares. The Group's and the Company's overall strategy remains unchanged from the previous financial year.

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 March 2017 and 31 March 2016.

28.5 Fair values of financial assets and financial liabilities

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.

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

28.5 Fair values of financial assets and financial liabilities (Continued)

Fair value hierarchy

The Group and the Company 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).

Fair value of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximate at fair value.

The carrying amounts of the Group's and the Company's current financial assets, current financial liabilities and non-current trade receivables recorded at amortised cost in financial statements approximately their respective fair values at the end of reporting period due to the relatively short term maturity of these financial instruments or that they are at market interest rate for similar type of leasing arrangement at the end of the reporting period.

Fair value of financial instruments carried at fair value

The fair value of derivative financial instruments is disclosed in Note 15 to the financial statements.

The table below classified financial instruments carried at fair value by level of fair value hierarchy as at the end of the reporting period:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2017				
Assets				
Available-for-sale financial assets				
– Quoted equity securities	99	–	–	99
– Unquoted equity securities	–	–	279	279
Derivative financial instruments	–	–	464	464
	99	–	743	842
2016				
Assets				
Available-for-sale financial assets				
– Unquoted equity securities	–	–	448	448
Derivative financial instruments	–	–	139	139
	–	–	587	587

There have been no transfer between Level 1, Level 2 and Level 3 during 2017 and 2016.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 3 financial instruments, as well as the inter-relationship between key unobservable inputs and fair value, are set out in the table below.

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

28.5 Fair values of financial assets and financial liabilities (Continued)

Fair value of financial instruments carried at fair value (Continued)

Financial Instrument	Valuation techniques used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Unquoted equity securities	Market approach based on Earning Before Interest Tax Depreciation and Amortisation ("EBITDA") method	– Historical comparable EBITDA multiple (ranging 2.20 to 21.04; weighted average 14.5) (2016: ranging 7.84 to 11.89; weighted average 9.4) – Marketability discount rate (33%) (2016: 33%)	Increased weighted average of EBITDA multiple and marketability discount rate would increase and decrease fair value respectively; lower weighted average EBITDA multiple and marketability discount rate would decrease and increase fair value respectively.
Put option	Market approach based on Earning Before Interest Tax Depreciation and Amortisation ("EBITDA") method	– Historical comparable EBITDA multiple (ranging 2.20 to 21.04; weighted average 14.5) (2016: ranging 7.84 to 11.89; weighted average 9.4) – Marketability discount rate (33%) (2016: 33%)	Increased weighted average of EBITDA multiple and marketability discount rate would decrease and increase fair value respectively; lower weighted average EBITDA multiple and marketability discount rate would increase and decrease fair value respectively.

The reconciliation of the opening and closing fair value balance of level 3 financial instruments is provided below:

	Unquoted equity securities $'000
At 1 April 2016	448
Impairment loss for the year included in profit or loss	(169)
At 31 March 2017	279
At 1 April 2015	1,228
Impairment loss for the year included in profit or loss	(780)
At 31 March 2016	448

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

28.5 Fair values of financial assets and financial liabilities (Continued)

Fair value of financial instruments carried at fair value (Continued)

	Put option **$'000**
At 1 April 2016	139
Gains for the year included in profit or loss	325
At 31 March 2017	464
At 1 April 2015	–
Gains for the year included in profit or loss	139
At 31 March 2016	139

29. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 March 2017 were authorised for issue by the Board of Directors on 27 June 2017.

SHAREHOLDING STATISTICS

As at 15 June 2017

NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES)	:	105,000,000
NUMBER / PERCENTAGE OF TREASURY SHARES	:	1,000,000 (0.95%)
NUMBER / PERCENTAGE OF SUBSIDIARY HOLDINGS HELD	:	NIL
CLASS OF SHARES	:	ORDINARY SHARES WITH EQUAL VOTING RIGHTS

Size of Shareholdings			No. of Shareholders	% of Holders	No. of Shares	% of Shares
1	–	99	0	0	0	0.00
100	–	1,000	145	30.33	142,300	0.14
1,001	–	10,000	133	27.82	854,000	0.81
10,001	–	1,000,000	195	40.80	13,590,700	12.94
1,000,001	&	ABOVE	5	1.05	90,413,000	86.11
TOTAL			478	100.00	105,000,000	100.00

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Shares
FOO CHEW TUCK	81,300,000	77.43
TAN FUH GIH	3,970,000	3.78
SIRIUS VENTURE CAPITAL PTE LTD	2,650,000	2.52
PHILLIP SECURITIES PTE LTD	1,473,000	1.40
TAN LIAN HUAT	1,020,000	0.97
CHEW KENG SENG	1,000,000	0.95
NAH WEE KEE (LAN WEIQI)	736,000	0.70
PANG YOKE MIN	500,000	0.48
RAFFLES NOMINEES (PTE) LTD	480,200	0.46
UOB KAY HIAN PTE LTD	450,700	0.43
SEAH CHYE ANN (XIE CAI'AN)	339,400	0.32
CHUA CHUAN CHOON	257,200	0.24
YEAP LAM YANG	250,000	0.24
DBS NOMINEES PTE LTD	219,700	0.21
NG HUA CHONG OR SAI MOI	206,000	0.20
SEAH LEE LIM LLP	200,000	0.19
TANG BEE YIAN	195,000	0.19
CIMB SECURITIES (S'PORE) PTE LTD	188,000	0.18
TAN SIONG GUAN BENJAMIN (CHEN SHANGYUAN BENJAMIN)	175,000	0.17
TAN CHAIR KOONG	172,500	0.16
TOTAL	95,782,700	91.22

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 15 June 2017, approximately 19.08% of the total issued ordinary shares of the Company is held by the public and accordingly, Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Jason Marine Group Limited (the "**Company**") will be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Wednesday, 26 July 2017 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2017, the Statement of Directors and the Report of the Auditors thereon. **(Resolution 1)**

2. To approve the Directors' fees of S$172,500 for the financial year ended 31 March 2017. (2016: S$172,500) **(Resolution 2)**

3. To re-elect Mr Foo Chew Tuck, a Director retiring under Article 98 of the Constitution of the Company. **(Resolution 3)**
[See Explanatory Note 1]

4. To re-elect Mr Wong Hin Sun, Eugene, a Director retiring under Article 98 of the Constitution of the Company. **(Resolution 4)**
[See Explanatory Note 1]

5. To re-appoint Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

SPECIAL BUSINESS

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

6. **AUTHORITY TO ALLOT AND ISSUE SHARES**

"THAT pursuant to Section 161 of the Companies Act and subject to Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to issue and allot new ordinary shares in the capital of the Company ("**Shares**") (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 and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below), and provided further that where shareholders of the Company are not given the opportunity to participate in the same on a 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 and subsidiary holdings) 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 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 and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) 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 any 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 Catalist Rules 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 Constitution of the Company for the time being; and

(4) such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note 2] **(Resolution 6)**

7. **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE JASON PERFORMANCE SHARE PLAN**

"That pursuant to Section 161 of the Companies Act, approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the vesting of awards under the Jason Performance Share Plan (the "**PSP**"), provided always that the aggregate number of additional new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note 3] **(Resolution 7)**

8. **PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

"THAT:

(1) for the purposes of the Catalist Rules and the Companies Act, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Maximum Limit (as defined hereinafter), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as defined hereinafter), whether by way of:

(a) market purchase(s) (each a "**Market Purchase**") on the SGX-ST; and/or

(b) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws, regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(2) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM of the Company is held or required by law to be held;

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked;

(3) in this Resolution:

"**Maximum Limit**" means the number of issued Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as defined hereinafter), in which event the total number of Shares shall be taken to be the total number of Shares as altered.

"**Relevant Period**" means the period commencing from the date on which the ordinary resolution relating to the Share Buyback Mandate is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier; and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and

(b) in the case of an Off-Market Purchase, pursuant to an equal access scheme, 120% of the Average Closing Price,

where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last 5 consecutive Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-market day period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-market Purchase; and

(4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."
[See Explanatory Note 4] **(Resolution 8)**

9. **OTHER BUSINESS**

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

BY ORDER OF THE BOARD

Esabelle Saw Hong Gaik
Pan Mi Keay
Company Secretaries
11 July 2017

NOTES:

(1) (a) A member of the Company who is entitled to attend and vote at the AGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where such member appoints more than one (1) proxy, he/she shall specify the proportion or number of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

(b) A member of the Company who is entitled to attend and vote at the AGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

(2) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney 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.

(3) 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 AGM in accordance with Section 179 of the Companies Act, Chapter 50.

(4) The instrument appointing a proxy or proxies, duly executed, 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 AGM.

EXPLANATORY NOTES

1. Mr Wong Hin Sun, Eugene will, upon re-election as a Director of the Company, continue to serve as a member of the Audit and Risk Committee. He is considered non-independent for the purposes of Rule 704(7) of the Catalist Rules.

   Detailed information on Mr Foo Chew Tuck and Mr Wong Hin Sun, Eugene can be found under the "Board of Directors" section of the Company's Annual Report 2017.

2. Ordinary Resolution 6, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM, to allot and issue Shares and/or Instruments (as defined above). The aggregate number of new Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may issue under this Resolution shall not exceed 100% of the issued share capital of the Company at the time of passing of this Resolution. For issue of Shares and convertible securities other than on a pro-rata basis, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the issued share capital of the Company at the time of passing of this Resolution. This authority will, unless revoked or varied at a general meeting, expire on the date of the next AGM of the Company or on the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

3. Ordinary Resolution 7, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant to PSP, provided that the aggregate number of new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

4. Ordinary Resolution 8, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM is held or is required by law to be held, whichever is the earlier, to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution. Details of the proposed renewal of Share Buyback Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial effects on the Group, are set out in the Appendix to the Annual Report.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

APPENDIX

PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

1. INTRODUCTION

1.1 Jason Marine Group Limited (the "**Company**") proposes to seek approval of the shareholders of the Company ("**Shareholders**") at the forthcoming Annual General Meeting of the Company to be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Wednesday, 26 July 2017 at 11.00 a.m. ("**2017 AGM**") for the proposed renewal of share buyback mandate (the "**Share Buyback Mandate**") to authorise the Company's directors ("**Directors**") from time to time to purchase or acquire shares in the capital of the Company ("**Shares**") (whether by market purchases and/or off-market purchases on an equal access system) on the terms of the proposed Share Buyback Mandate, subject to the Constitution of the Company and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

1.2 Shareholders had at the last Annual General Meeting held on 26 July 2016 ("**2016 AGM**"), renewed the Share Buyback Mandate ("**2016 Mandate**") for the Directors to exercise all the powers of the Company to purchase or acquire up to 10% of the issued share capital of the Company at the time of passing of the resolution on the terms of the 2016 Mandate.

1.3 The 2016 Mandate will expire on the date of the forthcoming 2017 AGM. If the proposed resolution for the renewal of the Share Buyback Mandate is approved at the 2017 AGM, the Share Buyback Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier.

1.4 The purpose of this Appendix is to provide information relating to and explain the rationale for the proposed renewal of the Share Buyback Mandate.

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

2.1 Rationale

The renewal of the Share Buyback Mandate authorising the Directors to purchase or acquire the Shares would give the Company the flexibility to undertake purchases or acquisitions of the Shares up to the 10% limit described in paragraph 2.2.1 below at any time, during the period when the Share Buyback Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

(a) In managing the business of the Company and its subsidiaries (the "**Group**"), the management team strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. In addition to growth and expansion of the business, share buybacks may be considered as one of the ways through which the return on equity of the Group may be enhanced.

(b) The Company has at present, a share-based incentive plan, namely the Jason Performance Share Plan (the "**PSP**"), for its employees. Share Buybacks by the Company will enable the Directors to utilise the Shares which are purchased or acquired and held as treasury shares to satisfy the Company's obligation to furnish such Shares to participants under the PSP, thus giving the Company greater flexibility to select the method of providing Shares to its employees which would be most beneficial to the Company and its Shareholders.

(c) The Share Buyback Mandate would provide the Company with the flexibility to purchase or acquire the Shares if and when circumstances permit, during the period when the Share Buyback Mandate is in force. It is an expedient, effective and cost-efficient way for the Company to return surplus cash/funds over and above its ordinary capital requirements, if any, which are in excess of its financial requirements, taking into account its growth and expansion plans, to its Shareholders. In addition, the Share Buyback Mandate will allow the Company greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy.

(d) The purchase or acquisition of Shares under the Share Buyback Mandate will help mitigate short-term share price volatility (by way of stabilising the supply and demand of issued Shares) and offset the effects of short-term share price speculation, supporting the fundamental value of the issued Shares, thereby bolstering Shareholders' confidence and employees' morale.

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.1 Rationale (Continued)

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in paragraph 2.2.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or the Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group.

The Directors will take into account the impact of the share purchases may have on the liquidity of the Shares and only make a share purchase or acquisition as and when the circumstances permit. The Directors are also committed to ensuring that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the Catalist. Rule 723 of the Catalist Rules states that an issuer must ensure that at least 10% of the total number of issued Shares (excluding preference shares, convertible equity securities and treasury shares) is at all times held by the public.

2.2 Authority and Limits on the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares under the Share Buyback Mandate, if renewed at the 2017 AGM, are substantially similar in terms to those previously approved by Shareholders at the 2016 AGM, and are summarised below:

2.2.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company (ascertained as at the date of the forthcoming 2017 AGM at which the renewal of the Share Buyback Mandate is approved), unless the share capital of the Company has been reduced in accordance with the applicable provisions of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), at any time during the period commencing from the date on which the ordinary resolution relating to the Share Buyback Mandate is passed and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier (the "**Relevant Period**"), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

2.2.2 Duration of Authority

Unless varied or revoked by the Company in a general meeting, purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the forthcoming 2017 AGM, at which the renewal of Share Buyback is approved, up to the earlier of:

(a) the date on which the next annual general meeting of the Company is held or required by law to be held; or

(b) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed at the next annual general meeting (after the 2017 AGM) or an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.2 Authority and Limits on the Share Buyback Mandate (Continued)

2.2.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisition of Shares may be made by way of, *inter alia*:

(a) on-market purchases ("**Market Purchase**") transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may, for the time being, be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the share buyback; and/or

(b) off-market purchases ("**Off-Market Purchase**") effected otherwise than on the SGX-ST pursuant to an equal access scheme as defined under Section 76C of the Companies Act.

In an Off-Market Purchase, the Directors may impose such terms and conditions which are consistent with the Share Buyback Mandate, the Catalist Rules, the Companies Act and the Constitution, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Companies Act, an equal access scheme must satisfy all the following conditions:-

(i) offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;

(ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:

(aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(bb) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

(cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company, as required by the Catalist Rules, has to issue an offer document to all Shareholders which must contain at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed purchases or acquisitions of Shares;

(d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Singapore Code on Take-overs and Mergers (the "**Take-over Code**") or other applicable take-over rules;

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.2 Authority and Limits on the Share Buyback Mandate (Continued)

2.2.3 Manner of Purchases or Acquisitions of Shares (Continued)

(e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the Catalist;

(f) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases or acquisitions; and

(g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.2.4 Maximum Purchase Price for the Shares

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Buyback Mandate.

However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last 5 consecutive Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-market day period; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.3 Sources of funds

The Company may only apply funds legally available for the purchase or acquisition of its Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Previously, any payment made by the Company in consideration of the purchase or acquisition of its Shares may only be made out of the Company's distributable profits. The Companies Amendment Act 2005 now permits the Company to also purchase or acquire its Shares out of capital, as well as from its distributable profits, so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act).

The Company intends to use internal sources of funds or borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the Directors will principally consider the availability of internal resources. In addition, the Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group and the costs of such financing.

The Directors will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

2.4 Status of Purchased Shares under the Share Buyback Mandate

Under Section 76B of the Companies Act, any Shares purchased or acquired by the Company through a Share buyback shall be deemed to be cancelled immediately on purchase or acquisition unless such Shares are held by the Company as treasury shares in accordance with Section 76H of the Companies Act. Upon such cancellation, all rights and privileges attached to that Share will expire. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically de-listed by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.5 Treasury Shares

Under the Companies Act, the Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings. For the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

(c) In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.5 Treasury Shares (Continued)

(d) Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

(i) sell the treasury shares (or any of them) for cash;

(ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees' share scheme;

(iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;

(iv) cancel the treasury shares (or any of them); or

(v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance.

The Directors will also consider and decide whether to purchase or acquire Shares to satisfy any awards under the PSP.

The Shares purchased or acquired under the Share Buyback Mandate will be held as treasury shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

2.6 Reporting requirements

The Company shall notify the Accounting and Corporate Regulatory Authority (the "**ACRA**") in the prescribed form within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include, *inter alia*, details of the purchases or acquisitions and the total number of Shares purchased or acquired by the Company, the Company's issued share capital before and after the purchase or acquisition of Shares, and the amount of consideration paid by the Company for the purchases or acquisitions. Within 30 days of the passing of a Shareholders' resolution to approve or renew the Share Buyback Mandate, the Company shall lodge a copy of such resolution with the ACRA.

Pursuant to the Catalist Rules, the Company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made, and

(b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.6 Reporting requirements (Continued)

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(31) of the Catalist Rules, which provides that an issuer must make an immediate announcement thereof, stating the following:

(a) the date of the sale, transfer, cancellation and/or use;

(b) the purpose of such sale, transfer, cancellation and/or use;

(c) the number of treasury shares sold, transferred, cancelled and/or used;

(d) the number of Shares before and after such sale, transfer, cancellation and/or use;

(e) the percentage of the number of treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(f) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.7 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the net tangible assets ("**NTA**") and earnings per Share ("**EPS**") of the Company and the Group as the resultant effects would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund such purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The repurchased Shares may be cancelled or held as treasury shares. Any Share buyback will:

(a) reduce the number of the issued Shares in the capital of the Company where the Shares were purchased or acquired out of the capital of the Company;

(b) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or

(c) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Buyback Mandate will be exercised with a view to enhancing the EPS and/or the NTA value per Share of the Group.

APPENDIX

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.7 Financial Effects (Continued)

Purely for illustrative purposes only, the financial effects of the Share Buyback Mandate on the Group and the Company, based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2017 and based on the assumptions set out below:

(a) based on 105,000,000 Shares in issue as at 31 March 2017 (excluding 1,000,000 Shares held in treasury) and assuming no further Shares are issued on or prior to the 2017 AGM, not more than 10,500,000 Shares (representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date of the 2017 AGM) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate;

(b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 10,500,000 Shares at the Maximum Price of S$0.131 (being the price equivalent to 105% of the Average Closing Price of the Shares for the 5 consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 10,500,000 Shares (excluding related expenses) is approximately S$1.4 million; and

(c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 10,500,000 Shares at the Maximum Price of S$0.150 (being the price equivalent to 120% of the Average Closing Price of the Shares for the 5 consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest practicable Date), the maximum amount of funds required for the purchase of the 10,500,000 Shares (excluding related expenses) is approximately S$1.6 million.

Purely for illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that:

(i) such purchase or acquisition of Shares is financed solely by internal sources of funds available as at 31 March 2017;

(ii) the Share Buyback Mandate had been effective on 1 April 2016; and

(iii) the Company had purchased or acquired the maximum of 10,500,000 Shares (representing 10% of the total issued Shares (excluding the Shares held in treasury) as at 31 March 2017),

the financial effects of the purchase or acquisition of the 10,500,000 Shares by the Company pursuant to the Share Buyback Mandate:

(1) by way of purchases made entirely out of capital and held as treasury shares; and

(2) by way of purchases made entirely out of capital and cancelled,

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.7 Financial Effects (Continued)

on the audited financial statements of the Group and the Company for the financial year ended 31 March 2017 pursuant to the Share Buyback Mandate are as follows:

Scenario 1: Purchases made out of capital and held as treasury shares

	Group			Company		
As at 31 March 2017	**Before Share Buyback (S$'000)**	**After Share Buyback assuming Market Purchase (S$'000)**	**After Share Buyback assuming Off-Market Purchase (S$'000)**	**Before Share Buyback (S$'000)**	**After Share Buyback assuming Market Purchase (S$'000)**	**After Share Buyback assuming Off-Market Purchase (S$'000)**
Share Capital	17,967	17,967	17,967	17,967	17,967	17,967
Reserves	(38)	(38)	(38)	–	–	–
Accumulated profits	4,651	4,651	4,651	5,089	5,089	5,089
Treasury shares	(255)	(1,631)	(1,830)	(255)	(1,631)	(1,830)
Equity attributable to the owners of the parent	22,325	20,949	20,750	22,801	21,425	21,226
NTA[1]	22,349	20,973	20,774	22,801	21,425	21,226
Cash and cash equivalents	23,874	22,498	22,299	6,996	5,620	5,421
Current assets	34,408	33,032	32,833	7,595	6,219	6,020
Current liabilities	15,318	15,318	15,318	274	274	274
Working capital	19,090	17,714	17,515	7,321	5,945	5,746
Total Borrowings[2]	–	–	–	–	–	–
Profit for the financial year	373	373	373	2,539	2,539	2,539
Number of issued Shares ('000)	106,000	106,000	106,000	106,000	106,000	106,000
Treasury shares ('000)	1,000	11,500	11,500	1,000	11,500	11,500
Number net of treasury shares ('000)	105,000	94,500	94,500	105,000	94,500	94,500
Financial Ratios						
NTA per Share (cents)[3]	21.3	22.2	22.0	21.7	22.7	22.5
EPS (cents)[4]	0.4	0.4	0.4	2.4	2.7	2.7
Current ratio (times)[5]	2.2	2.2	2.1	27.7	22.7	22.0
Gearing ratio (times)[6]	0	0	0	0	0	0
Return on equity (%)[7]	1.7%	1.8%	1.8%	11.1%	11.9%	12.0%

Notes:

(1) NTA refers to total net assets less intangible assets.

(2) Total borrowings refer to the total of short term and long term borrowings, and finance lease obligations.

(3) NTA per Share is calculated based on NTA and 105,000,000 Shares (excluding treasury shares and subsidiary holdings) in issue as at 31 March 2017.

(4) For illustrative purpose, EPS is calculated based on 105,000,000 Shares (excluding treasury shares and subsidiary holdings) in issue as at 31 March 2017.

(5) Current ratio equals current assets divided by current liabilities.

(6) Gearing ratio equals total borrowings divided by Equity attributable to the owners of the parent.

(7) Return on equity equals profit for the financial year divided by Equity attributable to the owners of the parent.

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.7 Financial Effects (Continued)

Scenario 2: Purchases made out of capital and cancelled

	Group			Company		
As at 31 March 2017	**Before Share Buyback (S$'000)**	**After Share Buyback assuming Market Purchase (S$'000)**	**After Share Buyback assuming Off-Market Purchase (S$'000)**	**Before Share Buyback (S$'000)**	**After Share Buyback assuming Market Purchase (S$'000)**	**After Share Buyback assuming Off-Market Purchase (S$'000)**
Share Capital	17,967	17,967	17,967	17,967	17,967	17,967
Reserves	(38)	(1,414)	(1,613)	–	(1,376)	(1,575)
Accumulated profits	4,651	4,651	4,651	5,089	5,089	5,089
Treasury shares	(255)	(255)	(255)	(255)	(255)	(255)
Equity attributable to the owners of the parent	22,325	20,949	20,750	22,801	21,425	21,226
NTA[1]	22,349	20,973	20,774	22,801	21,425	21,226
Cash and cash equivalents	23,874	22,498	22,299	6,996	5,620	5,421
Current assets	34,408	33,032	32,833	7,595	6,219	6,020
Current liabilities	15,318	15,318	15,318	274	274	274
Working capital	19,090	17,714	17,515	7,321	5,945	5,746
Total Borrowings[2]	–	–	–	–	–	–
Profit for the financial year	373	373	373	2,539	2,539	2,539
Number of issued Shares ('000)	105,000	94,500	94,500	105,000	94,500	94,500
Financial Ratios						
NTA per Share (cents)[3]	21.3	22.2	22.0	21.7	22.7	22.5
EPS (cents)(4)	0.4	0.4	0.4	2.4	2.7	2.7
Current ratio (times)[5]	2.2	2.2	2.1	27.7	22.7	22.0
Gearing ratio (times)[6]	0	0	0	0	0	0
Return on equity (%)[7]	1.7%	1.8%	1.8%	11.1%	11.9%	12.0%

Notes:

(1) NTA refers to total net assets less intangible assets.

(2) Total borrowings refer to the total of short term and long term borrowings, and finance lease obligations.

(3) NTA per Share is calculated based on NTA and 105,000,000 Shares (excluding treasury shares and subsidiary holdings) in issue as at 31 March 2017.

(4) For illustrative purpose, EPS is calculated based on 105,000,000 Shares (excluding treasury shares and subsidiary holdings) in issue as at 31 March 2017.

(5) Current ratio equals current assets divided by current liabilities.

(6) Gearing ratio equals total borrowings divided by Equity attributable to the owners of the parent.

(7) Return on equity equals profit for the financial year divided by Equity attributable to the owners of the parent.

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.7 Financial Effects (Continued)

Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for the financial year ended 31 March 2017 and the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at 31 March 2017, and is not necessarily representative of the future financial performance of the Company or the Group.

The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase or acquisition before execution. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Shareholders who are in doubt as to their tax positions or any tax implications arising from the Share Buyback Mandate in their respective jurisdictions should consult their own professional advisers.

2.8 Catalist Rules

While the Catalist Rules do not expressly prohibit purchase or acquisition of shares by a Catalist company during any particular time or times, because a Catalist company would be considered an "**insider**" in relation to any proposed purchase or acquisition of its issued shares, the Company will not purchase any Shares pursuant to the Share Buyback Mandate after a development which could have a material effect on the price of the Shares has occurred or has been the subject of a consideration and/or a decision of the Board until such time as such information has been publicly announced. In particular, the Company will not purchase or acquire any Shares through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's half-year and full-year results.

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its Shares are in the hands of the public. The "**public**", as defined under the Catalist Rules, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiary companies, as well as the Associates of such persons.

Based on the Register of Directors' shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 20,030,000 Shares, representing 19.08% of the total issued Shares (excluding treasury shares and subsidiary holdings), are in the hands of the public. In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that a sufficient float in the hands of the public will be maintained so that such purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the Catalist, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.9 Implications under the Take-over Code

Shareholders' attention is drawn to Appendix 2 of the Take-over Code which contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 <u>Obligation to make a take-over offer</u>

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.9 Implications under the Take-over Code (Continued)

2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert ("**concert parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

(a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

(b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Takeover Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.9 Implications under the Take-over Code (Continued)

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Based on the information in the Company's Register of Shareholders as at the Latest Practicable Date, none of the Directors or Substantial Shareholders of the Company are obliged to make a general offer to other Shareholders under Rule 14 and Appendix 2 of the Take-over Code as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate. As at the Latest Practicable Date, the Directors are not aware of any potential Shareholder(s) who may have to make a general offer to the other Shareholders as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the SIC and/or their professional advisers at the earliest opportunity.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the interests of the Directors' and the Substantial Shareholders of the Company in the Shares of the Company are as follows:-

Directors	**Direct Interest**		**Deemed Interest**		**Total Interest**	**%[1]**
	Shares	**Options**	**Shares**	**Options[2]**		
Foo Chew Tuck	81,300,000	–	–	–	81,300,000	77.43
Tan Lian Huat	1,020,000	–	–	–	1,020,000	0.97
Wong Hin Sun Eugene[2]	–	–	2,650,000	–	2,650,000	2.52
Sin Hang Boon @ Sin Han Bun	–	–	–	–	–	–
Eileen Tay-Tan Bee Kiew	–	–	–	–	–	–
Substantial Shareholders (other than Directors)	–	–	–	–	–	–
Other Shareholder						
Sirius Venture Capital Pte. Ltd. ("**Sirius Venture**")[2]	2,650,000	–	–	–	2,650,000	2.52

Notes:

(1) The percentage is calculated based on the total issued and paid-up share capital of 105,000,000 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

(2) Sirius Venture is a company incorporated in Singapore on 12 September 2002 and is principally engaged in investment activities and the provision of business consultancy services. Mr Wong Hin Sun Eugene is the managing director of Sirius Venture. As at the Latest Practicable Date, Mr Wong Hin Sun Eugene holds 100% of the issued share capital of Sirius Venture. Mr Wong Hin Sun Eugene is accordingly deemed to have an interest in the Shares held by Sirius Venture.

4. SHARE BUYBACKS IN THE PREVIOUS 12 MONTHS

The Company did not purchase or acquire any Shares during the 12-month period immediately preceding the Latest Practicable Date.

As at the Latest Practicable Date, an aggregate of 1,000,000 Shares are being held by the Company as treasury shares.

5. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company or to who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

6. DIRECTORS' RECOMMENDATION

After having considered the rationale and the information relating to the Share Buyback Mandate, the Directors are of the opinion that the proposed renewal of Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution 8 as set out in the Notice of Annual General Meeting relating to the proposed renewal of the Share Buyback Mandate.

7. ANNUAL GENERAL MEETING

The 2017 AGM, notice of which is set out on pages 79 and 83 of the 2017 Annual Report of the Company, will be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Wednesday, 26 July 2017 at 11.00 a.m. for the purpose of, *inter alia*, considering and, if thought fit, passing the ordinary resolution on the renewal of Share Purchase Mandate as set out in the Notice of the Annual General Meeting.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2017 AGM and wish to appoint a proxy to attend and vote at the 2017 AGM on their behalf must complete, sign and return the Proxy Form attached to the Annual Report 2017 in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive 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 fixed for the 2017 AGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2017 AGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance. A Depositor shall not be regarded as a shareholder of the Company and not entitled to attend the 2017 AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the 2017 AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 194 Pandan Loop, #06-05 Pantech Business Hub, Singapore 128383, during normal business hours from the date of this Appendix up to and including the date of the 2017 AGM:

(a) the Constitution of the Company;

(b) the rules of the Jason Performance Share Plan; and

(c) the Annual Report of the Company for the financial year ended 31 March 2017.

11. STATEMENT BY SPONSOR

This Appendix 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 Catalist Rules. The Sponsor has not independently verified the contents of this Appendix.

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

The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.

Yours faithfully,
For and on behalf of the Board of Directors of
JASON MARINE GROUP LIMITED

FOO CHEW TUCK
Executive Chairman

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

PROXY FORM

IMPORTANT

1. For investors who have used their CPF monies ("CPF Investors") and/or their SRS monies ("SRS Investors") to buy shares in the capital of Jason Marine Group Limited, this Annual Report 2017 is forwarded to them at the request of their CPF and/or SRS Approved Nominees (as the case may be) and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors and SRS Investors may attend and cast their votes at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees (as the case may be) to appoint the Chairman of the AGM to act as their proxy, in which case, the respective CPF Investors and/or SRS Investors shall be precluded from attending the AGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 July 2017.

I / We, ______________________________ of NRIC/Passport/Company Registration No, ______________________

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, 26 July 2017 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 the Audited Financial Statements of the Company for the financial year ended 31 March 2017, the Statement of Directors and the Report of the Auditors thereon.		
2.	Approval of Directors' fees of S$172,500 for the financial year ended 31 March 2017.		
3.	Re-election of Mr Foo Chew Tuck as Director.		
4.	Re-election of Mr Wong Hin Sun, Eugene as Director.		
5.	Re-appointment of Messrs BDO LLP as Auditors.		
6.	Authority to allot and issue shares in the capital of the Company and/or instruments pursuant to Section 161 of the Companies Act.		
7.	Authority to allot and issue shares under the Jason Performance Share Plan.		
8.	Renewal of the Company's share buyback mandate.		

Dated this ____________________ day of ___________ 2017

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) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his behalf. Where such member appoints more than one (1) proxy, he/she shall specify the proportion or number of his/her shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

   (b) A member of the Company who is entitled to attend and vote at the Annual General Meeting and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

2. 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.

3. 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.

4. 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 later than 48 hours before the time appointed for the Annual General Meeting.

5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Annual General 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.

6. 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 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

7. 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 72 hours before the time appointed for the Annual General Meeting.

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The Company Secretary
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Fold along this line

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