Jason

Re-Charting

ANNUAL REPORT 2013

Contents

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

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Re-Charting

At Jason Marine, we have re-charted our path to growth by re-examining and re-organising our business. By re-aligning and re-channelling our resources, we will overcome the harsh conditions afflicting the industry and steer Jason Marine to safe waters.

Already, this re-energised focus has strengthened our standing with customers who value the integrated solutions and services we offer. As we continue to re-engineer our strategies to meet market needs, we look forward to expanding our market reach in key segments.

Corporate Profile

Jason Marine Group Limited ("Jason Marine" or the "Group") is a leading marine electronics systems integrator and support services provider for the marine and offshore oil & gas industries. The Group's track record of delivering quality results safely and efficiently has enabled it to become one of the industry's key players in Singapore and forge 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

High integrity
Positive attitude
Responsible and trustworthy
Team-player

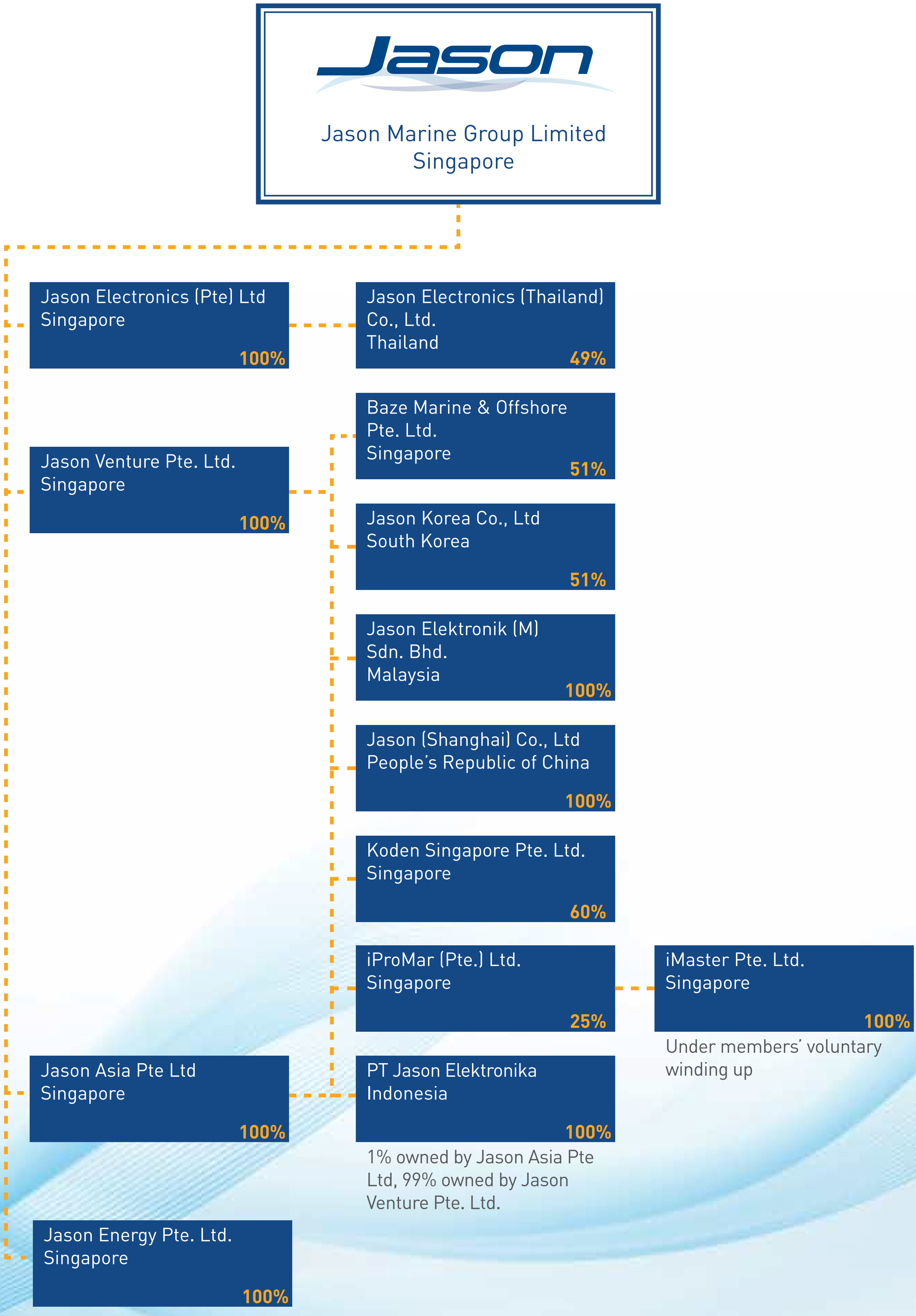
Competence

Pursue work excellence with minimum supervision
Deliver on time and on budget
Able to handle complex jobs

Commitment

Go the extra mile, overcome all odds
Passionately seek out growth opportunities
Strive for continuous improvement for better results

Corporate Structure



Key Principals

Our ability to match key technologies from our principals to the needs of our customers has set Jason Marine apart in this sector, because our people work hand-in-hand with customers to pinpoint the tools that they require to excel in their industries and to fashion lasting solutions that will take their businesses to new heights.

Aalesund Data AS (NEW)

Norwegian IT company Aalesund Data AS offers the IBO® (iTrust Bandwidth Optimizer), an intelligent and cost-effective system that optimises the available bandwidth and expands capabilities of existing satellite communication onboard a vessel. The IBO® solution also adds valuable functions and features that include web caching, carrier failover, QoS, content filtering, firewalls, gateway antivirus systems and routing.

Baze Technology

Baze Technolgy offers BazePort®, a cutting-edge infotainment system designed and built for offshore and maritime environments. Its module system allows users to enjoy a fully interactive platform for information, entertainment and communications, including professional applications, IPTV, radio, Internet and video on demand.

Cobham SATCOM

Cobham SATCOM develops, manufactures, sells and supports satellite and radio communication terminals and earth stations for land, marine and airborne applications. Riding the ever-increasing demand for fast and reliable communication, its products and services are designed to satisfy the needs of a wide variety of commercial, governmental and recreational applications. The brands we represent are SAILOR and SeaTel.

CODie software products e.K. (NEW)

CODie software products e.K. develops tailor-made software solutions for international maritime navigation and for the insurance and financial sectors. Each software programme consists of several modules, which can be used either in a stand-alone environment or in combination with other software modules and programmes.

FDN Marine

FDN Marine specialise in designing and deploying high-speed data networks that can run over existing electrical wiring using Power Line Communication (PLC) technology. Its systems allow the creation of high-speed digital networks for use on-board ships and offshore platforms, and can also be applied ashore for in-building networks and wider marina or dockside networks.

FLIR

FLIR is the global leader in the design, manufacture and marketing of innovative imaging systems featuring thermal-imaging infrared cameras and stabilised cameras that cover a wide variety of users in the commercial, industrial and government markets.

FloScan Instrument Company, Inc.

For more than 40 years, FloScan Instrument Company, Inc. has been a world leader in fuel flow monitoring systems and software intended for permanent installation on diesel and gasoline engines. It is constantly expanding its technology base to meet the needs of commercial and recreational marine vessels, general aviation aircraft and industrial generator applications for accurate and reliable fuel flow measurement.

Hatteland Display

Hatteland Display is a leading technology provider of specialised display and computer products, delivering high-quality, unique and customised solutions to the international maritime and industrial markets. Its customer-oriented approach, technical knowledge and dedication to R&D make Hatteland Display to a trusted and preferred supplier of approved solutions, which are backed up by a strong service network.

Jotron

Jotron develops and manufactures professional communication systems for all types of vessels and energy offshore/onshore constructions. It offers an extensive and flexible range of electronic products that have been carefully designed and built for harsh maritime and offshore environments. The systems are in use worldwide on merchant ships, fishing vessels, tug boats and offshore supply vessels, as well as various navy ships and energy installations offshore/onshore.

Koden Electronics

Koden Electronics offers a wide range of marine equipment, including marine radars, echo sounders, GPS navigators & sensors, GPS compasses, chart plotters, plotter sounders and sonars. Founded in 1947, the company strives to improve the reliability and quality of its unique products and innovative customised technology through continuous development, more than meeting international standards of quality assurance.

Navico (Simrad)

Navico is the world's largest marine electronics company and is the parent company to Simrad, a renowned marine electronics brand that leads the way in electronics technology for commercial vessels. Its extensive portfolio includes integrated navigation systems, autopilot systems, VHF radios, performance instrumentation and safety electronics that are suitable for both leisure and professional users.

Raytheon Anschütz

Raytheon Anschütz has an excellent reputation as a reliable provider of integrated bridge and navigation systems and nautical equipment such as gyro compasses, autopilot systems, radar and electronic sea charts (ECDIS) for all kinds of commercial vessels, mega yachts, naval ships and submarines.

Rockson Automation

Rockson Automation develops its own specialised hardware and software components for the maritime market, which range from alarm and monitoring systems to integrated control systems. Our design and project engineers work hand-in-hand with reliable electronics manufacturers and system assemblers to develop the precise systems required for shipowners, shipyards, newbuildings and system integrators.

Samyung ENC

Founded in 1978, Samyung ENC is a specialised manufacturer of land-based communication equipment, maritime navigation communication equipment and fishing aids. It works to advance its technology as well as its position in global markets through continuous development and by offering the utmost in craftsmanship and reliability.

SKIPPER Electronics AS

SKIPPER Electronics AS manufactures marine electronics for the merchant fleet as well as fishing and navy vessels. Backed by years of research and experience, SKIPPER products are known worldwide for their reliability, quality, sophistication, offering excellent value for money. Understanding the importance of global service/support coverage, the company has established service hubs throughout the world to serve its customers better.

Southern Avionics Company

Southern Avionics Company is recognised as the leading manufacturer of navigational transmitters such as low frequency Non-Directional Radio Beacons and DGPS Reference Station Transmitters. For 50 years, it has been providing safe and reliable navigation aids for industrial civil and military users and their respective aeronautical & maritime user-communities throughout the world.

Re-Positioning Our Businesses

Our decision to re-structure and re-align our businesses enables us to stay relevant in a rapidly evolving market, stay focused on our core competencies and exploit every viable opportunity to broaden our revenue base.

Chairman's Statement

"This reversal during the second-half of FY2013 did not happen by chance. We recognised the need to re-chart our strategy and position to work towards sustainable growth for the Group."

Despite difficult operating conditions and amidst rising costs, Jason Marine posted S$0.5 million in net profit attributable to owners of the parent for the financial year ended 31 March 2013 (FY2013), on the back of revenue of S$37.9 million.

Compared to FY2012, revenue and net profit attributable to owners of the parent decreased by 14.8% and 62.8% respectively. However, during the financial year, the Group made concerted efforts to address the declining sales and profitability, and successfully pulled together with a renewed focus to improve its sales and raise productivity.

The Group managed to turn its results around from a net attributable loss in the first-half of FY2013 to remain profitable for the full-year due to higher revenue achieved in the second-half of FY2013 and conscious cost management measures that were taken.

Re-Charting Our Strategy

This reversal during the second-half of FY2013 did not happen by chance. We recognised the need to re-chart our strategy and position to work towards sustainable growth for the Group.

Re-Positioning Our Businesses: To sharpen our marketing focus and drive revenue growth, we re-organised our operations into three divisions – marine, offshore oil & gas and China. The offshore oil & gas division is now led by Jason Energy, while the marine business remains under Jason Electronics.

Mr Foo Chew Tuck | Executive Chairman

Commanding the Group's charge into China, one of the world's largest shipbuilding nations, is Jason Asia.

The dedicated marketing and technical teams formed as part of this move enable us to serve our customers better through a full suite of integrated, tailor-made solutions and services. With this re-positioning, we are confident of forging an edge that customers will recognise and value, and expanding our market reach in targeted segments to drive growth in a sustainable manner.

Re-Formulating Our Partnerships: We have re-evaluated how we can work more effectively with our principals and suppliers, to create mutually beneficial relationships. Capitalising on our strong product knowledge, we carefully match their technologies and solutions to the right customers, helping the former to realise the full potential of their products in the all-in-one solutions we tailor for the customers.

Over the past two years, Jason Marine has cemented some strategic partnerships that have boosted our technical capabilities, broadened our regional footprint and extended our market reach. They include joint ventures with Koden Electronics Co., Ltd (60%-owned Koden Singapore Pte. Ltd.), Norway's Baze Technology AS (51%-owned Baze Marine & Offshore Pte. Ltd.) and Hyundai e-Marine Co., Ltd (51%-owned Jason Korea Co., Ltd). The Group has also acquired stakes in companies, including 9.6% in Hyundai e-Marine Co., Ltd and 9% in Rockson Automation GmbH.

Re-Engaging Our People: Our people are our future. We firmly believe that championing their personal growth and development will strengthen our standing with customers who demand quality, efficiency and reliability. By re-engaging their minds and re-firing their passion and by challenging them to give no less than their best, we endeavour to drive change at the very core of our business.

Initiatives that begun two years ago to reward talent and drive and empower our staff to champion their own development, amongst others, have paid off, and we have already lined up other programmes to motivate and inspire them. These efforts to show that we value what they have to offer will see us advance our lead in an industry that remains highly service-oriented.

Outlook

The operating environment remains challenging given continuing price and cost pressures. We focus on ramping up sales and the strategic marketing initiatives to bring in positive results over the medium term, keeping our businesses relevant despite the uncertain climate and we will work to build up our presence in key markets.

Acknowledgments

On behalf of the Board, I want to thank all those who have stood by us during these trying times. To all our staff, I thank you for your relentless commitment in helping Jason Marine rise above every challenge. To all our principals, partners and customers, I thank you for your unwavering support, which has helped us to overcome the odds. To all stakeholders in Jason Marine, I thank you for continuing to believe in us.

As a gesture of appreciation, the Board is proposing a first and final dividend of 0.2 S¢ per share for FY2013 to be approved by shareholders at the upcoming annual general meeting on 25 July 2013. The amount is unchanged from that declared for FY2012.

Mr Foo Chew Tuck
Executive Chairman

Re-Formulating Our Partnerships

By re-thinking how we work and interact with both customers and suppliers, we construct rewarding new ways to add value and shape potent synergies.



Operations Review

FY2013 in Review

Post the 2008 global financial crisis, overall recovery has been slow, weak and uneven, and till today, the world's economy continues to be afflicted with uncertainty - the shipping sector amongst those where operating conditions remain difficult. The continued intense competition in FY2013, lowered Jason Marine's revenue by 14.8% to S$37.9 million and reduced profit attributable to owners of the parent by 62.8% to S$0.5 million.

Revenue increased significantly in the second-half of FY2013 to S$23.5 million, which was 63.2% more than the S$14.4 million achieved in the first-half of FY2013. Thus, the Group was able to turnaround from a net attributable loss of S$1.9 million in the first-half to post a net attributable profit of S$2.4 million in the second-half. Moving decisively to reorganise its resources, building sales volumes and consciously managing costs were amongst the contributors.

Segment Revenue and Gross Profit

For the financial year, revenue decreased by 14.8% or S$6.6 million from S$44.5 million in FY2012 to S$37.9 million in FY2013. Gross profit fell by 18.2% or S$2.4 million from S$13.2 million in FY2012 to S$10.8 million in FY2013, as the overall gross profit margin marginally declined from 29.6% to 28.6%.

Sale of Goods

Revenue from the sale of goods fell by 19.1% or S$6.5 million from S$34.0 million for FY2012 to S$27.5 million for FY2013, mainly owing to the execution of fewer deliveries during the financial year. Consequently, gross profit from this segment decreased by 15.6% or S$1.5 million from S$9.6 million for FY2012 to S$8.1 million for FY2013. By bringing in higher-value projects, the Group managed to increase the gross profit margin for the segment, raising it marginally from 28.2% in FY2012 to 29.5% in FY2013.

Rendering of Services

Revenue from the rendering of services decreased by 14.4% or S$1.3 million from S$9.0 million in FY2012 to S$7.7 million in FY2013, mainly due to less service work that was undertaken during the financial year. In line with this decrease, gross profit declined by 33.3% or S$1.0 million from S$3.0 million for FY2012 to S$2.0 million for FY2013. The gross profit margin for this segment fell from 33.7% in FY2012 to 26.7% in FY2013.

Airtime Revenue

Airtime revenue rose by 86.7% or S$1.3 million from S$1.5 million for FY2012 to S$2.8 million for FY2013, largely as a result of an increase in the number of airtime packages taken up by our customers. Gross profit increased by 16.7% or S$0.1 million from S$0.6 million for FY2012 to S$0.7 million in FY2013. The gross profit margin for this segment decreased from 36.8% in FY2012 to 25.4% in FY2013.

Highlights of Cash Flow and Financial Position

Financial Position

The Group maintained a healthy financial position for FY2013. By managing its working capital needs, it generated a net positive operating cash flow of S$2.0 million. In addition, it further strengthened its financial standing, reporting a net cash position of S$13.5 million or 12.7 S¢ per share as at 31 March 2013, an improvement from the S$11.9 million posted as at 31 March 2012.

Equity attributable to the owners of the parent amounted to S$25.0 million, comprising mainly share capital of S$18.0 million and retained earnings of S$7.0 million.

Operating Activities

In FY2013, the Group generated net cash from operating activities before working capital changes of S$1.4 million. Net cash generated from working capital amounted to S$0.8 million, which was due mainly to S$1.2 million decrease in inventories, S$1.0 million increase in trade and other payables and S$0.2 million increase in advanced billings, offset by a S$1.6 million increase in trade and other receivables. After payment of income tax of S$0.2 million, net cash generated from operating activities amounted to S$2.0 million for FY2013.

Investing Activities

Net cash used in investing activities in FY2013 came to approximately S$0.2 million. This is attributed to S$0.5 million in purchases of plant and equipment, which was offset by S$0.1 million in interest received, S$0.1 million issue of shares to non-controlling interests and S$0.1 million in proceeds from disposals of plant and equipment.

Financing Activities

Net cash used in financing activities in FY2013 amounted to approximately S$0.2 million, which was mainly due to the payment of dividends of S$0.2 million.

Human Resource Initiatives

Phase 1 of Programme

Early in 2012, the Group kicked off an array of human resource initiatives to champion both the professional and personal growth of all their employees, taking a structured, three-pronged approach that focused on compensation, staff training and development, and career advancement.

The Group has begun to reap tangible benefits from this exercise – employee satisfaction improved (based on feedback from employees' survey) and the staff turnover rate fell to 2% for 2012, from 3-5% in 2010-11.

These initiatives have helped the Jason Marine Group build a strong culture of teamwork and excellence across the company, allowing it to raise its profile as an employer of choice among its peers.

Phase 2 of Programme

Having seen positive benefits from this structured human resource programme, the management team has identified two key focus areas for FY2013.

Development plans for key executives. Leadership training and development are vital for any company keen to maximise productivity, shape a positive corporate culture and promote employee harmony. In line with these goals, Jason Marine wants to nurture leaders who have the highest competencies and who can learn to take charge of individuals and teams using appropriate leadership styles.

The Group has already taken the first step by selecting key people who will be trained and developed to not only enhance their technical competencies, but also hone their leadership skills - an essential as the Group pursues its succession planning.

Identifying gaps and driving accountability. Through a series of focus group sessions organised in 2012, management was able to better understand the obstacles and challenges facing staff at work, thereafter committing time and resources to help them overcome these issues.

Following this exercise, new key performance indicators (KPIs) have been put in place to encourage employees to take ownership of everything they do while challenging them to achieve their personal best. The Group will focus on the implementation and enforcement of these KPIs for 2013.

Re-Engaging Our People

Jason Marine has set out to champion the personal growth of our employees by re-engaging their minds and re-firing their passion, as our people are our future.

Occupational Safety and Health

Jason Marine believes in providing a safe and healthy working environment for all its employees. When proper safety procedures are in place, employees can work with full peace of mind and thus more productively. Adhering to rigorous occupational health and safety standards minimises the number of days lost through workplace incidents, allowing customers to enjoy optimal turnaround times.

Excellent Track Record

The Group has achieved an accident severity rate (ASR) that is well below the industry average. The rate measures the number of man-days lost to workplace incidents for every one million man-hours worked. Based on reports from the Ministry of Manpower, Singapore posted an overall ASR of 89 in 2011; in particular; the figure was 286 for the first-half of 2011 for the marine sector. On this front, Jason Marine has kept its rate at below five man-days a year for the past three years.

Industry-Acclaimed Standards

Last year, determined to raise workplace safety and health (WSH) standards even further, the Group set out to attain certification to OHSAS 18001:2007, a globally recognised standard for occupational health and safety management systems. During the process, a cross-department working committee was set up to implement health and safety systems designed to minimise risks and maximise performance.

As a result, the Group received its OHSAS 18001:2007 certification in the year 2012. Now, having secured this globally recognised specification, it has the systems in place to reduce downtimes and curtail the costs associated with lost man-hours.

To ensure continued compliance with WSH standards at every level, Jason Marine has also implemented other initiatives:

- It has formed an internal safety committee that meets regularly to identify risk areas and monitor ongoing issues.
- It has implemented risk management practices that cover key work activities and processing, so as to build up risk management capabilities at the highest levels.
- It conducts bi-monthly internal safety audits to ensure that the best practices are being maintained across the Group.
- It provides continuous WSH training to staff, motivating them to take ownership and providing them with the latest information and guidelines.

All these efforts have also allowed the Group to upgrade its certification for bizSAFE, a five-step programme run by the Singapore Workplace Safety and Health Council to help companies build up their WSH capabilities. The Group's clear commitment to maintaining the highest standards saw it advance from bizSAFE level 3 to level 5 in 2013, securing its bizSAFE STAR certification after having demonstrated excellence in implementing WHS management systems tailored to meet the Group's needs.

Corporate Social Responsibility

Group Philosophy for Corporate Social Responsibility

The Executive Chairman, Mr Joseph Foo, and the management team firmly believe that a successful corporation is founded not just on its business achievements, but also on the positive impact it has on the community as well as the active role it plays in promoting environmental sustainability. In line with this conviction that it has a responsibility to help create a better society, the Group wishes such values to become a way of life for everyone at Jason Marine.

Jason Marine constantly looks out for best practices that will ensure sustainable business as well as social success and development. Within the Company, it continually encourages its people to take up the cause on both the corporate and individual level, providing a framework designed to foster such efforts.

This year, the management team has initiated a new programme that will see the Company come together to deliver advances and best practices on three main fronts.

The Next Steps

1. Caring for Society
Jason Marine has a deep compassion for the less privileged people. The Company looks for partners to support its desire to contribute back to the society.

2. Caring for the Environment
Jason Marine sees energy conservation as a win-win proposition: Responsible use of limited resources helps reduce the impact on the environment and makes good business sense as well.

Determined to find solutions that will sustain both its business and the environment, the Group has started to employ more energy-efficient equipment that will reduce the environmental footprint of its operations, such as an energy-efficient IT infrastructure and air-conditioning system.

3. Caring for Its People
Jason Marine is convinced that by championing personal growth for every employee, it will pave the way for more people to contribute and give back to society.

This conviction has inspired Jason Marine to pursue the best human resource practices and ensure their successful execution. By building a value-driven organisation and by empowering its people to seek a better future for themselves and for society at large, the Group is on the way to securing to long-term sustainable growth for Jason Marine.

Board of Directors

Mr Foo Chew Tuck
Executive Chairman

For more than three decades, Jason Marine's growth and aspirations have been shaped by our founder Mr Foo Chew Tuck, 62, whose vision for the Group has enabled it to become a leader in integrated solutions provider on marine electronics systems. As our Executive Chairman, 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 environment.

He has fostered equally strong bonds within Jason Marine, where his emphasis on character, competence and commitment has nurtured a robust work ethic and a powerful sense of family within the workplace. All our people at Jason Marine are part of a greater family, working hand-in-hand to create a brighter future for the Company, which in turn makes their welfare a top priority by championing their individual growth and working to enrich their lives with knowledge, skills and experience.

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

Almost a 40-year veteran in the marine electronics business, Mr Foo is a full member of the Singapore Institute of Directors. He earned his bachelor of science in 1988 at Oklahoma City University, where he also received a master of business administration in 1992. In addition, he has a diploma in marketing from The Chartered Institute of Marketing in the UK in 1987.

Board of Directors

Mr Tan Lian Huat
Chief Executive Officer

Mr Tan Lian Huat, 60, 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 production manager at a crystal manufacturing plant that also serviced the marine communication equipment industry.

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

Mr Eugene Wong Hin Sun
Non-Executive Director

Mr Eugene Wong Hin Sun, 45, 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 currently serves as a non-executive director of several private and public listed companies, including Ajisen (China) Holdings Limited, listed on Hong Kong Exchange & Clearing Limited (HKEx), as well as Japan Foods Holding Ltd., TMC Education Corporation Ltd and Neo Group Limited listed on the Catalist board of the Singapore Exchange (SGX-ST). He also sits on the board of AVA Singapore and International Enterprise ("IE") Singapore, and is the Chairman of CrimsonLogic Pte Ltd, a subsidiary of IE.

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 since 2001, and is a member of the Institute of Directors in Singapore as well as the UK.

Board of Directors

Mrs Eileen Tay-Tan Bee Kiew
Independent Director

Mrs Eileen Tay-Tan Bee Kiew, 60, is an 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 began her career in 1974 as an audit assistant with Turquand Young (now known as Ernst & Young). From 1991 to 2002, she was a partner at KPMG. From 2002 to 2011, she served as a director of several companies, both private and publicly listed, in Singapore and Australia.

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

Mr Sin Hang Boon
Independent Director

Mr Sin Hang Boon @ Sin Han Bun, 74, is an independent non-executive director of the Group, having been appointed to the board on 15 September 2009. He has more than 40 years of experience in the telecommunications industry. He began his career in 1960 as a trainee engineer with the Singapore Telephone Board (which was eventually reorganised into today's SingTel). He was vice-president of SingTel's business communications group before being seconded to Belgacom S.A. in Belgium, where he served as its general manager for global alliances in 1996, and its general manager for group strategy and development from 1997 to 1998. He returned to SingTel in 1999 and served as CEO of SingTel International, the company's strategic investment arm, until his retirement in 2002. After he retired, he continued to serve on the boards of some of SingTel's overseas joint-venture firms until 2004.

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.

Ms Foo Hui Min
Chief Financial Officer

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

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

Mr James Tan Peng Huat
Chief Operating Officer

Mr James Tan Peng Huat is our Chief Operating Officer. He joined our Group in 2007 as the operations manager of Jason Electronics (Pte) Ltd, and has since progressed to assume his current role in 2010, overseeing the Logistics, Purchasing, Service, Technical and Training departments. Armed with over 42 years of experience in operations, he has helped to restructure and improve overall processes to all departments, raising efficiency, performance and coordination across the Group, including assimilating the SAP system for the Group in 2010.

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

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

Financial Highlights

Results of Operations

(S$'000)

	FY2013	FY2012	FY2011	FY2010**	FY2009**
Revenue	37,896	44,451	45,169	51,522	70,880
Gross profit	10,843	13,164	10,803	14,884	17,623
Profit before income tax	581	1,399	1,386	5,394	7,721
Profit attributable to owners of the parent	517	1,389	1,234	4,353	6,347
Earnings per share (cents)(1)	0.49	1.31	1.16	4.11	5.99

(1) For comparative purpose, earnings per share of the Group for the financial years shown above were computed based on 106,000,000 ordinary shares in issue as at 31 March 2013.

Financial Position

(S$'000)

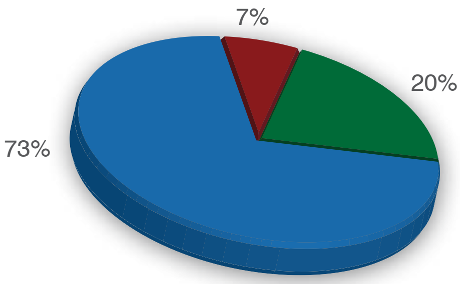
	FY2013	FY2012	FY2011	FY2010**	FY2009**
Non-current assets	3,049	2,776	2,685	1,856	1,610
Current assets	32,346	31,061	36,388	31,440	34,511
Current liabilities	10,400	9,233	15,564	11,036	21,177
Non-current liabilities	131	9	80	74	134
Equity	24,864	24,595	23,429	22,186	14,810
Net asset value per share (cents)(2)	23.46	23.20	22.10	20.93	13.97

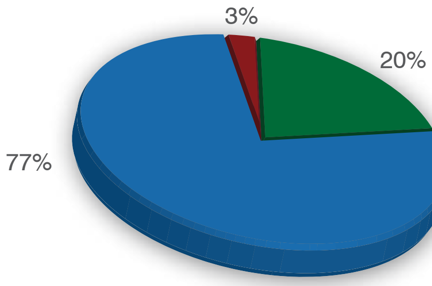
(2) For comparative purpose, net asset value per share of the Group for the financial years shown above were computed based on 106,000,000 ordinary shares in issue as at 31 March 2013.

** Restated due to change in costing method for inventories from "first-in, first-out" basis to "weighted average" basis.

Segment Revenue

Revenue by Business Segment:

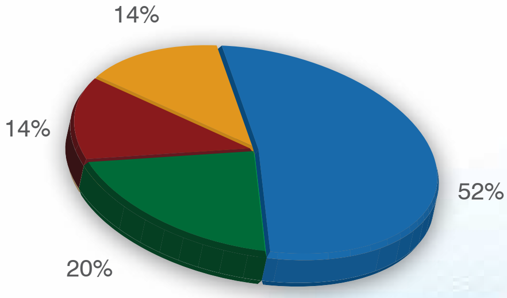


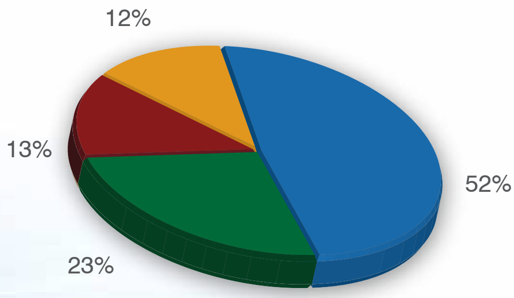


Business Segment	**FY2013**		**FY2012**	
	(S$'000)	**(%)**	**(S$'000)**	**(%)**
Sale of goods	27,462	73%	33,965	77%
Rendering of services	7,672	20%	8,954	20%
Airtime revenue	2,762	7%	1,532	3%
Total:	37,896	100%	44,451	100%

Sale of goods   Rendering of services   Airtime revenue

Revenue by Geographical Segment:





Geographical Segment	**FY2013**		**FY2012**	
	(S$'000)	**(%)**	**(S$'000)**	**(%)**
Singapore	19,976	52%	23,205	52%
People's Republic of China	7,391	20%	10,180	23%
Southeast Asia excluding Singapore	5,152	14%	5,665	13%
Others	5,377	14%	5,401	12%
Total:	37,896	100%	44,451	100%

Singapore   People's Republic of China   Southeast Asia excluding Singapore   Others

Corporate Information

Board of Directors

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

Audit Committee

Eileen Tay-Tan Bee Kiew (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

Foo Hui Min
Pan Mi Keay

Registered Office

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

Share Registrar

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

Independent Auditors

BDO LLP
Public Accountants and Certified Public Accountants
21 Merchant Road #05-01
Singapore 058267
Partner-in-charge: Leong Hon Mun Peter
(Appointed since financial year ended 31 March 2013)

Principal Bankers

CIMB Bank Berhad, Singapore Branch
Citibank, N.A., Singapore Branch
Bank of China Limited, Singapore Branch
Australia and New Zealand Banking Group Limited

Sponsor

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

Service Centres

Singapore

Jason Electronics (Pte) Ltd
194 Pandan Loop
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Singapore 128383
Tel: +65-6872 0211
Fax: +65-6872 1800
Email: service@jason.com.sg

People's Republic of China

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Tel: +86-21-6337 5966 / 67 / 68
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Fax: +62-21-641 5493
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Thailand

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113/6 Soi Latplakhao
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Bangkok 10230
Thailand
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Fax: +66-2553 2292
Email: sachja@jasonthai.com

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Co. Reg. No. 200716601W

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Website: www.jason.com.sg

Jason

Re-Charting

CORPORATE GOVERNANCE AND FINANCIAL REPORT 2013

Contents

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

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

The contact person for the Sponsor is Mr Benjamin Choy, Director, Corporate Finance. The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone (65) 6337 5115.

Corporate Governance Report

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

This Report describes the Company's corporate governance practices during the financial year 2013 with specific reference to the revised Code of Corporate Governance 2005 (the "Code").

The revised code of Corporate Governance 2012 (the "Code 2012") was issued on 2 May 2012. The Company will comply with the revised guidelines under the Code 2012 when it takes effect for the financial year commencing on or after 1 November 2012.

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

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

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

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

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

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

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

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

Corporate Governance Report

The attendance of the Directors of meetings at the Board and Board committees during the financial year ended 31 March 2013 is tabulated below:

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

N/A – Not Applicable.

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

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

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

Generally, the Directors are responsible for their own training needs. However, continuous and on-going training programmes are made available to our Directors, including participation of courses on directors' duties and responsibilities as well as seminars and talks on relevant subject fields.

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

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

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

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

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

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

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

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

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

The Chairman's duties include:

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

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

PRINCIPLE 4: BOARD MEMBERSHIP

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

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

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

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

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

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

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

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

d) NC makes recommendations to the Board for approval.

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

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

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

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

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

Name of Director	Position in the Board	Date of first appointment	Date of last re-election
Mr Foo Chew Tuck	Executive Chairman	9 September 2007	23 July 2010
Mr Tan Lian Huat	Chief Executive Officer	9 September 2007	27 July 2011
Mr Wong Hin Sun Eugene	Non-executive Director	15 September 2009	23 July 2010
Mr Sin Hang Boon	Independent Director	15 September 2009	24 July 2012
Mrs Eileen Tay-Tan Bee Kiew	Independent Director	15 September 2009	24 July 2012

PRINCIPLE 5: BOARD PERFORMANCE

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

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

a) Board Structure;

b) Board's conduct of meetings;

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

d) risk management and internal control;

e) whistleblowing matters;

f) measuring and monitoring performance;

g) recruitment and evaluation;

h) compensation for board and key executives;

i) succession planning;

j) financial reporting; and

k) communication with shareholders.

PRINCIPLE 6: ACCESS TO INFORMATION

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

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

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

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

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

Corporate Governance Report

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

The RC reviews a framework of remuneration for the Directors and Management proposed by 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. The objectives of such policy are to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, thereby maximising shareholders' value.

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

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

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

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

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

Under the annual renewal basis, the service agreement may be terminated by giving six months' prior written notice or an amount equal to six months' salary in lieu of such notice.

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

Non-executive Directors (including 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 Chairman of each of these committees being paid twice the amount of such additional fee. Such fees are pro-rated if the Directors serve for less than one year. Such fees are subject to approval by the shareholders of the Company at the annual general meeting of the Company.

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

The Company has adopted the Jason Performance Share Plan (the "PSP") in 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 performance share has been granted under the PSP during the financial year in review and to-date.

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.

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

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

	Fees	Salary	Performance-related Income	Others	Total
	%	%	%	%	%
Remuneration Band ($500,000 - $749,000)					
Mr Foo Chew Tuck	–	84	12	4	100
Remuneration Band (Below $250,000)					
Mr Tan Lian Huat	–	68	22	10	100
Mrs Eileen Tay-Tan Bee Kiew	100	–	–	–	100
Mr Sin Hang Boon	100	–	–	–	100
Mr Wong Hin Sun Eugene	100	–	–	–	100

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

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

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

To-date, no share options have been granted pursuant to the ESOS and no performance shares have been granted under the PSP.

PRINCIPLE 10: ACCOUNTABILITY

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

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

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

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

PRINCIPLE 11: AUDIT COMMITTEE

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

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

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

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

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

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

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

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

e) 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;

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

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

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

The AC has met with the external auditors without the presence of the Company's Management in May 2013.

The AC has recommended that BDO LLP be nominated for re-appointment as auditors at the forthcoming annual general meeting. In recommending the re-appointment of the auditors, the AC 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 AC and 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 Company has complied with the Rules 712 and 716 of the Rules of Catalist.

The AC confirms that it has undertaken a review of non-audit services provided by the external auditors. There were no non-audit services provided by the external auditors of the Company during the financial year under review.

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

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

Corporate Governance Report

PRINCIPLE 12: INTERNAL CONTROLS

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

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

In April and June 2012, the Company's appointed internal auditor, PricewaterhouseCoopers LLP, has conducted internal audit review based on an agreed scope of review.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, AC and the Board, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, were adequate.

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 AC and 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.

PRINCIPLE 13: INTERNAL AUDIT

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

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

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

PRINCIPLE 14: COMMUNICATION WITH SHAREHOLDERS

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

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

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

Corporate Governance Report

PRINCIPLE 15: SHAREHOLDER PARTICIPATION

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

The Board encourages shareholders to attend the general meetings to ensure a greater level of shareholder participation and to meet with the Board and key management so as to stay informed of the Company's developments and to raise issues and ask the Directors or Management questions regarding the Company and its operation. The Directors and Management as well as external auditors will be present at general meetings to address shareholders' queries.

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

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

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

MATERIAL CONTRACTS

Save for the service agreements entered into between the Executive Directors and the Company, there were no other material contracts entered into by the Company or its subsidiaries involving the interests of the Chief Executive Officer, any director or controlling shareholders subsisting at the end of the financial year ended 31 March 2013.

DEALING IN SECURITIES

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

NON-SPONSOR FEE

The Company is currently under the Singapore Exchange Securities Trading Limited Catalist sponsor-supervised regime. The continuing sponsor of the Company is CIMB Bank Berhad, Singapore Branch (the "Sponsor"). There were no fees paid to the Sponsor for non-sponsor activities in the financial year ended 31 March 2013.

INTERESTED PERSON TRANSACTIONS

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
	S$'000	S$'000
Foo Chew Tuck		
Lease of office premises from:		
(i) JE Holdings Pte Ltd	214	
(ii) Unity Consultancy Pte Ltd	15	
(iii) Jason Harvest Pte Ltd	45	
Total:	274	Not applicable

In addition to the above, Mr. Tan Lian Huat had provided guarantees to secure our Group's obligations for hire purchase facility and surety bond undertaking. As at the end of the financial year, the guarantee for the surety bond undertaking had been converted to corporate guarantee. No fee was paid to the guarantor for the provision of the above guarantees.

The Company has not obtained a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Rules of Catalist.

USE OF IPO PROCEEDS UPDATE

Use of IPO proceeds	**Amount allocated**	**Amount used as at 31 March 2013**
	S$'000	**S$'000**
Investments and/or joint ventures	1,500	428
General working capital	602	602
Total	2,102	1,030

RISK MANAGEMENT

Inherent Industry Risk

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

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

Corporate Governance Report

Dependence on key management personnel

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

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

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 us. The agreement between our customer and us would normally include a provision for the payment of liquidated damages by us in the event we are unable to complete the projects in accordance with the terms of the contract. Unforeseeable circumstances could disrupt and/or delay the completion of the projects that we undertake from time to time. Such disruption or delay will result in cost overruns and higher operating costs which may materially and adversely affect our profitability. If the Group is the cause of the delay in the completion of the projects, we will be liable for liquidated damages which may materially and adversely affect our reputation, operations or financial performance. In addition, our failure to complete projects according to customer specifications may also lead to claims of liquidated damages against us which would affect our financial performance.

Report of the Directors

The Directors of the Company present their report to the members together with the audited financial statements of the Group for the financial year ended 31 March 2013 and the statement of financial position of the Company as at 31 March 2013 and the statement of changes in equity of the Company for the financial year ended 31 March 2013.

1. Directors

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

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

2. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

3. Directors' interests in shares or debentures

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

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance as at 1 April 2012	**Balance as at 31 March 2013**	**Balance as at 1 April 2012**	**Balance as at 31 March 2013**
	Number of ordinary shares			
Company				
Foo Chew Tuck	81,300,000	81,300,000	–	–
Tan Lian Huat	1,020,000	1,020,000	–	–
Wong Hin Sun Eugene	–	–	2,700,000	2,700,000

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

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company state that, according to the Register of Directors' Shareholdings, the Directors' interests as at 21 April 2013 in the shares of the Company have not changed from those disclosed as at 31 March 2013.

4. Directors' contractual benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit which by reason of a contract made by the Company or a related corporation with the Director of the Company or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the financial statements.

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. No performance shares have been granted to-date under the PSP.

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 share options and performance shares granted by the Company or its subsidiaries during the financial year.

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

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

6. Audit committee

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

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

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

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

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

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

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

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

6. Audit committee (Continued)

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

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

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

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

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

7. Auditors

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

8. Additional disclosure requirements of the Listing Manual of the SGX-ST

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

On behalf of the Board of Directors

Foo Chew Tuck	**Tan Lian Huat**
Director	Director

Singapore
28 June 2013

Statement by Directors

In the opinion of the Board of Directors,

(a) the accompanying financial statements comprising the statements of financial position of the Group and of the Company, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity of the Group and of the Company and consolidated statement of cash flows together with the notes thereon are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2013 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

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

On behalf of the Board of Directors

Foo Chew Tuck
Director

Tan Lian Huat
Director

Singapore
28 June 2013

Independent Auditors' Report

To the Members of Jason Marine Group Limited

Report on the financial statements

We have audited the accompanying financial statements of Jason Marine Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 19 to 69 which comprise the statements of financial position of the Group and of the Company as at 31 March 2013, the consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity of the Group and of the Company and consolidated statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

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

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

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

Independent Auditors' Report

To the Members of Jason Marine Group Limited

Report on the financial statements (Continued)

Opinion

In our opinion, the accompanying financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2013 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Report on other legal and regulatory requirements

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

BDO LLP
Public Accountants and
Certified Public Accountants

Singapore
28 June 2013

Statements of Financial Position

As at 31 March 2013

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Non-current assets					
Intangible asset	4	116	290	–	–
Plant and equipment	5	780	700	–	–
Investments in subsidiaries	6	–	–	14,892	14,792
Investments in associates	7	79	144	–	–
Available-for-sale financial assets	8	1,482	1,514	–	–
Other receivables	10	589	123	–	–
Deferred tax assets	16	3	5	–	–
Total non-current assets		3,049	2,776	14,892	14,792
Current assets					
Inventories	9	4,433	5,674	–	–
Trade and other receivables	10	14,239	13,232	75	57
Prepayments		196	150	27	13
Derivative financial instruments	11	–	89	–	–
Current income tax recoverable		13	–	–	–
Cash and cash equivalents	12	13,465	11,916	4,050	3,828
Total current assets		32,346	31,061	4,152	3,898
Less:					
Current liabilities					
Trade and other payables	13	8,948	7,964	236	201
Advance billings	14	1,279	1,048	–	–
Derivative financial instruments	11	67	–	–	–
Finance lease payables	15	9	10	–	–
Current income tax payable		97	211	1	–
Total current liabilities		10,400	9,233	237	201
Net current assets		21,946	21,828	3,915	3,697
Less:					
Non-current liabilities					
Finance lease payables	15	–	9	–	–
Deferred tax liabilities	16	131	–	–	–
Total non-current liabilities		131	9	–	–
Net assets		24,864	24,595	18,807	18,489
Equity					
Share capital	17	17,967	17,967	17,967	17,967
Foreign currency translation reserve	18	3	20	–	–
Retained earnings		6,987	6,682	840	522
Equity attributable to owners of the parent		24,957	24,669	18,807	18,489
Non-controlling interests		(93)	(74)	–	–
Total equity		24,864	24,595	18,807	18,489

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

Consolidated Income Statement

For the Financial Year Ended 31 March 2013

	Note	2013 $'000	2012 $'000
Revenue	19	37,896	44,451
Cost of sales		(27,053)	(31,287)
Gross profit		10,843	13,164
Other items of income			
Interest income		83	62
Other income	20	326	418
Other items of expense			
Distribution costs		(4,840)	(5,596)
General and administrative expenses		(5,312)	(5,978)
Other expenses		(453)	(648)
Finance costs	21	(1)	(37)
Share of results of associates, net of tax		(65)	14
Profit before income tax	22	581	1,399
Income tax expense	23	(165)	(111)
Profit for the financial year		416	1,288
Profit/(Loss) attributable to:			
Owners of the parent		517	1,389
Non-controlling interests		(101)	(101)
		416	1,288
Earnings per share			
- Basic and diluted	24	0.49 cents	1.31 cents

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

Consolidated Statement of Comprehensive Income

For the Financial Year Ended 31 March 2013

	2013 $'000	2012 $'000
Profit for the financial year	416	1,288
Other comprehensive income:		
Foreign currency differences on translation of foreign operations	(15)	(16)
Income tax relating to components of other comprehensive income	–	–
Other comprehensive income for the financial year, net of tax	(15)	(16)
Total comprehensive income for the financial year	401	1,272
Total comprehensive income attributable to:		
Owners of the parent	500	1,373
Non-controlling interests	(99)	(101)
	401	1,272

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

Statements of Changes in Equity

For the Financial Year Ended 31 March 2013

Group	Note	Share capital $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 April 2012		17,967	20	6,682	24,669	(74)	24,595
Profit/(Loss) for the financial year		–	–	517	517	(101)	416
Other comprehensive income for the financial year							
Foreign currency differences on translation of foreign operations		–	(17)	–	(17)	2	(15)
Total comprehensive income for the financial year		–	(17)	517	500	(99)	401
Distributions to owners of the parent							
Dividends	25	–	–	(212)	(212)	–	(212)
Total transactions with the owners of the parent		–	–	(212)	(212)	–	(212)
Transactions with the non-controlling interests							
Issue of shares to non-controlling interests		–	–	–	–	80	80
Total transactions with the non-controlling interests		–	–	–	–	80	80
Balance at 31 March 2013		17,967	3	6,987	24,957	(93)	24,864

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

Statements of Changes in Equity

For the Financial Year Ended 31 March 2013

Group	Note	Share capital $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 April 2011		17,967	36	5,399	23,402	27	23,429
Profit/(Loss) for the financial year		–	–	1,389	1,389	(101)	1,288
Other comprehensive income for the financial year							
Foreign currency differences on translation of foreign operations		–	(16)	–	(16)	–	(16)
Total comprehensive income for the financial year		–	(16)	1,389	1,373	(101)	1,272
Distributions to owners of the parent							
Dividends	25	–	–	(106)	(106)	–	(106)
Total transactions with the owners of the parent		–	–	(106)	(106)	–	(106)
Balance at 31 March 2012		17,967	20	6,682	24,669	(74)	24,595

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

Statements of Changes in Equity

For the Financial Year Ended 31 March 2013

Company	Note	Share capital $'000	Retained earnings $'000	Total equity $'000
Balance at 1 April 2012		17,967	522	18,489
Profit for the financial year		–	530	530
Total comprehensive income for the financial year		–	530	530
Distributions to owners of the parent				
Dividends	25	–	(212)	(212)
Total transactions with the owners of the parent		–	(212)	(212)
Balance at 31 March 2013		17,967	840	18,807
Balance at 1 April 2011		17,967	1,311	19,278
Loss for the financial year		–	(683)	(683)
Total comprehensive income for the financial year		–	(683)	(683)
Distributions to owners of the parent				
Dividends	25	–	(106)	(106)
Total transactions with the owners of the parent		–	(106)	(106)
Balance at 31 March 2012		17,967	522	18,489

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 March 2013

	2013 $'000	2012 $'000
Operating activities		
Profit before income tax	581	1,399
Adjustments for:		
Allowance for doubtful third parties trade receivables	154	106
Allowance for impairment loss on available-for-sale financial assets	32	128
Allowance for inventory obsolescence	23	389
Amortisation of intangible asset	183	184
Changes in fair value of derivative financial instruments	156	(82)
Depreciation of plant and equipment	308	277
Dividend income	–	(10)
Gain on disposals of plant and equipment	(26)	–
Interest expense	1	37
Interest income	(83)	(62)
Loss on disposal of an associate	–	2
Share of results of associates	65	(14)
Write-back of allowance for doubtful third parties trade receivables no longer required	(12)	(46)
Write-off of plant and equipment	4	–
Operating cash flows before working capital changes	1,386	2,308
Working capital changes:		
Inventories	1,218	1,199
Trade and other receivables	(1,615)	6,128
Prepayments	(46)	178
Trade and other payables	984	(3,895)
Advance billings	231	(11)
Cash generated from operations	2,158	5,907
Income tax paid	(159)	(369)
Net cash from operating activities	1,999	5,538
Investing activities		
Acquisition of intangible asset	(9)	–
Acquisition of available-for-sale financial assets	–	(415)
Dividends received	–	10
Interest received	83	62
Issue of shares to non-controlling interests	80	–
Proceeds from disposals of plant and equipment	86	–
Purchase of plant and equipment	(452)	(275)
Net cash used in investing activities	(212)	(618)

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

Consolidated Statement of Cash Flows

For the Financial Year Ended 31 March 2013

	Note	Group 2013 $'000	Group 2012 $'000
Financing activities			
Dividends paid		(212)	(106)
Interest paid		(1)	(37)
Proceeds from bank borrowings		287	9,960
Repayment of bank borrowings		(287)	(12,178)
Repayment of obligations under finance leases		(10)	(25)
Reversal of fixed deposits pledged		–	749
Net cash used in financing activities		(223)	(1,637)
Net change in cash and cash equivalents		1,564	3,283
Cash and cash equivalents at beginning of financial year		11,916	8,652
Effects of foreign exchange rate changes on cash and cash equivalents		(15)	(19)
Cash and cash equivalents at end of financial year	12	13,465	11,916

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

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

1. General corporate information

Jason Marine Group Limited (the "Company") is a public limited 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's registration number is 200716601W. The Company is listed on the Catalist board of the Singapore Exchange Securities Trading Limited.

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

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

The statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2013 were authorised for issue in accordance with a Directors' resolution dated 28 June 2013.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in conformity with FRS requires the management to exercise judgement in the process of applying the Group's and the Company's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on the management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

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

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

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS and INT FRS issued but not yet effective

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

		Effective date (Annual periods beginning on or after)
FRS 1	: Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 19	: Employee Benefits (Revised)	1 January 2013
FRS 27	: Separate Financial Statements	1 January 2014
	: Amendments to FRS 27 – Investment Entities	1 January 2014
FRS 28	: Investments in Associates and Joint Ventures	1 January 2014
FRS 32	: Amendments to FRS 32 – Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 101	: Amendments to FRS 101 – Government Loans	1 January 2013
FRS 107	: Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
FRS 110	: Consolidated Financial Statements	1 January 2014
	: Amendments to FRS 110 – Investment Entities	1 January 2014
FRS 111	: Joint Arrangements	1 January 2014
FRS 112	: Disclosure of Interests in Other Entities	1 January 2014
	: Amendments to FRS 112 – Investment Entities	1 January 2014
FRS 113	: Fair Value Measurement	1 January 2013
INT FRS 120	: Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Improvements to FRSs 2012		1 January 2013

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

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

Amendments to FRS 1 - Presentation of Items of Other Comprehensive Income

The amendments to FRS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time will be presented separately from items which will never be reclassified. As the amendments only affect the presentation of items that are already recognised in other comprehensive income, there will be no impact on the Group's and the Company's financial position or performance on initial adoption of this standard from the financial year beginning 1 April 2013.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

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

FRS 110 Consolidated Financial Statements and FRS 27 Separate Financial Statements

FRS 110 replaces the control assessment criteria and consolidation requirements currently in FRS 27 and INT FRS 12 *Consolidation – Special Purpose Entities*. FRS 110 defines the principle of control and establishes control as the basis of determining which entities are consolidated in the consolidated financial statements. FRS 27 remains as a standard applicable only to separate financial statements. On adoption of FRS 110 management will be required to exercise more judgement than under the current requirements of FRS 27 in order to determine which entities are controlled by the Group. These changes will take effect from the financial year beginning on 1 April 2014 with full retrospective application.

The Group is currently evaluating the effect and anticipates that no material impact to the financial position and financial performance of the Group on initial adoption of the standard in the financial year beginning on 1 April 2014.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 is a new and comprehensive standard on disclosure requirements for all forms of interest in other entities. It requires an entity to provide more extensive disclosures regarding the nature of any risks associated with its interests in subsidiaries, associates, joint arrangements and unconsolidated structure entities. As this is a disclosure standard, there will be no impact on the financial position or financial performance of the Group and the Company on initial adoption of the standard in the financial year beginning on 1 April 2014.

FRS 113 Fair Value Measurement

FRS 113 is a new standard that applies to both financial and non-financial items providing guidance on how to measure fair value in situations where fair value measurement is required by other FRSs. It provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope, as well as disclosure requirements. FRS 113 will be effective prospectively from the financial year beginning on 1 April 2013.

The Group and the Company do not expect that the adoption of FRS 113 will have any impact on the financial position or financial performance of the Group, however there may be changes to disclosure in the financial statements.

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. The financial statements of the subsidiaries are prepared for the same reporting date as that of the parent company.

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

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

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to 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 jointly controlled entity.

2.3 Business combinations

<u>Business combinations from 1 April 2010</u>

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.

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.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

Business combinations from 1 April 2010 (Continued)

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.

Business combinations before 1 April 2010

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

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

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

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that would otherwise have been required under the contract.

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

Notes to the Financial Statements

For the Financial Year Ended 31 March 2013

2. Summary of significant accounting policies (Continued)

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.

2.5 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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

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

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

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

2. Summary of significant accounting policies (Continued)

2.5 Plant and equipment (Continued)

The residual values, useful lives and depreciation method of plant and equipment are reviewed at each financial year-end to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and 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 the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

2.7 Associates

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

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

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

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

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

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

The financial statements of the associate is prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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. Summary of significant accounting policies (Continued)

2.8 Impairment of non-financial assets

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

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

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less 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 unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss recognised in profit or loss in prior periods is treated as a revaluation increase. After such a reversal, the depreciation or amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.9 Inventories

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

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

Net realisable value is the estimated selling price at which the inventories can be realised in the 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. Summary of significant accounting policies (Continued)

2.10 Financial assets

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

(i) Loans and receivables

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

(ii) Available-for-sale financial assets

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

Recognition and derecognition

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

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

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

On derecognition of a financial asset, the difference between the carrying amount and the net consideration proceeds is recognised in profit or loss.

Initial and subsequent measurement

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

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

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

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (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.

2. Summary of significant accounting policies (Continued)

2.10 Financial assets (Continued)

Impairment

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

(i) Loans and receivables

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

(ii) Available-for-sale financial assets

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

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

2.11 Derivative financial instruments

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.12 Cash and cash equivalents

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

2.13 Financial liabilities

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

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading, including derivatives not designated and effective as a hedging instrument; or it is designated as such upon initial recognition. The Group and the Company have 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:

(i) Trade and other payables

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

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

Recognition and derecognition

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

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

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.

2. Summary of 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.

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

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

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

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

Group as lessee of finance leases

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

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

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

Group as lessee of operating leases

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

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

2. Summary of 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 Borrowing costs

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

2.20 Income tax

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

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

Deferred tax is provided, using the liability method, for temporary differences at the end of the reporting period 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 by the end of the reporting period.

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

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

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

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

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Summary of significant accounting policies (Continued)

2.21 Foreign currencies

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

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

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

Exchange differences arising on the settlement of monetary items and on re-translating of monetary items are recognised in profit or loss for the financial year. Exchange differences arising on the re-translation of non-monetary items carried at fair value are 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 reserve in equity.

2.22 Dividends

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

2.23 Segment reporting

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

3. Critical accounting judgements and key sources of estimation uncertainty

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 investments and financial assets

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

3.2 Key sources of estimation uncertainty

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

(i) Amortisation of intangible asset

Intangible asset is amortised on a straight-line basis over the asset's useful life. The management estimates the useful life of the intangible asset to be 3 years. The estimated useful life that the Group places the intangible asset into productive use reflects the managements' estimate of the period the Group intends to derive future economic benefits from the intangible asset. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual value of the asset, therefore future amortisation could be revised. The carrying amount of the Group's intangible asset as at 31 March 2013 was approximately $116,000 (2012: $290,000).

(ii) Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The management estimates the useful lives of these assets to be within 3 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's plant and equipment as at 31 March 2013 was approximately $780,000 (2012: $700,000).

(iii) Allowance for doubtful receivables

The management establishes allowance for doubtful receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers the historical experience and changes to its customers' financial position. If the financial conditions of receivables were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 March 2013 were approximately $14,239,000 and $75,000 (2012: $13,232,000 and $57,000) respectively.

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

3.2 Key sources of estimation uncertainty (Continued)

(iv) Allowance for inventory obsolescence

Inventories are stated at the lower of cost and net realisable value. The management primarily determines cost of inventories using the weighted average method. The management estimates the net realisable value of inventories based on assessment of receipt or committed sales prices and provide for excess and obsolete inventories based on historical, 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 2013 was approximately $4,433,000 (2012: $5,674,000).

(v) Income taxes

The Group recognises expected liabilities for income tax based on estimation of the likely tax due, which requires significant judgement as to the ultimate tax determination of certain items. Where the final tax outcome of these matters differs from the amounts that were initially recognised, such differences will impact the current income tax and deferred tax provisions in the financial years in which such determination is made. The carrying amounts of the Group's current income tax payable and current income tax recoverable as at 31 March 2013 were approximately $97,000 and $13,000 (2012: $211,000 and $Nil) respectively. The carrying amounts of the Group's deferred tax assets and deferred tax liabilities as at 31 March 2013 were approximately $3,000 and $131,000 (2012: $5,000 and $Nil) respectively.

4. Intangible asset

	Group	
	2013	**2012**
	$'000	**$'000**
Computer software		
Cost		
Balance at beginning of financial year	550	550
Additions	9	–
Balance at end of financial year	559	550
Accumulated amortisation		
Balance at beginning of financial year	260	76
Amortisation for the financial year	183	184
Balance at end of financial year	443	260
Carrying amount		
Balance at end of financial year	116	290

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

5. Plant and equipment

	Office equipment	Furniture and fittings	Motor vehicles	Electrical fittings	Plant and machinery	Renovation	Computers	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
2013								
Cost								
Balance at 1 April 2012	191	322	469	45	507	135	733	2,402
Additions	13	1	24	–	287	–	127	452
Disposals	–	(7)	(98)	–	(42)	–	(3)	(150)
Write-offs	(7)	–	–	–	(41)	(18)	(10)	(76)
Currency translation adjustment	(2)	–	3	–	–	–	1	2
Balance at 31 March 2013	195	316	398	45	711	117	848	2,630
Accumulated depreciation								
Balance at 1 April 2012	116	255	355	37	194	123	622	1,702
Depreciation for the financial year	19	14	60	2	123	10	80	308
Disposals	–	(2)	(86)	–	(1)	–	(1)	(90)
Write-offs	(5)	–	–	–	(41)	(17)	(9)	(72)
Currency translation adjustment	–	–	3	–	–	–	(1)	2
Balance at 31 March 2013	130	267	332	39	275	116	691	1,850
Carrying amount								
Balance at 31 March 2013	65	49	66	6	436	1	157	780

5. Plant and equipment (Continued)

	Office equipment	Furniture and fittings	Motor vehicles	Electrical fittings	Plant and machinery	Renovation	Computers	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
2012								
Cost								
Balance at 1 April 2011	172	319	468	45	294	136	737	2,171
Additions	21	3	–	–	212	–	39	275
Disposals	–	–	–	–	–	–	(12)	(12)
Write-offs	(2)	–	–	–	–	–	(31)	(33)
Currency translation adjustment	–	–	1	–	1	(1)	–	1
Balance at 31 March 2012	191	322	469	45	507	135	733	2,402
Accumulated depreciation								
Balance at 1 April 2011	101	240	287	36	117	109	582	1,472
Depreciation for the financial year	17	15	69	1	77	14	84	277
Disposals	–	–	–	–	–	–	(12)	(12)
Write-offs	(2)	–	–	–	–	–	(31)	(33)
Currency translation adjustment	–	–	(1)	–	–	–	(1)	(2)
Balance at 31 March 2012	116	255	355	37	194	123	622	1,702
Carrying amount								
Balance at 31 March 2012	75	67	114	8	313	12	111	700

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

	Group	
	2013	2012
	$'000	$'000
Motor vehicles	21	28

Finance leased assets are pledged as a security for the related finance lease payables (Note 15).

6. Investments in subsidiaries

	Company 2013 $'000	Company 2012 $'000
Unquoted equity shares, at cost	15,100	15,000
Allowance for impairment loss	(208)	(208)
	14,892	14,792

Incorporation of subsidiaries

On 10 September 2012, Jason Venture Pte. Ltd., a subsidiary, subscribed for 120,000 ordinary shares of $1 each in the issued and paid-up capital of Koden Singapore Pte. Ltd., a company incorporated in Singapore, for a cash consideration of $120,000 representing 60% equity interest in Koden Singapore Pte. Ltd.

On 18 February 2013, the Company incorporated a wholly-owned subsidiary, Jason Energy Pte. Ltd., a company incorporated in Singapore, for a cash consideration of $100,000.

Movement in allowance for impairment loss is as follows:

	Company 2013 $'000	Company 2012 $'000
Balance at beginning of financial year	208	–
Allowance made during the financial year	–	208
Balance at end of financial year	208	208

As at 31 March 2013, the Company carried out a review on the recoverable amount of its investments in subsidiaries. The review led to the recognition of an impairment loss of approximately $Nil (2012: $208,000) that has been recognised in profit or loss of the Company.

6. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation)	**Effective equity interest held**		**Principal activities**
	2013	**2012**	
	%	**%**	
Held by the Company			
Jason Electronics (Pte) Ltd[(1)] (Singapore)	100	100	Design, integration, installation and commissioning of radio, satellite communication and navigational systems
Jason Asia Pte Ltd[(1)] (Singapore)	100	100	Servicing of communication and navigational systems
Jason Venture Pte. Ltd.[(1)] (Singapore)	100	100	Investment holding company
Jason Energy Pte. Ltd.[(6)] (Singapore)	100	–	Sale and service of marine communication, navigation and automation systems
Held by Jason Venture Pte. Ltd.			
Jason Elektronik (M) Sdn. Bhd.[(2)] (Malaysia)	100	100	Trading and servicing of communication, navigation, and automation equipment
Jason (Shanghai) Co., Ltd[(3)] (People's Republic of China)	100	100	Sales and service of radio, satellite communication and navigation system
PT Jason Elektronika[(4)] (Indonesia)	99	99	Import trading, maintenance and support services of communication, navigation and automation equipment and spares
Jason Korea Co., Ltd.[(5)] (South Korea)	51	51	Manufacture, sales and service of marine offshore and industrial communication, navigation and automation systems
Baze Marine & Offshore Pte. Ltd.[(1)] (Singapore)	51	51	Marketing, sale, distribution and servicing of infotainment system manufactured under the "Bazeport" brand
Koden Singapore Pte. Ltd.[(1)] (Singapore)	60	–	Marketing, sale, distribution and servicing of marine electronics products
Held by Jason Asia Pte Ltd			
PT Jason Elektronika[(4)] (Indonesia)	1	1	Import trading, maintenance and support services of communication, navigation and automation equipment and spares

6. Investments in subsidiaries (Continued)

The details of the subsidiaries are as follows: (Continued)

(1) Audited by BDO LLP, Singapore
(2) Audited by UHY Diong, Chartered Accountants, Malaysia
(3) Audited by RSM China, Certified Public Accountants, People's Republic of China
(4) Audited by Tanubrata Sutanto Fahmi & Rekan, Indonesia, a member of BDO International Limited
(5) Audited by Daesung Tax Accounting Corp., South Korea
(6) Newly incorporated, no statutory audit requirement

7. Investments in associates

	Group 2013 $'000	Group 2012 $'000
Unquoted equity shares, at cost	158	158
Allowance for impairment loss	(55)	(55)
Share of post acquisition results	(24)	41
	79	144

The details of the associates are as follows:

Name of associates (Country of incorporation)	Effective equity interest held 2013 %	Effective equity interest held 2012 %	Principal activities
Jason Electronics (Thailand) Co., Ltd[(1)] (Thailand)	49	49	Sales and service of radio, satellite communications and navigational system
iPromar (Pte.) Ltd.[(2)] (Singapore)	25	25	Process plant and engineering services

(1) Audited by BDO Limited, Thailand, a member of BDO International Limited
(2) Audited by Akber Ali & Co., Certified Public Accountants, Singapore

The associates' financial year end is 31 December. For the purpose of applying the equity method of accounting, the financial statements of the associates for the financial year ended 31 March 2013 have been used. The summarised financial information of the associates, not adjusted for the proportion of ownership interest held by the Group are as follows:

	2013 $'000	2012 $'000
Assets and liabilities		
Total assets	1,354	992
Total liabilities	(1,223)	(611)
Results		
Revenue	1,655	930
Profit for the financial year	85	26

8. Available-for-sale financial assets

	Group	
	2013	2012
	$'000	$'000
Unquoted equity shares, at cost		
Balance at beginning of financial year	1,642	1,227
Additions	–	415
Allowance for impairment loss	(160)	(128)
Balance at end of financial year	1,482	1,514

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

Included in the above unquoted investments is an investment in Hyundai e-Marine Co., Ltd. ("e-Marine") amounting to approximately $1,227,000 (2012: $1,227,000) whereby under the shareholders' agreement with Hyundai BS&C Co., Ltd. ("HBS&C"), HBS&C has also granted a put option ("Put Option") to the Group in respect of the 23,486 common shares of e-Marine held. The Put Option, if exercised, will require HBS&C to acquire a part or all of the 23,486 common shares for KRW44,069 per share, plus interest accrued on the aggregate consideration at a rate of 5.38% per annum for the period from the date of the shareholders' agreement to the date the Put Option is exercised. The Put Option may be exercised during the period from 1 January 2017 to 31 December 2017.

As at 31 March 2013, the Group determined the recoverable amount of the available-for-sale financial assets using their net asset value as at the end of the reporting period. This led to a recognition of an impairment loss of approximately $32,000 (2012: $128,000) that has been recognised in profit or loss.

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

	Group	
	2013	2012
	$'000	$'000
Korean won	1,227	1,227
Chinese renminbi	204	204
Euro	41	41
Indian rupee	10	42
	1,482	1,514

9. Inventories

	Group	
	2013	2012
	$'000	$'000
Trading goods	4,433	5,674

The cost of inventories recognised as an expense and included in "cost of sales" line item in profit or loss was approximately $15,943,000 and $23,289,000 for the financial years ended 31 March 2013 and 2012 respectively.

During the financial year, the Group carried out a review of the realisable values of its inventories and the review led to the recognition of an allowance for inventory obsolescence of approximately $23,000 (2012: $389,000) that had been included in "other expenses" line item in profit or loss.

10. Trade and other receivables

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Non-current				
Other receivables – third party	589	–	–	–
Advance to staff	–	123	–	–
	589	123	–	–
Current				
Trade receivables				
- third parties	13,855	12,331	–	–
- an associate	39	69	–	–
	13,894	12,400	–	–
Allowance for doubtful trade receivables – third parties	(586)	(493)	–	–
	13,308	11,907		–
Non-trade receivables				
- third parties	453	1,021	5	1
- subsidiaries	–	–	70	56
- an associate	20	21	–	–
	473	1,042	75	57
Security and other deposits	71	52	–	–
Advances to suppliers	262	160	–	–
Advance to staff	125	71	–	–
	14,239	13,232	75	57
Total trade and other receivables	14,828	13,355	75	57
Add:				
- cash and cash equivalents	13,465	11,916	4,050	3,828
Total loans and receivables	28,293	25,271	4,125	3,885

Trade receivables are unsecured, interest-free and generally on 30 to 90 (2012: 30 to 90) days credit terms.

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

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

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

10. Trade and other receivables (Continued)

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

	Group	
	2013	2012
	$'000	$'000
In the second year	–	71
In the third year	–	52
	–	123

The non-current other receivable and advance to staff approximate their fair value.

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

	Group	
	2013	2012
	$'000	$'000
Balance at beginning of financial year	493	478
Allowance made during the financial year	154	106
Write-back of allowance during the financial year	(12)	(46)
Allowance written off during the financial year	(49)	(45)
Balance at end of financial year	586	493

Allowance for doubtful third parties trade receivables of approximately $154,000 (2012: $106,000) was recognised in profit or loss subsequent to a debt recovery assessment performed during the financial year.

The write-back of allowance for doubtful trade receivables amounting to approximately $12,000 (2012: $46,000) was recognised in profit or loss when the related trade receivables were subsequently recovered.

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Singapore dollar	8,293	6,017	75	57
United States dollar	5,955	6,419	–	–
Norwegian kroner	122	110	–	–
Euro	113	585	–	–
Chinese renminbi	107	68	–	–
Korean won	78	14	–	–
Japanese yen	67	–	–	–
Ringgit Malaysia	60	71	–	–
Others	33	71	–	–
	14,828	13,355	75	57

11. Derivative financial instruments

	Group	
	2013	2012
	$'000	$'000
Assets/(Liabilities)		
Foreign currency forward contracts	(67)	89

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

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

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

	Group	
	2013	2012
	$'000	$'000
Foreign currency forward contracts	3,940	8,863

As at 31 March 2013, the fair value loss of the forward currency contracts is estimated to be approximately of $67,000 (2012: gain of $89,000). These amounts are based on quoted market prices for equivalent forward currency contracts at the end of the reporting period.

12. Cash and cash equivalents

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Fixed deposits	7,236	5,571	4,011	3,721
Cash and bank balances	6,229	6,345	39	107
	13,465	11,916	4,050	3,828

Fixed deposits are placed for one week to six months (2012: one week to three months) from the end of the reporting period and the effective interest rates on the fixed deposits were 0.185% to 3.880% (2012: 0.050% to 0.800%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Singapore dollar	7,043	8,511	4,050	3,828
United States dollar	5,325	2,385	–	–
Euro	346	518	–	–
Ringgit Malaysia	323	322	–	–
Indonesian rupiah	231	51	–	–
Chinese renminbi	80	75	–	–
Others	117	54	–	–
	13,465	11,916	4,050	3,828

13. Trade and other payables

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Trade payables				
- third parties	5,094	4,253	–	–
- non-controlling interests	369	26	–	–
	5,463	4,279	–	–
Non-trade payables				
- third parties	473	267	16	15
- non-controlling interest	56	29	–	–
	529	296	16	15
Accrued operating expenses	1,738	2,251	220	186
Customers' deposits	1,218	1,138	–	–
Total trade and other payables	8,948	7,964	236	201
Add:				
- finance lease payables	9	19	–	–
Total financial liabilities carried at amortised cost	8,957	7,983	236	201

Trade payables are unsecured, interest-free and repayable within the normal trade credit terms of 30 to 120 (2012: 30 to 120) days.

The trade amounts due to non-controlling interests are unsecured, interest-free and repayable within the normal credit terms.

The non-trade amount due to a non-controlling interest is unsecured, bears interest at 1% per annum and repayable by 4 January 2014.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Singapore dollar	4,295	2,502	236	201
United States dollar	2,912	2,025	–	–
Euro	611	470	–	–
Norwegian kroner	566	986	–	–
Chinese renminbi	299	1,296	–	–
Korean won	151	122	–	–
British pound	47	31	–	–
Japanese yen	16	5	–	–
Ringgit Malaysia	8	497	–	–
Others	43	30	–	–
	8,948	7,964	236	201

14. Advance billings

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

15. Finance lease payables

Group	Minimum lease payments $'000	Future finance charges $'000	Present value of minimum lease payments $'000
2013			
Within one financial year	9	–*	9
2012			
Within one financial year	11	(1)	10
After one financial year but within five financial years	9	–*	9
	20	(1)	19

** - denotes amounts less than $1,000*

The finance lease term is for 3 years (2012: 3 years). The effective interest rate charged during the financial year is 3.81% (2012: 3.81% to 6.00%) per annum.

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

As at the end of the reporting period, the fair values of the Group's finance lease obligations approximate its carrying amounts.

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

The finance lease payables are denominated in Singapore dollar.

16. Deferred tax assets/(liabilities)

	Group	
	2013 $'000	2012 $'000
Deferred tax assets		
Balance at beginning of financial year	5	–
(Charged)/Credited to profit or loss	(2)	5
Balance at end of financial year	3	5
Deferred tax liabilities		
Balance at beginning of financial year	–	61
Charged/(Credited) to profit or loss	131	(61)
Balance at end of financial year	131	–

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%.

17. Share capital

	Group and Company			
	2013	2012	2013	2012
	Number of ordinary shares		$'000	$'000
	'000	'000		
Issued and fully-paid				
Balance at beginning and end of financial year	106,000	106,000	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.

18. Foreign currency translation reserve

The foreign currency translation reserve 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	
	2013	2012
	$'000	$'000
Sale of goods	27,462	33,965
Rendering of services	7,672	8,954
Airtime revenue	2,762	1,532
	37,896	44,451

20. Other income

	Group	
	2013	2012
	$'000	$'000
Cancellation fees	11	187
Dividend income from available-for-sale financial assets	–	10
Gain on disposals of plant and equipment	26	–
Government grants	144	145
Write-back of allowance for doubtful third parties trade receivables no longer required	12	46
Sundry income	133	30
	326	418

21. Finance costs

	Group 2013 $'000	Group 2012 $'000
Interest expense		
- finance leases	1	1
- trust receipts	–	36
	1	37

22. Profit before income tax

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

	Group 2013 $'000	Group 2012 $'000
Cost of sales		
Depreciation of plant and equipment	95	48
Distribution costs		
Entertainment	261	251
Transportation and travelling	239	214
General and administrative expenses		
Amortisation of intangible asset	183	184
Audit fees		
- auditors of the Company	67	65
- other auditors	24	13
Non-audit fees		
- auditors of the Company	–	–
- other auditors	–	–
Depreciation of plant and equipment	213	229
Legal and professional fees	653	771
Operating lease expenses		
- rental of office equipment	31	31
- rental of office	674	588
Other expenses		
Allowance for doubtful third parties trade receivables	154	106
Allowance for impairment loss on available-for-sale financial assets	32	128
Changes in fair value of derivative financial instruments	156	(82)
Foreign exchange loss, net	87	104
Loss on disposal of an associate	–	2

22. Profit before income tax (Continued)

The profit before income tax also includes:

	Group	
	2013	2012
	$'000	$'000
Employee benefits expense		
Salaries, wages and bonuses	9,372	10,564
Contributions to defined contribution plans	904	1,040
Other employee benefits	184	226
	10,460	11,830

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

	Group	
	2013	2012
	$'000	$'000
Cost of sales	3,915	4,324
Distribution costs	4,201	4,912
General and administrative expenses	2,344	2,594
	10,460	11,830

The employee benefits expense include the remuneration of Directors as shown in Note 27 to the financial statements.

23. Income tax expense

	Group	
	2013	2012
	$'000	$'000
Current income tax		
- current financial year	30	169
- under provision in prior financial years	2	8
	32	177
Deferred income tax		
- current financial year	9	–
- under/(over) provision in prior financial years	124	(66)
	133	(66)
Total income tax expense recognised in profit or loss	165	111

Domestic income tax is calculated at 17% (2012: 17%) of the estimated assessable profit for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the relevant jurisdictions.

23. Income tax expense (Continued)

The income tax expense varied from the amount of income tax expense determined by applying the Singapore statutory income tax rate of 17% (2012: 17%) to profit before income tax as a result of the following differences:

Reconciliation of effective income tax rate

	Group	
	2013	**2012**
	$'000	**$'000**
Profit before income tax	581	1,399
Share of results of associates	65	(14)
	646	1,385
Income tax calculated at Singapore's statutory income tax rate of 17%	110	235
Effect of different income tax rate in other countries	(36)	(51)
Expenses not deductible for income tax purposes	178	180
Income not subject to income tax	(46)	(181)
Tax exemption	(23)	(26)
Enhanced tax deduction	(235)	(282)
Deferred tax assets not recognised	89	301
Under provision of current income tax in prior financial years	2	8
Under/ (Over) provision of deferred income tax in prior financial years	124	(66)
Others	2	(7)
	165	111

As at 31 March 2013, the Group has unabsorbed capital allowances and unutilised tax losses amounting to approximately $49,000 (2012: $18,000) and $1,826,000 (2012: $1,401,000) respectively, which are subject to agreement with the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Company and its subsidiaries operate.

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

24. Earnings per share

The calculation for the basic and diluted earnings per share attributable to the owners of the parent is based on the following data:

	Group	
	2013	**2012**
Earnings		
Earnings for the purpose of basic and diluted earnings per share (profit for the financial year attributable to owners of the parent) ($'000)	517	1,389
Number of shares		
Actual number of ordinary shares for the purpose of basic and diluted earnings per share ('000)	106,000	106,000
Earnings per share (in cents)		
Basic and diluted	0.49	1.31

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.

25. Dividends

	Group and Company	
	2013	**2012**
	$'000	**$'000**
First and final tax-exempt dividend of 0.20 cents (2012: 0.10 cents) per share in respect of the previous financial year	212	106

The Directors of Company recommend a first and final tax-exempt dividend of 0.20 cents (2012: 0.20 cents) per share amounting to a total of $212,000 (2012: $212,000) be paid in respect of the current financial year ended 31 March 2013. This dividend has not been recognised as a liability at the end of the reporting period as it is subject to approval by shareholders at the Annual General Meeting of the Company.

26. Operating lease commitments

Group as a lessee

As at the end of the reporting period, commitments in respect of non-cancellable operating leases in respect of the office premise and office equipment are as follows:

	Group	
	2013	**2012**
	$'000	**$'000**
Not later than one financial year	592	540
After one financial year but not later than five financial years	137	122
	729	662

The disclosed 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 5 (2012: 1 to 5) years, with an option to renew the lease for another 1 (2012: 1) year.

27. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint ventures of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

	Group		Company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Related parties				
Rental of office premises from related parties	274	236	–	–
Associate				
Sales	345	187	–	–
Purchases	223	–	–	–
Sub-contract charges	43	30	–	–
Loan disbursement	–	20	–	–
Non-controlling interests				
Sales	40	–	–	–
Purchases	1,311	66	–	–
Commission income	17	–	–	–
Loan disbursement	26	30	–	–
Subsidiary				
Dividends received from a subsidiary	–	–	1,000	–

27. Significant related party transactions (Continued)

Compensation of key management personnel

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

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Short-term benefits	715	793	–	–
Post-employment benefits	13	5	–	–
Directors' fees	155	155	155	155
	883	953	155	155

28. 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, Southeast Asia other than Singapore 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 satelite 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.

28. Segment information (Continued)

2013	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Adjustments and eliminations $'000	Total $'000
Revenue						
External revenue	27,462	7,672	2,762	–	–	37,896
Inter-segment revenue	607	943	–	–	(1,550)	–
	28,069	8,615	2,762	–	(1,550)	37,896
Results						
Interest income	17	4	1	104	(43)	83
Interest expense	(1)	–	–	(44)	44	(1)
Depreciation of plant and equipment	(183)	(75)	(21)	(29)	–	(308)
Amortisation of intangible asset	–	–	–	(183)	–	(183)
Share of results of associates	–	–	–	–	(65)	(65)
Other non-cash expenses:						
- allowance for doubtful third parties trade receivables	(33)	(121)	–	–	–	(154)
- allowance for inventory obsolescence	(18)	(5)	–	–	–	(23)
- allowance for impairment loss on available-for-sale financial assets	–	–	–	(32)	–	(32)
Segment profit	732	411	382	(82)	(862)	581
Capital expenditure						
Plant and equipment	307	114	30	1	–	452
Intangible asset	–	–	–	9	–	9
Assets and liabilities						
Segment assets	25,684	7,286	2,145	20,750	(22,031)	33,834
Available-for-sale financial assets	–	–	–	1,486	(4)	1,482
Investments in associates	–	–	–	103	(24)	79
						35,395
Segment liabilities	8,431	3,905	743	4,358	(7,003)	10,434
Current income tax payable	65	21	10	1	–	97
						10,531

28. Segment information (Continued)

2012	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Adjustments and eliminations $'000	Total $'000
Revenue						
External revenue	33,965	8,954	1,532	–	–	44,451
Inter-segment revenue	130	632	1	–	(763)	–
	34,095	9,586	1,533	–	(763)	44,451
Results						
Interest income	11	2	1	90	(42)	62
Interest expense	(36)	–	–	(43)	42	(37)
Depreciation of plant and equipment	(162)	(76)	(3)	(36)	–	(277)
Amortisation of intangible asset	–	–	–	(184)	–	(184)
Share of results of associates	–	–	–	–	14	14
Other non-cash expenses:						
- allowance for doubtful third parties trade receivables	(53)	(21)	(32)	–	–	(106)
- allowance for inventory obsolescence	(308)	(81)	–	–	–	(389)
- allowance for impairment loss on available-for-sale financial assets	–	–	–	(128)	–	(128)
Segment profit	908	1,084	247	(1,344)	504	1,399
Capital expenditure						
Plant and equipment	210	31	4	30	–	275
Assets and liabilities						
Segment assets	24,915	6,873	895	20,504	(21,008)	32,179
Available-for-sale financial assets	–	–	–	1,518	(4)	1,514
Investments in associates	–	–	–	103	41	144
						33,837
Segment liabilities	7,380	3,257	294	4,102	(6,002)	9,031
Current income tax payable	164	38	9	–	–	211
						9,242

28. Segment information (Continued)

Geographical information

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

	Group	
	2013	**2012**
	$'000	**$'000**
Revenue from external customers		
Singapore	19,976	23,205
People's Republic of China	7,391	10,180
Southeast Asia other than Singapore	5,152	5,665
Others	5,377	5,401
	37,896	44,451
Non-current assets		
Singapore	826	1,136
People's Republic of China	38	23
Southeast Asia other than Singapore	102	88
Others	601	15
	1,567	1,262

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

Major customer

During the financial year, revenue from one customer amounting to approximately $Nil (2012: $5,256,000) under sale of goods segment, represents approximately Nil% (2012: 12%) of total revenue.

29. Financial instruments, financial risks and capital management

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

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

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure these risks. Market risk exposure are measured using sensitivity analysis indicated below.

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

29.1 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 five (2012: five) trade receivables from third parties amounting to approximately $3,579,000 (2012: $3,332,000) as at the end of the reporting period. The Company has significant credit exposure arising from the non-trade amounts due from subsidiaries amounting to approximately $70,000 (2012: $56,000) as at the end of the reporting period.

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

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

Cash and cash equivalents are deposits with reputable banks.

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 recorded credit terms. 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	
	2013	**2012**
	$'000	**$'000**
Past due 0 to 1 month	2,392	2,075
Past due 1 to 2 months	1,121	692
Past due 2 to 3 months	267	436
Past due over 3 months	1,870	3,324

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

The 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.

In relation to the financial guarantees issued by the Company on behalf of its subsidiaries, the credit risk, being the principal risk to which the Company is exposed, represents the loss that would be recognised upon a default by the subsidiaries. As at 31 March 2013, the Company has provided corporate guarantees to banks for facilities granted to subsidiaries and an associate amounting to approximately $2,230,000 (2012: $641,000). 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.

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 the reporting period.

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

29.2 Market risk

(i) Foreign exchange risk management

Foreign currency risk arises from transactions denominated in currencies other than the functional currency of the entities within the Group. The currencies that give rise to this risk are primarily United States dollar, Euro, Chinese renminbi and Norwegian kroner. 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	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
United States dollar	11,280	8,804	2,912	2,025
Euro	459	1,103	611	470
Chinese renminbi	187	143	299	1,296
Norwegian kroner	122	110	566	986

Foreign currency sensitivity analysis

The Group is mainly exposed to United States dollar and Euro.

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

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

29.2 Market risk (Continued)

(i) Foreign exchange risk management (Continued)

Foreign currency sensitivity analysis (Continued)

	Group Profit or Loss	
	2013	**2012**
	$'000	**$'000**
United States dollar		
Strengthened against Singapore dollar	418	339
Weakened against Singapore dollar	(418)	(339)
Euro		
Strengthened against Singapore dollar	(8)	32
Weakened against Singapore dollar	8	(32)

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

(ii) Interest rate risk management

The Group's exposure to market risk for changes in interest rates relates primarily to fixed deposits as shown in Note 12 to the financial statements.

The Group's exposure to interest rate risks is set out in a table below under liquidity risk.

29.3 Liquidity risk

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

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

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

29.3 Liquidity risk (Continued)

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.

	2013			2012		
	One year or less	One to five years	Total	One year or less	One to five years	Total
Group	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets						
Trade and other receivables	14,253	613	14,866	13,235	126	13,361
Cash and cash equivalents	13,612	–	13,612	11,940	–	11,940
Total undiscounted financial assets	27,865	613	28,478	25,175	126	25,301
Financial liabilities						
Trade and other payables	8,948	–	8,948	7,964	–	7,964
Finance lease payables	9	–	9	11	9	20
Total undiscounted financial liabilities	8,957	–	8,957	7,975	9	7,984
Total net undiscounted financial assets	18,908	613	19,521	17,200	117	17,317
Company						
Financial assets						
Other receivables	75	–	75	57	–	57
Cash and cash equivalents	4,076	–	4,076	3,848	–	3,848
Total undiscounted financial assets	4,151	–	4,151	3,905	–	3,905
Financial liabilities						
Other payables	236	–	236	201	–	201
Total undiscounted financial liabilities	236	–	236	201	–	201
Total net undiscounted financial assets	3,915	–	3,915	3,704	–	3,704

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

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

29.4 Capital management policies and objectives

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

The management constantly reviews the capital structure to ensure the Group and the Company are able to service any debt obligations based on their operating cash flows. The Group's and the Company's overall strategy remains unchanged from 2012.

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

The gearing ratio of the Group and Company as at 31 March 2013 and 2012 are not disclosed as it is not meaningful because the cash and cash equivalents is higher than all the Group's and the Company's liabilities respectively.

The Group is not subject to externally imposed capital requirements for the financial years ended 31 March 2013 and 31 March 2012.

29.5 Fair value of financial assets and financial liabilities

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

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

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

Fair value hierarchy

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

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

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

29.5 Fair value of financial assets and financial liabilities (Continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2013				
Assets				
Available-for-sale financial assets	–	–	1,482	1,482
Liabilities				
Derivative financial instruments	–	67	–	67
2012				
Assets				
Available-for-sale financial assets	–	–	1,514	1,514
Derivative financial instruments	–	89	–	89
	–	89	1,514	1,603

Shareholding Statistics

As at 17 June 2013

ISSUED AND FULLY PAID-UP CAPITAL	:	S$17,966,654
NO. OF SHARES ISSUED	:	106,000,000
CLASS OF SHARES	:	ORDINARY SHARES WITH EQUAL VOTING RIGHTS
NO. OF TREASURY SHARES	:	NIL

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1 – 999	0	0.00	0	0.00
1,000 – 10,000	171	44.19	1,069,000	1.01
10,001 – 1,000,000	210	54.26	12,210,000	11.52
1,000,001 & ABOVE	6	1.55	92,721,000	87.47
TOTAL	387	100.00	106,000,000	100.00

TOP TWENTY SHAREHOLDERS

NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
FOO CHEW TUCK	81,300,000	76.70
TAN FUH GIH	5,000,000	4.72
SIRIUS VENTURE CAPITAL PTE LTD	3,000,000	2.83
PHILLIP SECURITIES PTE LTD	1,219,000	1.15
THOMAS TAN SOON SENG (THOMAS CHEN SHUNCHENG)	1,182,000	1.12
TAN LIAN HUAT	1,020,000	0.96
UNITED OVERSEAS BANK NOMINEES PTE LTD	574,000	0.54
PANG YOKE MIN	500,000	0.47
LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	400,000	0.38
TENG CHAI HAI	400,000	0.38
RAFFLES NOMINEES (PTE) LTD	385,000	0.36
TAY SOCK NGING	360,000	0.34
GOH CHAI SIN	300,000	0.28
OCBC SECURITIES PRIVATE LTD	282,000	0.27
YEAP LAM YANG	250,000	0.24
WOON SEOW GEK AGNES	200,000	0.19
LIM LI SEAH	196,000	0.18
CIMB SECURITIES (S'PORE) PTE LTD	188,000	0.18
LEE GEOK LOY	170,000	0.16
UOB KAY HIAN PTE LTD	167,000	0.16
TOTAL	97,093,000	91.61

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 17 June 2013, approximately 19.51% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Rules of Catalist issued by the Singapore Exchange Securities Trading Limited is complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Jason Marine Group Limited (the "Company") will be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Thursday, 25 July 2013 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2013 and the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To declare a first and final one-tier tax exempt dividend of 0.2 Singapore cent per share in respect of the financial year ended 31 March 2013. **(Resolution 2)**

3. To approve the Directors' fees of S$155,000 for the financial year ended 31 March 2013. (2012: S$155,000) **(Resolution 3)**

4. To re-elect Mr Foo Chew Tuck, a Director retiring under Article 98 of the Articles of Association of the Company. **(Resolution 4)**

5. To re-elect Mr Eugene Wong Hin Sun, a Director retiring under Article 98 of the Articles of Association of the Company.
[See Explanatory Note 1] **(Resolution 5)**

6. To re-appoint Mr Sin Hang Boon as a Director of the Company, who is retiring pursuant to Section 153(6) of the Companies Act, Chapter 50 (the "**Companies Act**"), to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.
[See Explanatory Note 2] **(Resolution 6)**

7. To re-appoint Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

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

(4) (unless revoked or varied by the Company in a general meeting) the authority so conferred shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier."
[See Explanatory Note 3] **(Resolution 8)**

9. **AUTHORITY TO ALLOT AND ISSUE SHARES UNDER THE JASON EMPLOYEE SHARE OPTION SCHEME**

"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 shares in the share capital of the Company pursuant to the exercise of options granted in accordance with the provisions of the Jason Employee Share Option Scheme (the "**ESOS**"), provided always that the aggregate number of the ESOS Shares shall not exceed fifteen 15% of the total number of issued Shares (excluding treasury shares) of the Company from time to time."
[See Explanatory Note 4] **(Resolution 9)**

10. **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 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 ordinary Shares to be allotted and issued pursuant to the PSP shall not exceed 15% of the total number of issued Shares (excluding treasury shares)."
[See Explanatory Note 5] **(Resolution 10)**

11. **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 hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

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

(b) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the Catalist 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 annual general meeting of the Company ("**AGM**") 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 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, in which event the total number of Shares shall be taken to be the total number of Shares as altered. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit;

"**Relevant Period**" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; 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 (as defined hereinafter), 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 Days 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 6] **(Resolution 11)**

12. **OTHER BUSINESS**

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

BY ORDER OF THE BOARD

Foo Hui Min
Pan Mi Keay
Company Secretaries
10 July 2013

Notice of Annual General Meeting

NOTES:

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

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

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

4) The instrument appointing a proxy must be deposited at the registered office of the Company at 194 Pandan Loop, #06-05 Pantech Business Hub, Singapore 128383 not later than 48 hours before the time appointed for the Meeting.

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

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

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

3. Ordinary Resolution 8, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting, to allot and issue shares in the capital of the Company and/or Instruments (as defined above). The aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted) which the Directors may issue under this Resolution would not exceed 100% of the issued share capital of the Company at the time of passing this Resolution. For issue of shares and convertible securities other than on a pro-rata basis, the aggregate number of shares and convertible securities to be issued shall not exceed 50% of the issued share capital of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or by the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

4. Ordinary Resolution 9, if passed, will empower the Directors to offer and grant options in accordance with the provisions of the ESOS and to allot and issue new shares in the Company for the exercise of any options already granted and accepted under the ESOS. The aggregate number of new ordinary shares to be issued pursuant to the ESOS, when added to the aggregate number of new ordinary shares issued under any other share-based incentive scheme or plan for the time being in force, must not exceed 15% of the total number of issued Shares (excluding treasury shares) in the share capital of the Company.

5. Ordinary Resolution 10, if passed, will empower the Directors to grant share awards in accordance with the PSP and allot and issue new shares in the Company pursuant to the vesting of awards under the PSP up to a number not exceeding 15% of the total number of issued Shares (excluding treasury shares) in the share capital of the Company. The aggregate number of new ordinary shares to be issued pursuant to the PSP, when added to the aggregate number of new ordinary shares issued under any other share-based incentive scheme or plan for the time being in force, must not exceed 15% of the total number of issued Shares (excluding treasury shares) in the share capital of the Company.

6. Ordinary Resolution 11, if passed, will empower the Directors of the Company from the date of the above meeting until the date of the next Annual General Meeting to purchase or acquire up to 10% of the issued Shares of the Company as at the date of the passing of this Resolution. Details of the proposed Share Buyback Mandate are set out in the Appendix to this Notice of Annual General Meeting.

   (i) As at the date of this Notice, the Company has not purchased any share by way of market acquisition for cancellation.

   (ii) The amount of financing required for the Company to further purchase or acquire its shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as this will depend on the number of the shares purchased or acquired and the price at which such shares were purchased or acquired.

   (iii) The financial effects of the purchase or acquisition of shares by the Company pursuant to the proposed Share Buyback Mandate on the Group's audited financial statements for the financial year ended 31 March 2013 are set out in the Appendix to this Notice of Annual General Meeting and are for illustration only.

Appendix

PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

1. **INTRODUCTION**

1.1 Jason Marine Group Limited (the "**Company**") proposes to seek approval of 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 Thursday, 25 July 2013 at 11.30 a.m. ("**2013 AGM**") for the proposed renewal of share buyback mandate to authorise the directors from time to time to purchase or acquire shares in the capital of the Company (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 Articles of Association of the Company and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") as set out in the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") (the "**Share Buyback Mandate**").

1.2 The Shareholders of the Company had at the Annual General Meeting ("**AGM**") held on 24 July 2012, approved the Share Buyback Mandate ("**2012 Mandate**") for the Directors to exercise all the powers of the Company to purchase or acquire up to 10% of the issued ordinary share capital of the Company on the terms of that Mandate.

1.3 The 2012 Mandate will expire on the date of the forthcoming 2013 AGM. If the proposed resolution for the renewal of Share Buyback Mandate is approved at the 2013 AGM, the 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 Share Buyback Mandate.

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

2.1 Rationale

The renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its ordinary shares in the issued and paid-up share capital of the Company ("**Shares**") would give the Company the flexibility to undertake Share purchases or acquisitions 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 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 share-based incentive scheme and plan, namely the Jason Employee Share Option Scheme (the "**ESOS**") and 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 Shares to participants under the ESOS and 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 to have 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.

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 requires at least 10% of the total number of issued Shares (excluding treasury shares) in a class that is listed at all times held by the public.

2.2 Authority and Limits on the Share Buyback Mandate

The authority and limitations placed on share purchase or acquisitions of Shares under the Share Buyback Mandate, if renewed at the AGM, are substantially similar in terms to those previously approved by Shareholders at the AGM held on 24 July 2012, 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 of the Company (ascertained as at the date of the AGM held on 24 July 2012 or at the date of the forthcoming 2013 AGM at which the renewal of the Share Buyback Mandate is approved, whichever is higher), 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 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. As at the Latest Practicable Date, the Company does not hold any treasury shares.

Based on 106,000,000 Shares in issued as at 21 June 2013 (the "**Latest Practicable Date**"), 20,680,000 Shares (approximately 19.51%) are held by the public. The Company is of the view that there are sufficient number of Shares in issue held by public shareholders, which would permit the Company to undertake share purchases or acquisition up to 10% of its issued Shares without affecting the listing status of the Shares on the Catalist.

2.2.2 Duration of Authority

Unless varied or revoked by the Company in general meeting, purchases or acquisitions of Shares pursuant to the Proposed Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the forthcoming 2013 AGM, at which the renewal of Share Buyback is approved, up to the earliest of:

(a) the date on which the next AGM 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 proposed Share Buyback Mandate are carried out to the full extent mandated; or

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

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed at the next AGM (after the 2013 AGM) or an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. 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 made 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.

2.2.3 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 Catalist 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 Catalist 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 Articles of Association, 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, 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 share purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(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 (as defined hereinafter),

(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, preceding the day on which the purchase or acquisition of Shares was made, or as the case may be, the date 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 Days 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.

2.3 Sources of funds

The Company may only apply funds legally available for the purchase or acquisition of its Shares as provided in the Articles of Association 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:

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

(ii) 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.

(iii) 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.

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

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees' share scheme;
- (c) 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;
- (d) cancel the treasury shares (or any of them); or
- (e) 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 the Options granted under the Jason Employee Share Option Scheme or the Awards under the Jason Performance Share Plan.

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 Catalist 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 ordinary 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.

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 NTA and EPS of the Company and the Group as the resultant effect 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 (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) 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.

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 2013 and based on the assumptions set out below:

(a) based on 106,000,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2013 AGM, not more than 10,600,000 Shares (representing 10% of the total number of issued Shares (excluding treasury shares) as at that date) 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 10,600,000 Shares at the Maximum Price of S$0.152 (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 Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 10,600,000 Shares (excluding related expenses) is approximately S$1.6 million; and

(c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 10,600,000 Shares at the Maximum Price of S$0.174 (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 Catalist immediately preceding the Latest practicable Date), the maximum amount of funds required for the purchase of the 10,600,000 Shares (excluding related expenses) is approximately S$1.8 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 2013 and external borrowings;

(ii) the Share Buyback Mandate had been effective on 1 April 2012; and

(iii) the Company had purchased or acquired 10,600,000 Shares (representing 10% of its total number of issued Shares at the Latest Practicable Date) on the Latest Practicable Date,

the financial effects of the purchase or acquisition of the 10,600,000 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,

on the audited financial statements of the Group and the Company for the financial year ended 31 March 2013 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 2013	**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	3	3	3	–	–	–
Accumulated profits	6,987	6,987	6,987	840	840	840
Treasury shares	–	(1,611)	(1,844)	–	(1,611)	(1,844)
Equity attributable to the owners of the parent	24,957	23,346	23,113	18,807	17,196	16,963
NTA[1]	24,748	23,137	22,904	18,807	17,196	16,963
Cash and cash equivalents	13,465	11,854	11,621	4,050	2,439	2,206
Current assets	32,346	30,735	30,502	4,152	2,541	2,308
Current liabilities	10,400	10,400	10,400	237	237	237
Working capital	21,946	20,335	20,102	3,915	2,304	2,071
Total Borrowings[2]	9	9	9	–	–	–
Profit for the financial year	416	416	416	530	530	530
Number of issued Shares ('000)	106,000	106,000	106,000	106,000	106,000	106,000
Treasury shares ('000)	–	10,600	10,600	–	10,600	10,600
Number net of treasury shares ('000)	106,000	95,400	95,400	106,000	95,400	95,400
Financial Ratios						
NTA per Share (cents)[3]	23.3	24.3	24.0	17.7	18.0	17.8
EPS (cents)[4]	0.4	0.4	0.4	0.5	0.6	0.6
Current ratio (times)[5]	3.1	3.0	2.9	17.5	10.7	9.7
Gearing ratio (times)[6]	–*	–*	–*	–	–	–
Return on equity (%)[7]	1.7	1.8	1.8	2.8	3.1	3.1

*Negligible

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 106,000,000 Shares in issue as at the Latest Practicable Date less treasury shares.
(4) For illustrative purpose, EPS is calculated based on 106,000,000 Shares in issue as at the Latest Practicable Date less treasury shares.
(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.

Scenario 2: Purchases made out of capital and cancelled

As at 31 March 2013	Group: Before Share Buyback (S$'000)	Group: After Share Buyback assuming Market Purchase (S$'000)	Group: After Share Buyback assuming Off-Market Purchase (S$'000)	Company: Before Share Buyback (S$'000)	Company: After Share Buyback assuming Market Purchase (S$'000)	Company: After Share Buyback assuming Off-Market Purchase (S$'000)
Share Capital	17,967	17,967	17,967	17,967	17,967	17,967
Reserves	3	(1,608)	(1,841)	–	(1,611)	(1,844)
Accumulated profits	6,987	6,987	6,987	840	840	840
Equity attributable to the owners of the parent	24,957	23,346	23,113	18,807	17,196	16,963
NTA[1]	24,748	23,137	22,904	18,807	17,196	16,963
Cash and cash equivalents	13,465	11,854	11,621	4,050	2,439	2,206
Current assets	32,346	30,735	30,502	4,152	2,541	2,308
Current liabilities	10,400	10,400	10,400	237	237	237
Working capital	21,946	20,335	20,102	3,915	2,304	2,071
Total Borrowings[2]	9	9	9	–	–	–
Profit for the financial year	416	416	416	530	530	530
Number of issued Shares ('000)	106,000	95,400	95,400	106,000	95,400	95,400
<u>Financial Ratios</u>						
NTA per Share (cents)[3]	23.3	24.3	24.0	17.7	18.0	17.8
EPS (cents)[4]	0.4	0.4	0.4	0.5	0.6	0.6
Current ratio (times)[5]	3.1	3.0	2.9	17.5	10.7	9.7
Gearing ratio (times)[6]	–*	–*	–*	–	–	–
Return on equity (%)[7]	1.7	1.8	1.8	2.8	3.1	3.1

*Negligible

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 106,000,000 Shares in issue as at the Latest Practicable Date less treasury shares.
(4) For illustrative purpose, EPS is calculated based on 106,000,000 Shares in issue as at the Latest Practicable Date less treasury shares.
(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.

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 2013, 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), 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 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 20,680,000 Shares, representing 19.51% of the issued Shares (excluding treasury shares), 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 Take-over Code implications under the Singapore Code on Takeover and Mergers

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to make a take-over offer

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.

2.9.2 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.

2.9.3 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. 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.

2.9.4 Share buybacks in the previous 12 months

The Company has not purchased or acquired any Shares during the 12-month period immediately preceding the Latest Practicable Date.

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	76.70
Tan Lian Huat	1,020,000	–	–	–	1,020,000	0.96
Wong Hin Sun Eugene [3]	–	–	3,000,000	–	3,000,000	2.83
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**") [3]	3,000,000	–	–	–	3,000,000	2.83

Notes:

(1) The percentage is calculated based on the total issued and paid-up share capital of 106,000,000 Shares as at the Latest Practicable Date.
(2) As at the Latest Practicable Date, no options under the ESOS have been granted.
(3) 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. 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 11 as set out in the Notice of AGM relating to the proposed renewal of the Share Buyback Mandate.

Appendix

5. ANNUAL GENERAL MEETING

The 2013 AGM, notice of which is set out on pages 71 to 75 of the Annual Report 2013 of the Company, will be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Thursday, 25 July 2013 at 11.30 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 2013 AGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2013 AGM and wish to appoint a proxy to attend and vote at the 2013 AGM on their behalf must complete, sign and return the Proxy Form attached to the Annual Report 2013 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 2013 AGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2013 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 2013 AGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the 2013 AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm that, having made all reasonable enquiries, 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.

8. 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 AGM:

(a) the Memorandum and Articles of Association of the Company;

(b) the proposed rules of the Jason Performance Share Plan; and

(c) the Annual Report of the Company for the financial year ended 31 March 2013.

9. DISCLAIMER

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 relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this 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 announcement.

The contact person for the Sponsor is Mr Benjamin Choy, Director, Corporate Finance. The contact particulars are 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

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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 to buy Jason Marine Group Limited's shares, this Annual Report 2013 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

I / We, ____

of ____

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

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

and/or (delete where appropriate)

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

as my/our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Thursday, 25 July 2013 at 11.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

Resolution No.	**Ordinary Resolutions**	**For**	**Against**
1.	Adoption of Reports of the Directors and the Auditors and Audited Financial Statements for the financial year ended 31 March 2013.		
2.	To declare a first and final one-tier tax exempt dividend of 0.2 Singapore cent per share in respect of the financial year ended 31 March 2013.		
3.	Approval of Directors' fees of S$155,000 for the financial year ended 31 March 2013.		
4.	Re-election of Mr Foo Chew Tuck as Director.		
5.	Re-election of Mr Eugene Wong Hin Sun as Director.		
6.	Re-appointment of Mr Sin Hang Boon as Director.		
7.	Re-appointment of Messrs BDO LLP as Auditors.		
8.	Authority to allot and issue shares.		
9.	Authority to allot and issue Shares under the Jason Employee Share Option Scheme.		
10.	Authority to allot and issue shares under the Jason Performance Share Plan.		
11.	Proposed renewal of the share buyback mandate.		

Dated this __________ day of ____________________ 2013

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

Fold this flap for sealing

Affix Postage
Stamp here
STAMP

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

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Notes:-

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

Jason Marine Group Limited
Co. Reg. No. 200716601W

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