DEFINING OUR FUTURE

Creating Greater Value Through Technology

JASON MARINE GROUP LIMITED

ANNUAL REPORT 2015

Jason

Defining Our Future: “Creating Greater Value Through Technology”

The dragonfly, in almost every part of the world, symbolises change – change that brings about growth and fulfilment, change that can fully unlock one’s potential. Often, the sight of a dragonfly scurrying across water connotes the idea of going beyond what’s on the surface and looking deeper.

Like the dragonfly, Jason Marine has embraced change, adapting successfully and staying relevant to its principals and customers over the years through new competencies and a widening market reach. Delving deeper, it is now looking to re-define the way it operates and services customers, creating greater value through technology to drive its next growth phase.

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This annual report has been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (“**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 Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone (65) 6337 5115.

CORPORATE PROFILE

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

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

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

OUR VISION

To be a Global World Class Company in Marine Electronics

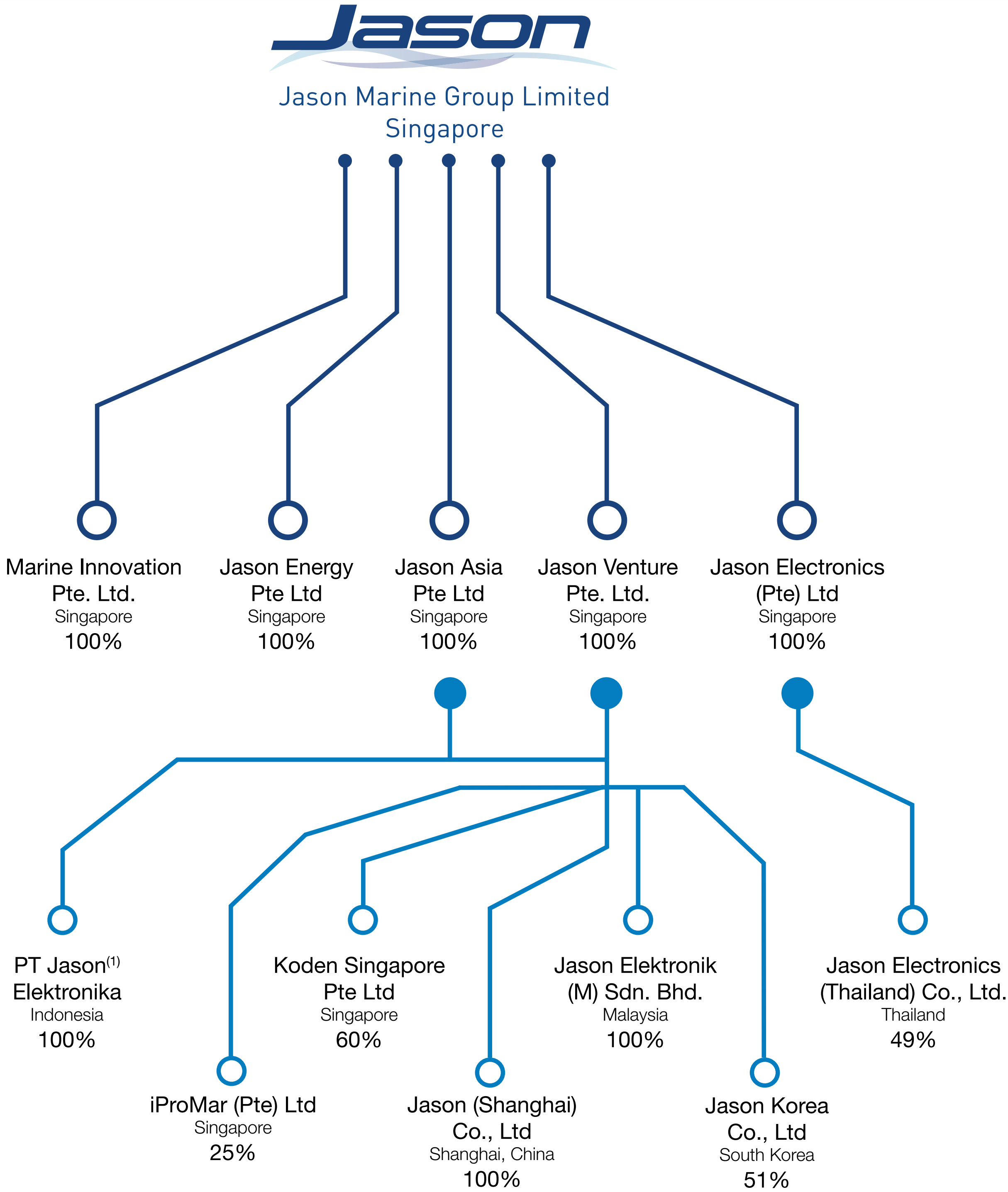
OUR VALUES

CHARACTER
Integrity and honesty
Positive attitude
Excellent teamwork

COMPETENCE
Excellent quality work
Deliver expected results
Innovation and creativity

COMMITMENT
Passion and drive
Walk the extra mile
Seek opportunities

CORPORATE STRUCTURE



Note:
(1) 1% owned by Jason Asia Pte Ltd, and 99% owned by Jason Venture Pte Ltd

FORESIGHT and FUTURE

Like the dragonfly – which can swiftly single out fresh targets with its unrivalled 360-degree vision – the Group has already demonstrated clear *Foresight* by capitalising on shifting market trends to transform Jason Marine into a leading marine electronics systems integrator. In defining its *Future*, that same clarity of vision will see it turn to technology to sharpen its competitive edge and power its next stage of growth.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

Sustained initiatives to explore new avenues for development and business have enabled Jason Marine to take profit attributable to owners of the parent (PATMI) to S$3.9 million for the financial year ended 31 March 2015 (FY2015). The 39.9% rise in PATMI was supported by a revenue of S$56.4 million, up 12.4%.

Despite a difficult environment aggravated by capital expenditure cuts across the offshore oil & gas sector, the Group plans to focus on strengthening its existing business and look for opportunities to increase business activities by creating value for customers and leveraging on technology. Jason Marine will continue to reshape itself to meet the changing market needs, staying relevant to its customers and principals by acquiring new competencies and broadening its market reach, and delivering long term sustainable growth for shareholders.

The Group has shown keen *Foresight* in its ability to secure growth by remaking itself to meet changing market needs. That clarity of vision will see Jason Marine redefine its *Future* as it turns to technology to deepen its competitive edge and power its next stage of growth.

The Group remains *Alert* to market shifts and cycles. By being *Adaptable*, it has continued to extend its customer base and geographic reach, offering customised solutions that enable businesses to upgrade their operations and boost productivity.

The Group has demonstrated its *Power* to ride out downcycles and remain relevant despite challenging conditions, supported by customers, partners and key principals. With a competent, dedicated team at its back, Jason Marine has the *Poise* to stay on course as it continues its journey towards growth.

LEVERAGING ON TECHNOLOGY

Over the years, we have made the most of shifting market trends to transform Jason Marine into a leading marine electronics systems integrator. For the future, we are working to redefine the way we operate and service our customers, tapping on new technologies and capabilities that will heighten our competitive edge and fuel further growth.

A key goal on this agenda is seeking out ways to create fresh value for our customers, by bringing in innovative technologies that will enable our customers to achieve operational excellence. Such solutions include fleet management systems that provide all the information our customers need on a single platform to facilitate precise vessel tracking and responsive issue management.

In March 2015, we made an investment in our first technology start-up. Sense InfoSys Pte. Ltd. employs proprietary processes to provide holistic solutions that combine data collection, mining and analysis as well as predictive modelling to help customers enhance operational efficiency through data-driven decisions. Our partnership with this company will strengthen our edge in an intensely competitive market.

DRIVING GROWTH

Apart from honing our technological edge, we plan to seek out new principals and suppliers to broaden our range of products and services. By keeping ahead of the curve and staying relevant, we can expand our customer base and push forward into identified new markets. Moves to deepen our footprint in Southeast Asia and China have already borne fruit.

We constantly look for ways to add value to customers by tailoring solutions to meet their evolving needs and preferences. We will also focus on improving our operations to achieve greater efficiency. To improve productivity, we will tap our resources to reduce turnarounds and enhance the performance of our teams.

GIVING BACK TO SOCIETY

We are more committed than ever to our goal of promoting a caring and inclusive society by reaching out to the less privileged and finding meaningful ways to improve and enrich their lives. We want to build a culture and framework that will encourage all our staff to play a greater part in transforming the communities around us.

Keen to expand our role as a socially responsible corporate citizen, we continue to partner various community organisations in outreach programmes that can impact lives of the underprivileged. In 2013, Jason Marine was proud to take part in the Adopt-a-Precinct (AAP) scheme organised by the South West Community Development Council (CDC). The initiative aims to create a safer and more supportive environment for elderly and vulnerable residents in the area.

Our staff were eager to participate when we adopted the Telok Blangah division, participating in community activities and support assistance programmes. They continue to support the CDC's efforts to foster community bonding and interaction, participating in enrichment activities for children and health screening programme for seniors.

IMPROVED FINANCIAL STANDING

Even though we have been focused on delivering growth, we have been careful to manage our working capital prudently. Active financial management helped us generate S$7.7 million in net cash from operating activities for FY2015, up from S$4.5 million previously. Our overall financial position also strengthened as cash and cash equivalents and total equity rose to S$22.3 million and S$29.6 million respectively as at 31 March 2015, with no borrowings.

PROPOSED DIVIDENDS

In November 2014, we declared an interim dividend for the first time since the Group's listing, which amounted to 0.5 S¢ per ordinary share for 1H FY2015. The interim dividend has been paid on 5 December 2014.

In line with the Group's latest results, the Board has proposed a final dividend of 1.0 S¢ per ordinary share for FY2015, bringing total dividend to 1.5 S¢ per share. The proposed final dividend is subject to shareholders' approval at the Annual General Meeting to be held on 23 July 2015.

ACKNOWLEDGMENTS & APPRECIATION

The unflagging support we have received from all our stakeholders has made it possible for Jason Marine to overcome daunting hurdles. Speaking on behalf of the Board, I am grateful for the faith you have shown in us. I must also thank all our staff, who have wholeheartedly backed our efforts to reshape and renew our business.

We also deeply appreciate the confidence shown by our principals and customers, who continue to believe in our ability to deliver excellence, providing solutions that meet the most exacting standards.

Foo Chew Tuck
Executive Chairman

PATMI increased to
S$3.9m
as compared to
S$2.8 million in FY2014

Revenue rose by
12.4%
to
S$56.4m

BOARD OF DIRECTORS

MR FOO CHEW TUCK
Executive Chairman

MR TAN LIAN HUAT
Chief Executive Officer

MRS EILEEN TAY-TAN BEE KIEW
Lead Independent Director

MR EUGENE WONG HIN SUN
Non-Executive Director

MR SIN HANG BOON
Independent Director

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, 64, whose vision for the Group has enabled it to become a leader in integrated solutions provider of marine electronics systems. As a leader of the management team, he has demanded the highest standards of quality and service throughout the Group, helping it build strong ties with customers and partners alike that have stood the test of time, even in the most challenging of environment.

He has fostered 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.

He 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.

MR TAN LIAN HUAT

Chief Executive Officer

Mr Tan Lian Huat, 62, is our Chief Executive Officer (CEO) and was appointed to the board on 9 September 2007. He has been a director of Jason Electronics (Pte) Ltd since 1982. He is responsible for the daily management and operations of the Group, and also oversees its strategies and growth. He has been instrumental in initiating and executing the penetration of new markets for our business. Before joining the Group in 1981, he was a production manager at a crystal manufacturing plant that also serviced the marine communication equipment industry.

Mr Tan obtained a diploma in marketing and sales management from the National Productivity Board in 1984, a diploma in marketing from the Marketing Institute of Singapore in 1987 and a master of business administration in strategic marketing from the University of Hull in the UK in 1993. He is a 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, 47, is a non-independent, non-executive director of the Group, having been appointed to the board on 15 September 2009. He founded Sirius Venture Capital Pte Ltd, a venture investment company, in September 2002, and has been its managing director since its incorporation. He is currently non-executive chairman of CrimsonLogic Pte Ltd. 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, as well as Japan Foods Holding Ltd, Singapore Kitchen Equipment Limited, TMC Education Corporation Ltd and Neo Group Limited which are listed on the Catalist board of the SGX-ST. He also sits on the board of AVA Singapore and International Enterprise Singapore and Cargo Community Network Pte Ltd, a subsidiary of Singapore Airlines Cargo and Singapore Cruise Centre Pte Ltd, a Temasek Portfolio company.

Mr Wong graduated from the National University of Singapore with a bachelor of business administration (first-class honours) in 1992, and earned a master of business administration from the Imperial College of Science, Technology and Medicine at the University of London in 1998. In 2011, Mr Wong completed the Owners President Management Program from the Harvard Business School. He has been qualified as a Chartered Financial Analyst (CFA) since 2001 and a Chartered Director (CDir) in 2014. He is a Fellow of the UK Institute of Directors, Australia Institute of Company Directors and the HK Institute of Directors.

MRS EILEEN TAY-TAN BEE KIEW

Lead Independent Director

Mrs Eileen Tay-Tan Bee Kiew, 62, is the lead independent non-executive director of the Group, having been appointed to the board on 15 September 2009. She has more than 38 years of experience in areas such as accounting, auditing, taxation, public listings, due diligence, mergers and acquisitions, and business advisory. She 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. Currently, she is also an independent director and chairman of SGX-ST Catalist-listed Singapore Kitchen Equipment Limited, an independent director and chairman of the Audit Committee of SGX-ST Mainboard-listed Cordlife Group Limited and a member of the SPRING SEEDS Investment Panel.

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

MR SIN HANG BOON

Independent Director

Mr Sin Hang Boon @ Sin Han Bun, 76, 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.

SENIOR MANAGEMENT

The foresight and commitment of our management team have been instrumental in charting Jason Marine's course through challenging waters, steering us on to a brighter future. This strategic agenda has been shaped through the years by our founder, Mr Foo Chew Tuck, who continues to work tirelessly to realise his vision for the Group. His concern for the welfare of everyone at Jason Marine have brought us together as a family, while his pursuit for excellence has kept us united in our desire to provide better quality and service to our customers.

Mr Foo Chew Tuck is supported by two key management team members. As Chief Executive Officer (CEO), Mr Tan Lian Huat has taken the lead in our efforts to break into uncharted markets and explore other promising avenues for expansion. He has also played a key role in our drive to restructure and extract greater synergies from our operations. As Chief Financial Officer, Ms Foo Hui Min carefully manages our capital needs and financial standing, paving way for us to achieve sustainable growth and fulfil our aim of rewarding shareholders with reasonable returns.

MS FOO HUI MIN
Chief Financial Officer

MR FOO CHEW TUCK
Executive Chairman

MR TAN LIAN HUAT
Chief Executive Officer

MS FOO HUI MIN

Chief Financial Officer

Ms Foo Hui Min is our Chief Financial Officer. She joined our Group in March 2008, and is responsible for overseeing all accounting, financial and corporate secretarial matters related to our Group. Before joining our Group, she was the financial controller of Total Automation Pte Ltd from June 2006 to March 2008. She joined Total Automation Ltd (now known as Maveric Limited (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 Singapore Chartered Accountants (ICSA) 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.

Note:
The full profile of Mr Foo Chew Tuck our Executive Chairman, and Mr Tan Lian Huat our Chief Executive Officer, can be found on page 7 of the Annual Report.

ALERT
and
ADAPTABILITY

Like the dragonfly – an ever-vigilant hunter that captures its prey in mid-flight – the Group has been *Alert* to market shifts and cycles, successfully extending its customer base and geographic reach. It will remain *Adaptable*, retaining its lead by creating innovative and customised solutions for both new and existing customers as it works with them to heighten operational excellence.

OPERATIONS REVIEW

FY2015 IN REVIEW

The financial year ended 31 March 2015 (FY2015) was another challenging one for Jason Marine. The already competitive operating environment was further aggravated by spending cuts by national oil companies and major independent oil players due to the lower and volatile oil prices.

However, the initiatives to sharpen our business focus, as well as our ongoing efforts to provide market relevant solutions to customers helped to buffer Jason Marine from the impact of these challenges, lifting revenue by 12.4% to S$56.4 million and gross profit by 8.2% to S$14.7 million.

This, together with the Group's careful cost management and a net exchange gain of S$1.1 million resulted in a profit attributable to owners of parent of S$3.9 million in FY2015, an improvement of 39.9% over FY2014's S$2.8 million.

Backed by its better earnings and effective financial management, Jason Marine has proposed a final ordinary dividend of 1.0 S¢ per share. This, together with the interim ordinary dividend of 0.5 S¢ per share paid in December 2014, will take the total dividend for FY2015 to 1.5 S¢ per share. In FY2014, Jason Marine paid a total dividend of 1.0 S¢ per share, comprising an ordinary dividend of 0.2 S¢ and a special dividend of 0.8 S¢ per share.

SEGMENT REVENUE AND PROFIT

The Group's improved sales came from the Sale of Goods and Airtime segments. All three business segments remained profitable in FY2015. While the higher profit was largely driven by the Sale of Goods segment, the difficult operating conditions led to a marginal decline in the overall gross profit margin from 27.1% to 26.1% in FY2015.

Sale of Goods

The Sale of Goods segment remained the Group's key revenue contributor with an increase of 14.4% to S$43.8 million in FY2015 due to more project deliveries during FY2015.

The gross profit rose by 21.8% from S$10.1 million to S$12.3 million in FY2015 on the back of improved sales and a better gross profit margin of 28.2% against FY2014's 26.4%.

Rendering of Services

The Rendering of Services segment turned in a marginally lower revenue of S$8.0 million due to less work undertaken during the year. Hence gross profit declined by 33.8% to S$1.8 million. The gross profit margin also fell, from 30.8% in FY2014 to 21.8% in FY2015.

Airtime Revenue

The Airtime segment revenue grew by 44.0% to S$4.6 million in FY2015 due to an increase in airtime services taken up by customers. However, gross profit decreased from S$0.8 million previously to S$0.6 million in FY2015 while the gross profit margin declined from 26.1% in FY2014 to 14.0% in FY2015.

HIGHLIGHTS OF FINANCIAL POSITION AND CASH FLOW

Financial Position

The Group continued to strengthen its balance sheet during the year. Backed by its improved performance as well as its prudent capital management and investment stance, the Group achieved a net cash position of S$22.3 million as at 31 March 2015, compared to S$17.0 million a year ago. As a result, the Group's net cash per share rose to 21.1 S¢, well supporting its net asset value per share of 28.0 S¢ as at 31 March 2015.

Equity attributable to the owners of the parent amounted to S$29.6 million, comprising mainly issued share capital of S$18.0 million and retained earnings of S$11.9 million.

Operating Activities

In FY2015, our Group generated S$5.1 million in net cash from operating activities before working capital changes. Net cash generated from working capital amounted to S$3.0 million, largely because trade and other receivables decreased by S$4.4 million and inventories fell by S$2.5 million. These were partially offset by a drop in trade and other payables of S$1.4 million, a decrease of S$2.4 million in advanced billings and an increase in prepayment of S$0.1 million. After payment of income tax of S$0.5 million, the net cash generated from operating activities amounted to S$7.7 million for FY2015 against S$4.5 million previously.

Investing Activities

The net cash used in investing activities of S$0.7 million was mainly due to our S$0.5 million investment in Sense InfoSys Pte Ltd, a technology start-up providing proprietary technologies, services and solutions to the government, security, maritime and logistics sectors. The Group also purchased S$0.4 million worth of plant and equipment and acquired intangible assets of S$0.1 million which was offset by S$0.2 million in interest received.

Financing Activities

Net cash used in financing activities amounted to S$1.6 million, largely due to dividend payments of S$1.1 million for FY2014 and an interim dividend of S$0.5 million for FY2015.

Another S$60,000 was utilised to purchase 250,000 ordinary shares in Jason Marine as treasury shares by way of market acquisition on 10 June 2014. On 31 March 2015, 147,000 treasury shares were transferred to employees pursuant to share awards under the Jason Performance Share Plan.

As at 31 March 2015, the Group had 103,000 treasury shares and the total number of issued shares (excluding treasury shares) was 105,897,000 ordinary shares.

RETAINING OUR PEOPLE, RESPONSIBLE TO SHAREHOLDERS

Our stakeholders - our people and shareholders - have always been important to us. Jason Marine strongly believes in human capital development as our people are the backbone of our company. To retain and attract new talent, particularly when we aspire to expand our presence in new markets and territories, we continued to roll out initiatives under our structured Compensation, Development and Career programme to improve employee competency and satisfaction.

Jason Marine recognises its responsibility to shareholders as well. Thus, we have stayed prudent in financial management to keep the Group's balance sheet strong and worked towards rewarding shareholders with dividends.

The Group paid its first dividend in FY2011, about two years after its listing on the SGX Catalist Board in October 2009. Although the Group has since stepped up its dividend per share, the Board recently put in place a dividend policy to recommend and distribute at least 25% of its audited consolidated net profit attributable to shareholders annually.

OUTLOOK

In view of lower oil prices, we are cautious about prospects in the industry. Demand for our products and services will likely soften due to the spending cuts by national oil companies and major independent oil players. However, we will continue to strengthen our business by working closely with principals to broaden our range of products and services. We recently incorporated Marine Innovation Pte. Ltd. in May 2015 to widen the Group's customer base and product portfolio through the sale and service of marine communication, navigation and automation equipment.

Going forward, we will actively manage our costs as well as look for opportunities to increase our business activity level by creating value for our customers and leveraging on technology to provide our customers with smart and efficient solutions.

OCCUPATIONAL HEALTH AND SAFETY

By maintaining and even exceeding best practices in occupational health and safety (OHS), Jason Marine is able to offer a safe, healthy and positive working environment for both onshore and offshore staff. This commitment to keeping workers fit and safe also helps us meet customer targets by reducing downtimes and increasing productivity.

BUILDING A STRONG AND SUSTAINABLE SAFETY CULTURE

We continue to seek fresh ways to improve our systems and procedures and to heighten awareness among all our staff, so we can work together to minimise health and safety risks in the workplace. Even though we have established processes and systems in place, coupling it with a strong and abiding safety culture will enhance our operations over the long term.

When everyone takes responsibility for the welfare of those around them, safety becomes second nature and an integral part of daily operations. The key lies in going beyond eliminating hazards to transforming behaviours, so we create a mindset geared towards proactively raising standards and improving workplace conditions for all.

To promote greater awareness of the importance of workplace safety, we made it a point to send our staff for risk management training and safety regulation sessions throughout the year. The goal is to keep them in touch with the latest practices, while reaffirming the value we place on their readiness to identify not just hazards, but also behaviours that could contribute to unsafe conditions.

As our engineers who work at the shipyards are exposed to greater risks than other staff, the programmes we designed for them were extensive. Over the year, they took a wide range of courses to hone their ability to work in confined spaces and at heights. They were also trained in occupational first aid, so they would be better prepared in the event of an accident. Audiometric tests are mandatory for engineers as well, to assess the effects of noise exposure and prevent hearing issues.

SINGAPORE HEALTH AWARDS 2014 – GARNERING OUR 2ND GOLD

Presented by the Health Promotion Board, the Singapore HEALTH Awards single out caring employers who value the health and wellbeing of their staff. Held every two years, the event recognises organisations whose workplace health promotion (WHP) programmes have helped their employees lead healthy and vibrant lives.

Jason Marine won its first gold at the Singapore HEALTH Awards 2012. Winning yet another gold for 2014 reaffirms our commitment to keeping employees fit and healthy by creating dynamic programmes that engage and motivate them to embrace wholesome lifestyles. These efforts have helped establish Jason Marine as an employer of choice for the best talent in the industry.

Last year, we continued to offer a diverse range of activities to help our people stay fit, but we also decided to go a step further by organising intervention programme for those facing a greater risk of health issues. In partnership with the DaySpring Medical Group, we designed a scheme that takes a multi-pronged approach to help employees tackle high cholesterol levels through healthier food and lifestyle choices.

To kick off the initiative, we ran preliminary screen tests to identify 20 employees who would benefit the most from this Cholesterol Intervention Programme. The selected staff then took part in 12 weekly sessions of food preparation workshops and exercise classes. At the workshops, held during lunchtime, they were shown how to plan healthier meals and prepare nutritious dishes that focus on cholesterol-lowering ingredients. After office hours, the pace was kept up with exercise classes that included stretching sessions and specially chosen aerobics routines.

A regime that combines regular exercise with a healthy diet is one of the most effective ways to shed weight sustainably and improve overall cholesterol profiles, thus reducing the risk of heart disease. Because we strongly believe in the benefits our people can gain from such lifestyle changes, we were heartened by the overwhelming response from those interested to join our new programme.

Feedback from those who took part shows they now have a better understanding of how to make the right food choices, for themselves as well as their loved ones. The programme has also made them realise the importance of exercising regularly, and shown them how to work simple exercise routines into their daily lives.

CORPORATE SOCIAL RESPONSIBILITY

As a caring corporate citizen, Jason Marine continues to work towards fostering an inclusive society where every member is valued, while renewing its drive to conserve natural resources. As always, our staff have fully supported these efforts, allowing us to put our convictions to practice across the company and beyond.

CARING FOR THE ENVIRONMENT

In our efforts to keep the environment safe for all, we have been working to provide customers with asbestos-free equipment and products that still meet their needs for durability, flexibility and cost-effectiveness.

Asbestos has been widely used for decades as an insulating and fireproofing agent in construction, shipbuilding and other industries. However, medical research has shown that long-term exposure to asbestos can cause serious health issues. Today, its use in products such as cement piping and corrugated sheeting is heavily regulated.

Our customers in the offshore oil and gas sector are just as concerned about the effects of asbestos exposure on their staff and crews, so we demand to work with suppliers who ensure that their products are certified asbestos-free.

CARING FOR OUR PEOPLE

Because our people are our greatest asset, we have spared no effort in creating a conducive working environment that will allow them to achieve a rewarding and balanced lifestyle.

Such initiatives include offering flexible work arrangements on a case-by-case basis to staff who want to spend more time with their families or need flexible work hours to fulfil their personal commitments. Through reduced work-hour scheme or flexi work-hour scheme, they can continue to pass their expertise and experience to fellow colleagues and contribute to the company while taking care of their personal commitments and goals.

Other initiatives are designed to keep our workforce fit and healthy, which is also crucial to our drive to optimise operations and boost productivity. To promote healthy habits, we continue to raise awareness through health talks and fitness sessions organised for staff. Creative new activities include nutrition competitions, where staff are challenged to devise dishes that highlight healthier ingredients and cooking methods.

Meanwhile, skills training and upgrading remains a top priority, as we work to strengthen our edge not just on the technical front but also in achieving customer satisfaction. To equip our staff with the right tools to deal effectively with customers, we provide training sessions that focus on soft and functional skills for interpersonal communication, sales negotiation and project management. Armed with these skills, they can significantly improve their performance and move ahead with their career targets.

We recognise that dedicated and motivated staff are essential to any company's success. To gauge what drives our people and keeps them engaged, we run regular surveys that help us understand their needs and issues. As a result, our department heads can work with them to overcome challenges and meet targets, while helping them to realise their career goals.

CARING FOR SOCIETY

At Jason Marine, we remain committed to fostering a caring, inclusive society where everyone has the chance to live a full and rewarding life.

Since joining the Adopt-a-Precinct (AAP) programme under the South West Community Development Council in 2012, Jason Marine has expanded its efforts in the Telok Blangah division. In 2014, it supported moves by the Blangah Garden Residents' Committee (RC) to raise awareness of chronic diseases among the elderly. It also supported the RC by providing financial assistance to primary school children from low-income households.

The Group contributed to these programmes by sponsoring gifts, including monetary aid, while our staff volunteered their help with registration, logistics and food distribution matters.

As Singapore is celebrating its 50th birthday this year, Jason Marine decided to mark the occasion by supporting 50 for 50: Giving Change a Chance. The project – set up by The Social Co and endorsed by the SG50 committee – aims to empower 50 change-makers under the age of 35 to raise funds and awareness for charities. Participating companies will match the money raised dollar-for-dollar, and the total will be matched by the Community Chest's Care and Share Movement, for which the government has set aside S$500 million in grants.

Jason Marine was among many committed corporates whose cash donations went to the Dyslexia Association of Singapore & Hospice Care Association.

OUR PEOPLE

THE POWER OF CHANGE
EMBRACING TECHNOLOGY

At Jason Marine, we continuously look for ways to optimise critical areas of our operations in ways that will boost productivity and enhance the customer experience. In particular, we have invested in technologies that will enable us to upgrade our capabilities, processes and products across the board.

Already, we are seeing the results of these strategic initiatives. Our people have embraced these new technologies, using them to improve performance, reduce turnaround times and develop better solutions for customers. Technology has become a key differentiator – empowering them to do more, do it faster and do it more effectively.

“In the 15 years that Mr Tan has been with the company, he has seen changes in both the industry and his own department. To him, technology has been invaluable in helping Jason Marine to rise above these changes and carve out a definitive niche for itself in the sector.

Indeed, as technical director, he plays a major role in ensuring that new technologies are successfully integrated throughout, working to shape training initiatives and iron out implementation issues.

“At Jason Marine, we understand that knowledge is power, and we know how to harness it,” he says. “Our ability to swiftly absorb every new technology we acquire and put it to good use for our customers has set us apart from the crowd.”

He adds: “Because we are continually upgrading our capabilities and services, we can offer competencies that others in the field are still struggling to master.”

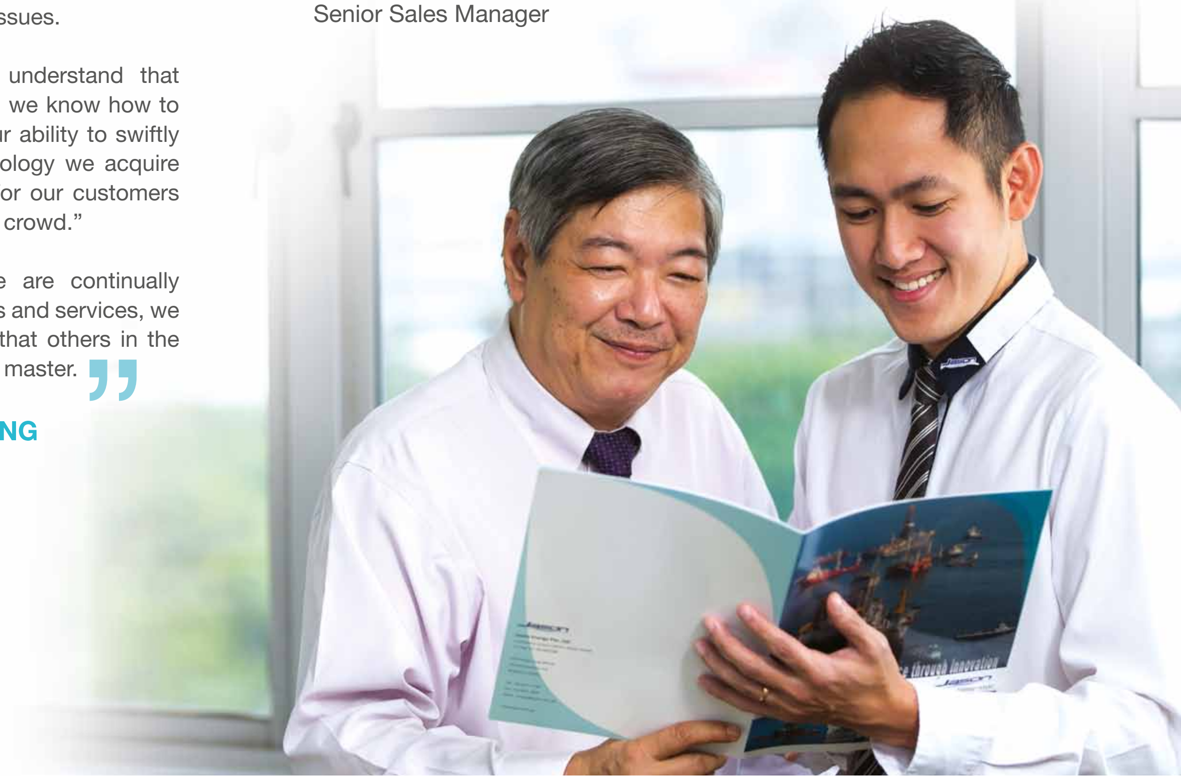
MR TAN CHOON SENG
Technical Director

“Fancy pitches don’t win customers, notes Mr Hee, who has worked in communications since his days in the army. You must understand what they need, and be able to package just the right solution, at the right price. “It’s about giving them the confidence that what you sell will work for them,” he says. “They come back because we provide both quality and value.”

To him, Jason Marine’s ability to swiftly embrace new technologies has given it a clear edge. “Our technical expertise means we can make the most of the excellent brands we represent, and deliver integrated solutions that are tailored precisely to the customer’s needs.”

He often conducts detailed vessel surveys, demonstrating Jason Marine’s hands-on approach to service and ensuring the perfect fit. “Some customers are surprised to see us get down and dirty, but because we do go the extra mile, they realise we can tell which technologies will work best for them.”

MR ROLAND HEE
Senior Sales Manager



"For Ms Lim, the company's drive to optimise productivity through technology has more than paid off. On a personal level, she is thrilled that many of her day-to-day tasks have been automated, saving her countless hours that can now be put to better use elsewhere.

For her procurement team, new systems have stepped up their performance considerably. "We don't necessarily work shorter hours," she quips, "but the time saved means we can focus on improving other areas. By streamlining processes and centralising data, these technologies have freed us up to find fresh ways to service our customers."

In her eyes, Jason Marine's commitment to raising the bar through cutting-edge applications and systems has put it ahead of the game. "I can only applaud management for being so progressive," she says. "They see the potential for the future, and they're willing to invest in it. Customers have definitely benefited, because we can better gauge their needs and rally our resources to fill those requirements."

MS MAY LIM
Procurement Manager

"Speed is a crucial concern for Mr Li, whose team often has only a week to prepare a bid proposal. If they don't work quickly, they could lose the chance to secure a contract.

To increase their hit rate, they need to have all the key data at their fingertips – that is why the company's readiness to invest in the latest technologies, particularly state-of-the-art enterprise resource planning (ERP) systems, has been a boon to them.

"With everyone linked to the same platform, we're able to retrieve information quickly and reliably," he says. "At the click of a button, we can call up product specifications, compare pricing, check inventories – that has greatly increased our efficiency."

Having worked abroad, he notes: "Singapore firms are especially focused on improving productivity through technology, and Jason Marine is no exception. It knows technology can power changes that will enable it to compete effectively."

MR LI ZHI HENG
Bid Proposal Manager

OUR PEOPLE

"Even though he joined less than a year ago, Mr Wan has been impressed by the company's willingness to invest in new platforms to boost efficiency and productivity, despite the costs involved and the implementation issues.

The gains have been worth it, he says. "Overall, the new systems have transformed the way we work, improving how we connect with our customers and service their needs. As a result, we can allocate manpower and resources more productively."

For his sales team, new applications have proved invaluable in assessing and predicting end-user requirements. "With these powerful analytical tools, we can easily review customers' buying patterns and accurately determine what solutions fit them best. That not only saves time, but also shows customers how committed we are to helping them meet their targets."

He has also been impressed with the company's efforts to bring everyone on board through training and mentoring, so no one is left behind as it continues to embrace new technologies at work."

MR ERIC WAN
Sales Manager

"Contradictory as it might sound, change is actually a constant for Mr Ho. New products are added to the line-up from time to time, while existing ones are upgraded or revised regularly. To handle the often complex repairs for such a diverse range of products, he and his team must upgrade their skills frequently and undergo extensive training with the suppliers.

"Change is part and parcel of our work," he says. "It hasn't been easy, but we've been able to adapt to the flow because we know that's where our edge lies."

Thankfully, adapting has been made far easier by new technologies introduced by the company. He says: "Quicker access to the information we need means quicker turnarounds for customers. Now, we can instantly check technical specifications, see if parts are available, put in requisitions – that's all time saved, so delays are kept to a minimum and customers are happy."

MR HO NAM SIN
Head, In-house Engineering Support

POWER
and
POISE

Like the dragonfly – whose unique wing structure gives it exceptional strength, control and agility in flight – the Group has demonstrated its *Power* to win the trust of its employees and gain the support of its principals and suppliers, all critical to executing its re-charted strategy. It has the *Poise* to fly unerringly towards its vision, sweeping ever higher through its committed People, robust Processes and enhanced Proficiencies.

KEY PRINCIPALS

Aalesund Data AS

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 Technology 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. With the ever increasing demand for communication, our products and services are used to satisfy the needs of a wide variety of commercial, governmental and recreational applications. We market under the AVIATOR, EXPLORER, SAILOR® and Sea Tel brands. Cobham SATCOM has design, development and manufacturing facilities in Denmark, South Africa and the USA.

CyberLogitec

CyberLogitec is an IT company that specialises in the maritime and logistics industries. The company has been developing key solutions in the maritime logistics chain to provide superior service to customers. The solutions include integrated container and bulk carrier operation system, vessel management system and advanced automated terminal operation system.

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 designed for permanent installation on diesel and gasoline engines. Commercial marine fleets worldwide are installing FloScan to obtain a complete record of diesel fuel consumption on a vessel-by-vessel basis. The FloNET DataLog System is being used to effectively manage fuel inventory control and to monitor vessel location and movement. FloScan 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.

Hanshin

Hanshin Electronics manufactures professional communication systems for all types of vessels and energy offshore constructions.

Our main product is internal telecommunication equipment which is PAGA, Telephone system and we also make CCTV, Marine Clock, Anemometer and RCMS.

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 it a trusted and preferred supplier of approved solutions, which are backed up by a strong service network.

Iridium Communications

Iridium Satellite is the only satellite communications company that offers truly global voice and data communications coverage with the world's largest commercial constellation. A technology innovator and market leader, Iridium is advancing the way global enterprises conduct daily mission-critical activities through reliable, near real-time, communications services.

Iridium solutions are ideally suited for industries such as maritime, aviation, government/military, emergency/humanitarian services, mining, forestry, oil and gas, heavy equipment, transportation and utilities.

Koden Electronics

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

Light Structures

Light Structures AS is a Norwegian company with its roots from the Norwegian Defence Research Establishment where the generic technology behind the SENSFIB Condition Monitoring Systems was developed. The core technology based on its in-house designed fiber optic sensors, can be used across a number of different application areas. It's current focus is on shipping, offshore and the navy/coast guard markets. The company is currently the market leader on fiber optic hull/structure stress monitoring in the shipping and offshore sectors, and have recently released new products for Ice Load Monitoring, Sloshing Monitoring and Integrated Marine Monitoring System (IMMS) which has been designed for the offshore market.

Navico (Simrad)

The Simrad brand is a leader in electronics technology for commercial vessels. Over the past sixty years we have developed our systems for the benefit of commercial vessels. Today we offer a range of sophisticated auto steering, navigation and safety products for vessels of all sizes, from small vessels on inland waterways to larger coastal commercial and passenger craft.

Rockson Automation

Rockson Automation provides automation solutions with its own reliable hardware and software components specialized for the maritime market. These solutions range from simple alarm and monitoring systems to sophisticated integrated control systems to meet shipowner's, shipyard's and system integrator's demands and have proven themselves for newbuilding projects as well as for replacing old inefficient automation equipment.

Sense Infosys

Sense Infosys (SiS) provides integrated situation awareness and decision support solutions to enterprises, government and security agencies in the maritime space. Its solution suite include Smart Port and Intelligent Enterprise for maritime & logistics enterprises, and Safe & Secure Seas and Big Data Fusion & Sense-making for government and security agencies. SiS specialises in customised analytic and application solutions based on its proprietary technologies of smart devices and highly customisable platform.

Skipper Electronics

The company manufactures marine electronics for the merchant fleet as well as for fishing and navy vessels. Backed by years of research and experience, SKIPPER are known for their Navigational Echo Sounders and speed logs, trusted worldwide for their reliability, quality, sophistication, offering excellent value for money.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARIES

Foo Hui Min
Pan Mi Keay

REGISTERED OFFICE

194 Pandan Loop
#06-05 Pantech Business Hub
Singapore 128383
Tel: +65-6477 7700
Fax: +65-6872 1800
Website: www.jason.com.sg
Email: jmg@jason.com.sg

SHARE REGISTRAR

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

INDEPENDENT AUDITORS

BDO LLP
Public Accountants and Chartered 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

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

SPONSOR

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

DEFINING OUR

FUTURE

Creating Greater Value Through Technology

JASON MARINE GROUP LIMITED

CORPORATE GOVERNANCE AND FINANCIAL REPORT 2015

Defining Our Future: “Creating Greater Value Through Technology”

The dragonfly, in almost every part of the world, symbolises change – change that brings about growth and fulfilment, change that can fully unlock one’s potential. Often, the sight of a dragonfly scurrying across water connotes the idea of going beyond what’s on the surface and looking deeper.

Like the dragonfly, Jason Marine has embraced change, adapting successfully and staying relevant to its principals and customers over the years through new competencies and a widening market reach. Delving deeper, it is now looking to re-define the way it operates and services customers, creating greater value through technology to drive its next growth phase.

CONTENTS

FINANCIAL HIGHLIGHTS

RESULTS OF OPERATIONS

	FY2015 (S$'000)	FY2014 (S$'000)	FY2013 (S$'000)	FY2012 (S$'000)	FY2011 (S$'000)
Revenue	**56,421**	50,188	37,896	44,451	45,169
Gross profit	**14,729**	13,612	10,843	13,164	10,803
Profit before income tax	**4,361**	3,032	581	1,399	1,386
Profit attributable to owners of the parent	**3,890**	2,780	517	1,389	1,234
Earnings per share (cents)*	**3.67**	2.62	0.49	1.31	1.17

* For comparative purpose, earnings per share of the Group for the financial years shown were computed based on the weighted average number of ordinary shares in issue (excluding treasury shares) of 105,798,000 for FY2015.

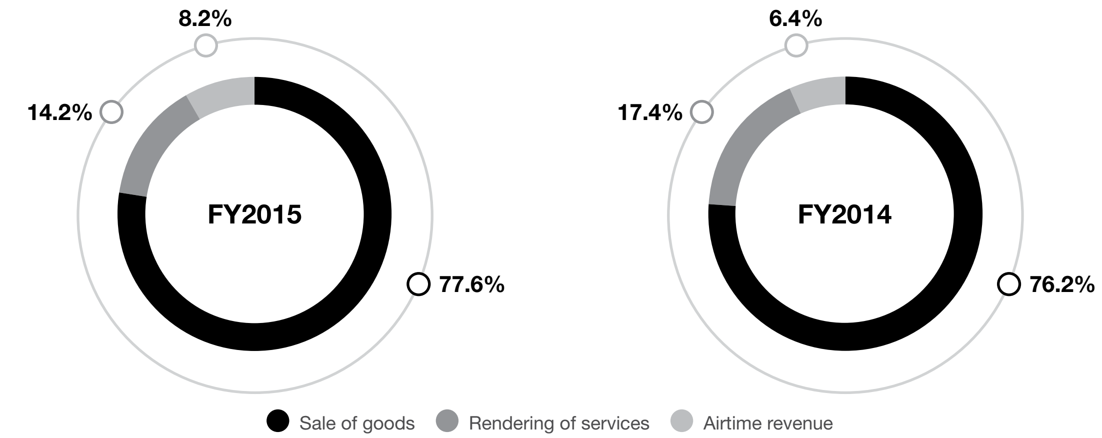
FINANCIAL POSITION

	As at 31 March				
	2015 (S$'000)	2014 (S$'000)	2013 (S$'000)	2012 (S$'000)	2011 (S$'000)
Non-current assets	**3,142**	3,402	3,049	2,776	2,685
Current assets	**42,528**	44,774	32,346	31,061	36,388
Current liabilities	**15,952**	20,673	10,400	9,233	15,564
Non-current liabilities	**105**	129	131	9	80
Equity	**29,613**	27,374	24,864	24,595	23,429
Net asset value per share (cents)#	**27.96**	25.82	23.48	23.23	22.12

For comparative purpose, net asset value per share of the Group for the financial years shown were computed based on 105,897,000 ordinary shares in issue (excluding treasury shares) as at 31 March 2015.

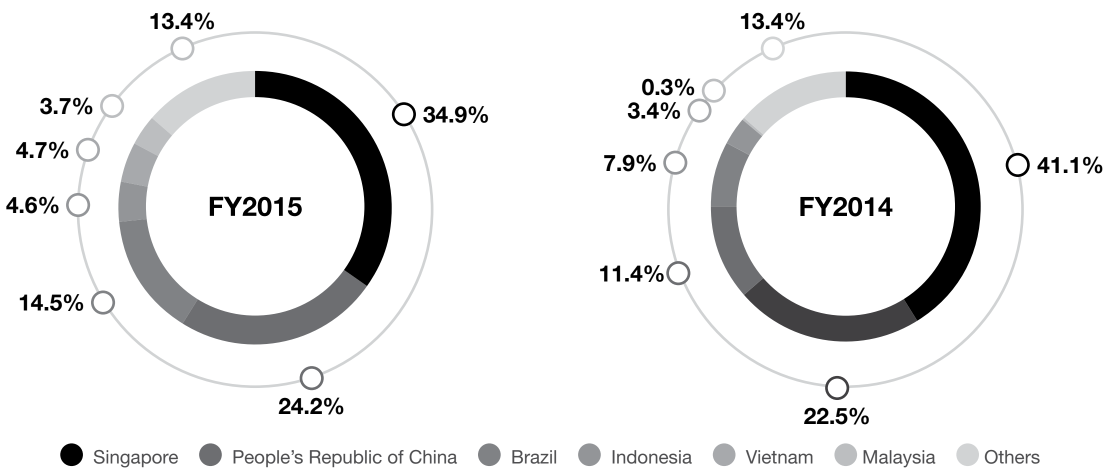
FINANCIAL HIGHLIGHTS

REVENUE BY BUSINESS SEGMENT



	FY2015 (S$'000)	(%)	FY2014 (S$'000)	(%)
Sale of goods	43,775	77.6%	38,256	76.2%
Rendering of services	8,037	14.2%	8,731	17.4%
Airtime revenue	4,609	8.2%	3,201	6.4%
Total:	56,421	100.0%	50,188	100.0%

REVENUE BY GEOGRAPHICAL SEGMENT



	FY2015 (S$'000)	(%)	FY2014 (S$'000)	(%)
Singapore	19,705	34.9%	20,631	41.1%
People's Republic of China	13,666	24.2%	11,294	22.5%
Brazil	8,199	14.5%	5,730	11.4%
Indonesia	2,606	4.6%	3,938	7.9%
Vietnam	2,625	4.7%	1,695	3.4%
Malaysia	2,072	3.7%	154	0.3%
Others	7,548	13.4%	6,746	13.4%
Total:	56,421	100.0%	50,188	100.0%

CORPORATE GOVERNANCE REPORT

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

This report describes the Company's corporate governance practices with specific reference made to the principles and guidelines of the Code of Corporate Governance 2012 (the "**Code**") issued on 2 May 2012. For the financial year ended 31 March 2015 ("**FY2015**"), the Company has generally adhered to the guidelines of the Code and deviations from any guideline of the Code are explained in this report.

PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

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

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

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

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

(iii) review management performance;

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

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

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

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

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

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

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

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

The attendance of the Directors at meetings of the Board and the Board committees during FY2015 is tabulated below:

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

N/A denotes "not applicable"

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

(i) annual budgets;

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

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

(iv) annual corporate strategies;

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

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

(vii) issuance of shares;

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

(ix) convening of Shareholders' meetings;

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

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

The Company has documented the guidelines for matters that require the Board's decision or approval. The Company also has a Document Approval Authority matrix which sets the authorisation and approval limits for various transactions such as, sales quotation, purchase requisition and credit note requisition. Apart from matters that specifically require the Board's approval, the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to the Executive Directors and the management for operational efficiency.

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

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

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

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

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

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

As set out under the Code, an independent director is one who has no relationship with the Company, its related corporations, its 10% Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Company. The Nominating Committee ("**NC**") deliberates annually to determine the independence of a Director bearing in mind the salient factors set out under this guideline in the Code as well as all other relevant circumstances and facts. To facilitate the NC in its review of the independent status of the Directors, each Non-Executive Director will confirm his/her independence on a yearly basis. The Executive Directors are considered non-independent. During FY2015, none of the Directors have served beyond nine years from the respective date of their first appointment.

The NC is of the view that the Board has the requisite blend of expertise, skills and attributes to oversee the Group's business. Collectively, they have competencies in areas which are relevant and valuable to the Group, such as accounting, corporate finance, business development, management, sales and strategic planning. In particular, the Executive Directors have many years of experience in the industries that the Group operate in. The NC considers that the Board's present size is adequate for effective debate, strategic decision-making and in exercising accountability to Shareholders and delegating authority to the management, taking into account the nature and scope of the Group's operations. As the Group's activities continue to grow, the NC will continuously review the composition of the Board so that it will have the necessary competency to be effective.

The Non-Executive Directors (including the Independent Directors) provide constructive advice on the Group's strategic and business plans. They constructively challenge and help develop proposals on strategy for the Group. They also review the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance of the Group. The Non-Executive Directors meet as and when necessary and 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. Mr Foo Chew Tuck who is the Executive Chairman determines the overall strategic and expansion plans and is responsible for the overall business development and general management of the Group. Mr Tan Lian Huat who is the CEO is responsible for the daily management and operations as well as the overseeing of the Group's strategies and growth. The Executive Chairman and CEO are not related.

The Chairman's duties include:

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

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

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

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

(v) ensure effective communication with Shareholders;

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

(vii) facilitate the effective contribution of Non-Executive Directors;

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

(ix) promote high standards of corporate governance.

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

PRINCIPLE 4: BOARD MEMBERSHIP

The appointment of new Directors to the Board is recommended by the NC which comprises three Directors, namely, Mr Sin Hang Boon (who is chairperson of the NC), Mrs Eileen Tay-Tan Bee Kiew and Mr Wong Hin Sun Eugene. As both Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon are Independent Directors, the NC comprises a majority of independent directors.

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

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

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

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

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

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

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

(vii) evaluate the Board's effectiveness as a whole and each Director's contribution to its effectiveness in accordance with the assessment process and performance criteria adopted, including deciding whether a Director is able to and has been adequately carrying out his/her duties when he/she has multiple board representations.

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

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

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

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

(iv) makes recommendations to the Board for approval.

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

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

The NC determines the independence of Directors annually in accordance with the guidelines set out in the Code and the declaration form completed by each Non-Executive Director disclosing the required information. The NC is of the opinion that in respect of FY2015, the Board has been able to exercise objective judgment on corporate affairs independently and that the Board's decision making process is not dominated by any individual or small group of individuals.

The NC also determines annually whether a Director with multiple board representations is able to and has been adequately carrying out his duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and the respective Directors' actual conduct on the Board. The NC is satisfied that for FY2015, all the Directors have been able to and have adequately carried out their duties as Director notwithstanding their multiple board representations.

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

Key information regarding the Directors is disclosed under the section on "Board of Directors" in this Annual Report. The dates of first appointment and last re-election/re-appointment of each of the Directors are set out below:

Name of Director	Position in the Board	Date of first appointment	Date of last re-election / re-appointment
Mr Foo Chew Tuck	Executive Chairman	9 September 2007	25 July 2013
Mr Tan Lian Huat	CEO	9 September 2007	24 July 2014
Mr Wong Hin Sun Eugene	Non-Executive Non-Independent Director	15 September 2009	25 July 2013
Mr Sin Hang Boon	Independent Director	15 September 2009	24 July 2014
Mrs Eileen Tay-Tan Bee Kiew	Lead Independent Director	15 September 2009	24 July 2014

At the forthcoming AGM, Mr Foo Chew Tuck, Mr Wong Hin Sun Eugene and Mr Sin Hang Boon are due for re-election/re-appointment pursuant to the Articles of Association of the Company and Companies Act, Chapter 50. The NC has recommended and the Board has agreed for Mr Foo Chew Tuck, Mr Wong Hin Sun Eugene and Mr Sin Hang Boon to retire and seek re-election/re-appointment at the forthcoming AGM.

PRINCIPLE 5: BOARD PERFORMANCE

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

The Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board, the various Board committees and the individual Directors for FY2015. The results of the appraisal exercise were tabulated, analysed and considered by the NC which then made recommendations to the Board on areas for improvement, aimed at helping the Board to discharge its duties more effectively. The appraisal process focused on the following areas of evaluation:

(i) Board and Board committees composition;

(ii) information to the Board;

(iii) Board and Board committees procedures;

(iv) Board and Board committees accountability;

(v) CEO and top management;

(vi) standards of conduct;

(vii) internal controls and risk management systems; and

(viii) audit process.

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

PRINCIPLE 6: ACCESS TO INFORMATION

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

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

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

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

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

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The members of the Remuneration Committee ("**RC**") comprise entirely of Non-Executive Directors, namely Mr Sin Hang Boon (who is chairperson of the RC), Mrs Eileen Tay-Tan Bee Kiew and Mr Wong Hin Sun Eugene. Mr Sin Hang Boon and Mrs Eileen Tay-Tan Bee Kiew are Independent Directors. As such, the RC comprises a majority of independent directors.

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

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

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

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

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

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

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

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

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

The Executive Directors have each entered into a service agreement with the Company in which the terms of their employment are stipulated. Their initial term of employment is for a period of three years from the date of admission of the Company to the Catalist (being 21 October 2009) and thereafter, their employment is automatically renewed annually subject to termination clauses in the service agreements.The service agreement may be terminated by giving six (6) months' prior written notice or an amount equal to six (6) months' salary in lieu of such notice. Under the service agreements, each of the Executive Directors is entitled to be paid an incentive bonus annually which is pegged to the financial performance achieved by the Group for that financial year.

The Non-Executive Directors (including the Independent Directors) are paid a base fee. An additional fee is also paid to Non-Executive Directors for serving on any of the board committees, with the chairperson of each of these committees being paid twice the amount of such additional fee. Such fees are pro-rated if a Director serves for less than one year. The Directors' fees are subject to approval by Shareholders at the AGM.

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

In addition to the ESOS, the Company has adopted the Jason Performance Share Plan (the "**PSP**") which was approved by Shareholders at an extraordinary general meeting held on 27 July 2011. The PSP was implemented to complement the ESOS and to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance. During FY2015, 147,000 treasury shares were transferred to employees pursuant to share awards granted under the PSP.

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

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

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

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

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

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

PRINCIPLE 9: DISCLOSURE ON REMUNERATION

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

A breakdown showing the level and mix of the remuneration of the Directors during FY2015 is as follows:

	Fees	Salary and CPF^	Performance-related income	Others	Benefit-in-kind	Total
	%	%	%	%	%	%
S$750,000 to S$999,999						
Mr Foo Chew Tuck	–	55	40	1	4	100
S$250,000 to S$499,000						
Mr Tan Lian Huat	–	52	39	9	–*	100
Below S$250,000						
Mrs Eileen Tay-Tan Bee Kiew	100	–	–	–	–	100
Mr Sin Hang Boon	100	–	–	–	–	100
Mr Wong Hin Sun Eugene	100	–	–	–	–	100

* Less than 1%.

^ CPF denotes Central Provident Fund.

No Director has been granted share-based award during FY2015.

In respect of FY2015, the amount of directors' fees proposed to be payable to the Non-Executive Directors (including the Independent Directors) subject to the approval of Shareholders at the forthcoming AGM are as follows:

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

Apart from the Executive Directors, the Group's key management team comprised two members, Ms Foo Hui Min (Chief Financial Officer) and Mr Tan Peng Huat James (Chief Operating Officer). Mr Tan Peng Huat James left the Group during FY2015. A breakdown showing the level and mix of the remuneration of the Group's key management (who are not Directors or CEO) during FY2015 is as follows:

	Salary and CPF^	**Performance-related income**	**Others**	**Benefit-in-kind**	**Share-based incentive**	**Total**
	%	%	%	%	%	%
S$250,000 to S$499,000						
Ms Foo Hui Min	71	27	2	–*	–*	100
Below S$250,000						
Mr Tan Peng Huat James#	60	19	21	–*	–	100

* Less than 1%.

\# Pro-rated, Mr Tan Peng Huat left the Group in September 2014.

^ CPF denotes Central Provident Fund.

In FY2015, the aggregate amount of remuneration paid to the above key management personnel was approximately S$330,000.

The Executive Directors and key management personnel are not entitled to any benefits upon termination, retirement or post-employment. During FY2015, the Group does not have any employees who are immediate family members of a Director or the CEO.

The variable bonus or incentive portion of the remuneration packages of the Executive Directors and key management personnel are linked to key performance indicators ("**KPIs**") that are determined in advance. Such KPIs typically include financial and non-financial KPIs. Financial KPIs are directly linked to the performance of the Group. Non-financial KPIs include action plans that are important to the long-term sustainability of the Group's performance, such as succession planning. During FY2015, the KPIs have been met by the Executive Directors and key management personnel.

PRINCIPLE 10: ACCOUNTABILITY

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

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

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

During FY2015, the Company's appointed internal auditor, PricewaterhouseCoopers LLP, has conducted internal audit review based on an agreed scope of review. In respect of FY2015, the Board has received from the Executive Chairman, CEO and CFO a letter of assurance confirming that the Group's financial records have been properly maintained and the Group's consolidated financial statements for FY2015 give a true and fair view of the Group's operations and finances, and that the Group's risk management and internal control systems were sufficiently effective.

Based on (i) the internal controls established and maintained by the Group, (ii) work performed by the internal and external auditors, (iii) reviews performed by the management, the AC and the Board, and (iv) the aforementioned letter of assurance provided by the Executive Chairman, CEO and CFO, the Board with the concurrence of the AC is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and risk management systems were adequate and effective for FY2015.

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 the management, will review the adequacy and effectiveness of the internal control framework on an on-going basis and address any specific issues or risks whenever necessary.

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

PRINCIPLE 12: AUDIT COMMITTEE

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

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

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

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

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

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

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

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

(viii) reviewing the interested person transactions reported by the management to ensure that they were carried out on normal commercial terms, and are not prejudicial to the interests of Shareholders.

During FY2015, the AC has met with the external auditors and internal auditors to review accounting, auditing and financial reporting matters to ensure that an effective control environment is maintained in the Group. The AC has also met with the internal auditors and external auditors without the presence of the Company's management in March 2015 and May 2015 respectively.

In respect of FY2015, the AC has reviewed the independence of the external auditors, Messrs BDO LLP and recommended that Messrs BDO LLP be nominated for re-appointment as auditors at the forthcoming AGM. In recommending the re-appointment of the auditors, the 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 the Board have reviewed the appointment of different auditors for its subsidiaries and significant associated companies and are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the Company and the Group. Accordingly, the Company is in compliance with the Rules 712 and 716 of the Catalist Rules.

During FY2015, there was no non-audit services provided by Messrs BDO LLP and the amount of audit fees payable to Messrs BDO LLP and its network member firm in FY2015 was S$78,200. The AC confirms that it has undertaken a review and there was no non-audit service provided by the external auditors, Messrs BDO LLP, during FY2015. Accordingly, there was no factor affecting Messrs BDO LLP's independence in the AC's opinion.

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 the Company's expense.

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

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

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

PRINCIPLE 13: INTERNAL AUDIT

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

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

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

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

PRINCIPLE 14: SHAREHOLDER RIGHTS

Shareholders are treated fairly and equitably to facilitate their ownership rights. In line with the continuous disclosure obligations of the Company, pursuant to the Catalist Rules and Singapore Companies Act (Chapter 50), the Board's policy is that Shareholders should be informed in a comprehensive manner and on a timely basis of all material developments that impact the Group.

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

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

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

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

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

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

The Company has adopted a dividend policy, which was announced via SGXNET in May 2015. The Company will disclose the reason if dividends are not declared in accordance to the dividend policy.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

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

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

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

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

DEALINGS IN SECURITIES

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

CONTINUING SPONSOR

No fees relating to non-sponsorship activities or services were paid to the Company's sponsor, CIMB Bank Berhad, Singapore Branch, during FY2015.

INTERESTED PERSON TRANSACTIONS

Details of the interested person transactions for FY2015 presented in the format as required pursuant to Rule 907 of the Catalist Rules is tabled below:

Name of interested person	**Aggregate value of all interested person transactions during FY2015 (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)**
Mr Foo Chew Tuck		
Lease of office premises from:		
(i) JE Holdings Pte Ltd	226	–
(ii) Unity Consultancy Pte Ltd	16	–
(iii) Jason Harvest Pte Ltd	49	–
Total:	291	–

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

Save as disclosed above, there are no material contracts or loans entered into by the Group involving the interests of the CEO, any Director or Controlling Shareholder of the Company, either still subsisting at the end of FY2015 or if not subsisting, were entered into since 1 April 2015.

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 risks and reduce excessive reliance on any one particular customer, location or industry.

Dependence on key management personnel

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

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

Project execution risk

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

REPORT OF THE DIRECTORS

The Directors of the Company present their report to the members together with the audited consolidated financial statements of Jason Marine Group Limited (the "**Company**") and its subsidiaries (the "**Group**") for the financial year ended 31 March 2015 and the statement of financial position of the Company as at 31 March 2015.

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 2014	**Balance as at 31 March 2015**	**Balance as at 1 April 2014**	**Balance as at 31 March 2015**
	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	–	–	3,150,000	3,150,000

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 2015 in the shares of the Company have not changed from those disclosed as at 31 March 2015.

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.

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

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its 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 performed the functions specified in Section 201B(5) of the Singapore Companies Act, Chapter 50, and the Singapore Code of Corporate Governance, including the following:

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

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

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

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

(v) reviewing the half yearly and annual announcements on the results of the Company and the Group;

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

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

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

6. Audit committee (Continued)

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

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

7. Auditors

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

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

The auditors of the 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
25 June 2015

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, 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 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 2015 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
25 June 2015

INDEPENDENT AUDITORS' REPORT

To the Members of Jason Marine Group Limited

Report on the financial statements

We have audited the accompanying financial statements of Jason Marine Group Limited (the "**Company**") and its subsidiaries (the "**Group**") which comprise the consolidated statements of financial position of the Group and of the Company as at 31 March 2015, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity of the Group and of the Company and consolidated statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 23 to 77.

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.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the 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 2015 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
Chartered Accountants

Singapore
25 June 2015

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current assets					
Intangible asset	4	64	39	–	–
Plant and equipment	5	773	1,017	–	–
Investments in subsidiaries	6	–	–	14,480	14,892
Investments in associates	7	184	314	–	–
Available-for-sale financial assets	8	1,932	1,482	–	–
Other receivables	9	186	548	–	–
Deferred tax assets	10	3	2	–	–
Total non-current assets		3,142	3,402	14,480	14,892
Current assets					
Inventories	11	6,240	8,970	–	–
Trade and other receivables	9	13,743	18,587	76	72
Prepayments		247	156	23	23
Current income tax recoverable		4	–	–	–
Cash and cash equivalents	12	22,294	17,025	5,292	4,383
		42,528	44,738	5,391	4,478
Assets of a disposal group held for sale	13	–	36	–	–
Total current assets		42,528	44,774	5,391	4,478
Less:					
Current liabilities					
Trade and other payables	14	8,872	10,534	301	266
Advance billings	15	6,579	8,972	–	–
Derivative financial instruments	16	184	43	–	–
Current income tax payable		317	285	–	1
		15,952	19,834	301	267
Liabilities of a disposal group held for sale	13	–	839	–	–
Total current liabilities		15,952	20,673	301	267
Net current assets		26,576	24,101	5,090	4,211
Less:					
Non-current liabilities					
Deferred tax liabilities	10	105	129	–	–
Net assets		29,613	27,374	19,570	19,103
Equity					
Share capital	17	17,967	17,967	17,967	17,967
Treasury shares	18	(25)	–	(25)	–
Foreign currency translation account	19	(196)	(86)	–	–
Retained earnings		11,859	9,555	1,628	1,136
Equity attributable to owners of the parent		29,605	27,436	19,570	19,103
Non-controlling interests		8	(62)	–	–
Total equity		29,613	27,374	19,570	19,103

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

CONSOLIDATED INCOME STATEMENT

For the Financial Year Ended 31 March 2015

	Note	2015 $'000	2014 $'000
Revenue	20	56,421	50,188
Cost of sales		(41,692)	(36,576)
Gross profit		14,729	13,612
Other item of income			
Other income	21	2,066	618
Other items of expense			
Distribution costs		(5,859)	(5,477)
General and administrative expenses		(6,005)	(5,576)
Other expenses		(440)	(379)
Finance costs	22	–	(1)
Share of results of associates, net of tax		(130)	235
Profit before income tax	23	4,361	3,032
Income tax expense	24	(492)	(214)
Profit for the financial year		3,869	2,818
Profit attributable to:			
Owners of the parent		3,890	2,780
Non-controlling interests		(21)	38
		3,869	2,818
Earnings per share	25		
– Basic and diluted		3.67 cents	2.62 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2015

	2015 $'000	2014 $'000
Profit for the financial year	3,869	2,818
Other comprehensive income:		
Items that will or may be reclassified subsequently to profit or loss		
Foreign currency differences on translation of foreign operations	(116)	(96)
Income tax relating to items that will or may be reclassified	–	–
Other comprehensive income for the financial year, net of tax	(116)	(96)
Total comprehensive income for the financial year	3,753	2,722
Total comprehensive income attributable to:		
Owners of the parent	3,780	2,691
Non-controlling interests	(27)	31
	3,753	2,722

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2015

	Note	Share capital $'000	Treasury shares $'000	Foreign currency translation account $'000	Retained earnings $'000	Equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Group								
Balance at 1 April 2014		17,967	–	(86)	9,555	27,436	(62)	27,374
Profit for the financial year		–	–	–	3,890	3,890	(21)	3,869
Other comprehensive income for the financial year								
Foreign currency differences on translation of foreign operations		–	–	(110)	–	(110)	(6)	(116)
Total comprehensive income for the financial year		–	–	(110)	3,890	3,780	(27)	3,753
Distributions to owners of the parent								
Disposal of subsidiary	6	–	–	–	–	–	97	97
Treasury shares	18	–	(25)	–	–	(25)	–	(25)
Dividends	26	–	–	–	(1,586)	(1,586)	–	(1,586)
Total transactions with the owners of the parent		–	(25)	–	(1,586)	(1,611)	97	(1,514)
Balance at 31 March 2015		17,967	(25)	(196)	11,859	29,605	8	29,613
Balance at 1 April 2013		17,967	–	3	6,987	24,957	(93)	24,864
Profit for the financial year		–	–	–	2,780	2,780	38	2,818
Other comprehensive income for the financial year								
Foreign currency differences on translation of foreign operations		–	–	(89)	–	(89)	(7)	(96)
Total comprehensive income for the financial year		–	–	(89)	2,780	2,691	31	2,722
Distributions to owners of the parent								
Dividends	26	–	–	–	(212)	(212)	–	(212)
Total transactions with the owners of the parent		–	–	–	(212)	(212)	–	(212)
Balance at 31 March 2014		17,967	–	(86)	9,555	27,436	(62)	27,374

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2015

	Note	Share capital $'000	Treasury shares $'000	Retained earnings $'000	Total equity $'000
Company					
Balance at 1 April 2014		17,967	–	1,136	19,103
Profit for the financial year		–	–	2,078	2,078
Total comprehensive income for the financial year		–	–	2,078	2,078
Distributions to owners of the parent					
Treasury shares	18	–	(25)	–	(25)
Dividends	26	–	–	(1,586)	(1,586)
Total transactions with the owners of the parent		–	(25)	(1,586)	(1,611)
Balance at 31 March 2015		17,967	(25)	1,628	19,570
Balance at 1 April 2013		17,967	–	840	18,807
Profit for the financial year		–	–	508	508
Total comprehensive income for the financial year		–	–	508	508
Distributions to owners of the parent					
Dividends	26	–	–	(212)	(212)
Total transactions with the owners of the parent		–	–	(212)	(212)
Balance at 31 March 2014		17,967	–	1,136	19,103

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 March 2015

	Note	2015 $'000	2014 $'000
Operating activities			
Profit before income tax		4,361	3,032
Adjustments for:			
Allowance for impairment loss on doubtful third parties trade receivables		79	72
Allowance for inventory obsolescence		218	305
Amortisation of intangible asset		28	114
Changes in fair value of derivative financial instruments		141	(23)
Depreciation of plant and equipment		609	452
Loss/(Gain) on disposal of plant and equipment		2	(1)
Gain on disposal of a subsidiary		(151)	–
Interest expense		–	1
Interest income		(171)	(113)
Share based expenses		35	–
Share of results of associates		130	(235)
Trade payable written off		(162)	–
Write-back of allowance for impairment loss on doubtful third parties trade receivables		(10)	(6)
Operating cash flows before working capital changes		5,109	3,598
Working capital changes:			
Inventories		2,511	(4,842)
Trade and other receivables		4,396	(4,377)
Prepayments		(91)	39
Trade and other payables		(1,363)	2,423
Advance billings		(2,394)	7,693
Cash generated from operations		8,168	4,534
Income tax paid		(489)	(14)
Net cash from operating activities		7,679	4,520
Investing activities			
Acquisition of intangible asset		(53)	(37)
Acquisition of available-for-sale financial assets		(450)	–
Interest received		171	113
Disposal of subsidiary, net of cash disposed		16	–
Proceeds from disposals of plant and equipment		–	4
Purchase of plant and equipment		(362)	(691)
Net cash used in investing activities		(678)	(611)
Financing activities			
Dividends paid		(1,586)	(212)
Interest paid		–	(1)
Purchase of treasury shares		(60)	–
Repayment of obligations under finance leases		–	(9)
Net cash used in financing activities		(1,646)	(222)
Net change in cash and cash equivalents		5,355	3,687
Cash and cash equivalents at beginning of financial year		17,060	13,465
Effects of foreign exchange rate changes on cash and cash equivalents		(121)	(92)
Cash and cash equivalents at end of financial year	12	22,294	17,060

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

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 2015 were authorised for issue in accordance with a Directors' resolution dated 25 June 2015.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared 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, except as detailed below.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS 110 Consolidated Financial Statements and FRS 27 (Revised) Separate Financial Statements

FRS 110 introduces a single new control model, as the basis for determining which entities are consolidated in the Group's financial statements. Under FRS 110, control exists when the Group has:

– power over an investee;

– exposure, or rights, to variable returns from the investee; and

– the ability to use its power over an investee to affect the Group's returns from the investee.

The Group has applied FRS 110 retrospectively, in accordance with the transitional provisions of FRS 110 and changed its accounting policy for determining whether it has control over an entity and whether it is required to consolidate that interest. The adoption of FRS 110 did not result in any changes to the control conclusions reached by the Group in respect of its involvement with other entities as at the date of initial adoption on 1 April 2014. The adoption of FRS 27 (Revised) did not result in any material changes to the Group's or the Company's financial statements.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 prescribes comprehensive disclosure requirements for all types of interests in other entities. It requires an entity to disclose information that helps users to assess the nature and financial effects of relationships with subsidiaries and associates. As the new standard affects only disclosure, there is no effect on the Group's financial position or performance. Certain new disclosures are included in these financial statements following adoption of FRS 112 on 1 April 2014.

Amendments to FRS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 32 clarify the guidance on criteria that an entity currently has a legally enforceable right to set-off financial assets and financial liabilities; and criteria that an entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's adoption of these amendments on 1 April 2014 did not result in changes to the situations in which financial assets and liabilities are currently offset and hence did not have any impact on its financial position or financial performance upon initial adoption of the amendments.

Amendments to FRS 36 - Recoverable Amount Disclosures for Non-financial Assets

The amendments to FRS 36 were issued to remove the requirement to disclose the recoverable amount of any cash-generating unit for which the carrying amount of goodwill or intangible assets with an indefinite useful life is significant compared to the total carrying amount of goodwill or intangible assets with an indefinite useful life, and instead require disclosure about recoverable amount only when there is a significant impairment or reversal of an impairment, as well as to require additional disclosures when recoverable amount is based on fair value less costs of disposal.

The Group has adopted the amendments to FRS 36 from 1 April 2014, and there is no impact on the Group's financial position or financial performance.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

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 that have been issued but not yet effective:

			Effective date (annual periods beginning on or after)
FRS 1	:	Amendments to FRS 1 – Disclosure Initiative	1 January 2016
FRS 16 and FRS 38 (Amendments)	:	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 16 and FRS 41 (Amendments)	:	Agriculture: Bearer Plants	1 January 2016
FRS 19 (Amendments)	:	Defined Benefit Plans - Employee Contributions	1 July 2014
FRS 27 (Amendments)	:	Equity Method in Separate Financial Statements	1 January 2016
FRS 109	:	Financial Instruments	1 January 2018
FRS 110 and FRS 28 (Amendments)	:	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
FRS 110, FRS 112 and FRS 28 (Amendments)	:	Investment Entities – Applying the Consolidation Exception	1 January 2016
FRS 111 (Amendments)	:	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
FRS 114	:	Regulatory Deferral Accounts	1 January 2016
FRS 115	:	Revenue from Contracts with Customers	1 January 2017
Improvements to FRSs (January 2014)			1 July 2014
Improvements to FRSs (February 2014)			1 July 2014
Improvements to FRSs (November 2014)			1 January 2016

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 in future periods, if applicable, will have no material impact on the financial statements in the period of initial adoption, except as discussed below.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS issued but not yet effective (Continued)

FRS 109 Financial Instruments

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

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group and the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group and the Company will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group and the Company are holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

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

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group and the Company will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

The Group and the Company plan to adopt FRS 109 in the financial year beginning on 1 April 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. Due to the recent release of this standard, the Group and the Company have not yet made a detailed assessment of the impact of this standard, however the Group and the Company will be required to reassess the classification and measurement of financial assets, particularly those currently classified as available for sale and the new impairment requirements are expected to result in changes for impairment provisions on trade receivables and other financial assets not measured at fair value through profit or loss.

FRS 115 Revenue from Contracts with Customers

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

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

FRS issued but not yet effective (Continued)

FRS 115 Revenue from Contracts with Customers (Continued)

On initial adoption of this standard there may be a potentially significant impact on the timing and profile of revenue recognition of the Group. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard. The Group plans to adopt the standard in the financial year beginning on 1 April 2017 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to the end of the reporting period except as disclosed in Note 6 to the financial statements. The financial statements of the subsidiaries are prepared for the same reporting date as that of the parent company.

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

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.3 Business combinations

Business combinations from 1 April 2010

The acquisition of subsidiaries is accounted for using the acquisition method. The 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.

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

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.

2.4 Intangible asset

Intangible assets acquired separately are measured initially at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amount may be impaired either individual or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the changes in useful life from indefinite to finite is made on prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2. Summary of significant accounting policies (Continued)

2.4 Intangible asset (Continued)

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.

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.6 Subsidiaries

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

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

2.7 Associates

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

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

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

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

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

The financial statements of the associate is prepared as of the different reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies into 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 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 losses 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 a party to the contractual provisions of the financial instruments.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group 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 and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Initial and subsequent measurement

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

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

After initial recognition, available-for-sale financial assets are re-measured at fair value with gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss.

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

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments.

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 is recognised directly in equity except for impairment losses on equity instruments at cost which are not reversed. 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 recognised in 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 Disposal group classified as held for sale

Disposal group is classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

Disposal group classified as held for sale is measured at the lower of their previous carrying amount and fair value less costs to sell.

2.13 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.

2.14 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.

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. Summary of significant accounting policies (Continued)

2.15 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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

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

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

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

2.16 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.

2.17 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. Summary of significant accounting policies (Continued)

2.18 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 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.

2.19 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.

2.20 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. Summary of significant accounting policies (Continued)

2.21 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.

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

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity 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)

2.22 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 account in equity.

2.23 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.

2.24 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) 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 2015 was approximately $773,000 (2014: $1,017,000).

(ii) Allowance for impairment loss on doubtful receivables

The management establishes allowance for impairment loss on doubtful receivables on a case-by-case basis when they believe that payment of amounts owed is unlikely to occur. In establishing these allowances, the management considers the historical experience and changes to its customers' financial position. If the financial conditions of receivables were to deteriorate, resulting in impairment of their abilities to make the required payments, additional allowances may be required. The carrying amounts of the Group's and the Company's trade and other receivables as at 31 March 2015 were approximately $13,743,000 and $76,000 (2014: $18,587,000 and $72,000) respectively.

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

3.2 Key sources of estimation uncertainty (Continued)

(iii) 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 2015 was approximately $6,240,000 (2014: $8,970,000).

(iv) 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 2015 were approximately $317,000 and $4,000 (2014: $285,000 and $Nil) respectively. The carrying amounts of the Group's deferred tax assets and deferred tax liabilities as at 31 March 2015 were approximately $3,000 and $105,000 (2014: $2,000 and $129,000) respectively.

4. Intangible asset

	Group	
	2015	**2014**
	$'000	**$'000**
Computer software		
Cost		
Balance at beginning of financial year	596	559
Additions	53	37
Currency translation adjustment	1	–
Balance at end of financial year	650	596
Accumulated amortisation		
Balance at beginning of financial year	557	443
Amortisation for the financial year	28	114
Currency translation adjustment	1	–
Balance at end of financial year	586	557
Carrying amount		
Balance at end of financial year	64	39

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

5. Plant and equipment

	Office equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Electrical fittings $'000	Plant and machinery $'000	Renovation $'000	Computers $'000	Total $'000
Group								
2015								
Cost								
Balance at 1 April 2014	249	336	419	60	1,118	177	875	3,234
Additions	4	13	–	–	253	2	90	362
Disposals	–	(2)	–	–	–	–	(55)	(57)
Currency translation adjustment	1	–	3	–	1	–	1	6
Balance at 31 March 2015	254	347	422	60	1,372	179	911	3,545
Accumulated depreciation								
Balance at 1 April 2014	153	278	349	42	546	128	721	2,217
Depreciation for the financial year	23	11	21	4	435	20	95	609
Disposals	–	(2)	–	–	–	–	(55)	(57)
Currency translation adjustment	1	–	1	–	–	–	1	3
Balance at 31 March 2015	177	287	371	46	981	148	762	2,772
Carrying amount								
Balance at 31 March 2015	77	60	51	14	391	31	149	773
2014								
Cost								
Balance at 1 April 2013	195	316	398	45	711	117	848	2,630
Additions	63	20	26	15	417	60	90	691
Disposals	(9)	–	–	–	(9)	–	(61)	(79)
Currency translation adjustment	–	–	(5)	–	(1)	–	–	(6)
Reclassified as held for sale	–	–	–	–	–	–	(2)	(2)
Balance at 31 March 2014	249	336	419	60	1,118	177	875	3,234
Accumulated depreciation								
Balance at 1 April 2013	130	267	332	39	275	116	691	1,850
Depreciation for the financial year	31	11	23	3	280	12	92	452
Disposals	(8)	–	–	–	(8)	–	(60)	(76)
Currency translation adjustment	–	–	(6)	–	(1)	–	–	(7)
Reclassified as held for sale	–	–	–	–	–	–	(2)	(2)
Balance at 31 March 2014	153	278	349	42	546	128	721	2,217
Carrying amount								
Balance at 31 March 2014	96	58	70	18	572	49	154	1,017

6. Investments in subsidiaries

	Company 2015 $'000	Company 2014 $'000
Unquoted equity shares, at cost	15,100	15,100
Allowance for impairment loss	(620)	(208)
	14,480	14,892

Movement in allowance for impairment loss is as follows:

	Company 2015 $'000	Company 2014 $'000
Balance at beginning of financial year	208	208
Allowance made during the financial year	412	–
Balance at end of financial year	620	208

During the financial year, an impairment review was performed on the investment in Jason Asia Pte. Ltd., a subsidiary incorporated in Singapore, due to the losses incurred by this subsidiary. This had an adverse effect on the recoverable amount of the investment by using share of net identifiable asset which the best represented for its fair value less cost to sell. Consequently, an impairment loss of $412,000 (2014: $Nil) was recognised in profit or loss.

The details of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership interest held by the Group 2015 %	Proportion of ownership interest held by the Group 2014 %	Proportion of ownership interest held by non-controlling interests 2015 %	Proportion of ownership interest held by non-controlling interests 2014 %
Held by the Company					
Jason Electronics (Pte) Ltd[(1)] (Singapore)	Design, integration, installation and commissioning of radio, satellite communication and navigational systems	100	100	–	–
Jason Asia Pte Ltd[(1)] (Singapore)	Servicing of communication and navigational systems	100	100	–	–
Jason Venture Pte. Ltd.[(1)] (Singapore)	Investment holding company	100	100	–	–
Jason Energy Pte. Ltd.[(1)] (Singapore)	Sale and service of marine communication, navigation and automation systems	100	100	–	–

6. Investments in subsidiaries (Continued)

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-controlling interests	
		2015 %	2014 %	2015 %	2014 %
Held by Jason Venture Pte. Ltd.					
Jason Elektronik (M) Sdn. Bhd.(2) (Malaysia)	Trading and servicing of communication, navigation, and automation equipment	100	100	–	–
Jason (Shanghai) Co., Ltd(3) (People's Republic of China)	Sales and service of radio, satellite communication and navigation system	100	100	–	–
PT Jason Elektronika(4) (Indonesia)	Import trading, maintenance and support services of communication, navigation and automation equipment and spares	99	99	–	–
Jason Korea Co., Ltd.(5) (South Korea)	Manufacture, sales and service of marine offshore and industrial communication, navigation and automation systems	51	51	49	49
Koden Singapore Pte. Ltd.(1) (Singapore)	Marketing, sale, distribution and servicing of marine electronics products	60	60	40	40
Baze Marine & Offshore Pte. Ltd.(1) (Singapore)	Marketing, sale, distribution and servicing of infotainment system manufactured under the "Bazeport" brand	–	51	–	49
Held by Jason Asia Pte. Ltd.					
PT Jason Elektronika(4) (Indonesia)	Import trading, maintenance and support services of communication, navigation and automation equipment and spares	1	1	–	–

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

The financial statements of Jason (Shanghai) Co., Ltd is made up to 31 December each year. This was the financial reporting date established when the subsidiary was incorporated, and a change of reporting date is not permitted because of the regulatory requirements. For the purpose of consolidation, the financial statements of Jason (Shanghai) Co., Ltd for the year ended 31 December 2014 has been used, and appropriate adjustments have been made for the effects of significant transactions between that date and 31 March 2015.

6. Investments in subsidiaries (Continued)

Disposal of subsidiary

On 3 April 2014, the Company's wholly-owned subsidiary, Jason Venture Pte. Ltd. disposed of its 51% equity interest, comprising 51,000 ordinary shares, in the share capital of Baze Marine & Offshore Pte. Ltd. ("**BMO**") to the other shareholder, Baze Technology AS for a cash consideration of $51,000.

The effects of the disposal as at the date of disposal were:

	Carrying amount $'000
Trade and other receivables	1
Cash and cash equivalents	35
	36
Trade and other payables	839
Total liabilities	(803)
Less: Waiver of payables	606
Net identifiable liabilities	(197)
Less: Non-controlling interest	97
	(100)

The effects of disposal of subsidiary on cash flows are as follows:

	2015 $'000
Net identifiable liabilities disposed (as above)	(100)
Gain on disposal	151
Cash proceeds from disposal	51
Cash and cash equivalents disposed	(35)
Net cash inflow on disposal	16

7. Investments in associates

	Group 2015 $'000	Group 2014 $'000
Unquoted equity shares, at cost	158	158
Allowance for impairment loss	(55)	(55)
Share of post acquisition results	81	211
	184	314

The details of the associates are as follows:

Name of associates (Country of incorporation and principal place of business)	Principal activities	Effective equity interest held by the Group 2015 %	Effective equity interest held by the Group 2014 %
Jason Electronics (Thailand) Co., Ltd[1] (Thailand)	Sales and service of radio, satellite communications and navigational system	49	49
iPromar (Pte.) Ltd.[2] (Singapore)	Process plant and engineering services	25	25

(1) Audited by BDO Limited, a member of BDO International Limited, Thailand

(2) Audited by Akber Ali & Co., Chartered Accountants, Singapore

There was no movement in allowance for impairment loss on investment in associates during the financial years ended 31 March 2015 and 31 March 2014.

Summarised financial information (immaterial associates)

	2015 $'000	2014 $'000
(Loss)/profit for the financial year	(362)	850
Other comprehensive income	–	–
Total comprehensive income	(362)	850
Carrying value of immaterial associates	184	314

The information above reflects the amounts presented in the financial statements of the associates and not the Group's share of those amounts, adjusted for differences in accounting policies between the Group and the associates.

8. Available-for-sale financial assets

	Group	
	2015	**2014**
	$'000	**$'000**
Unquoted equity shares, at cost	1,642	1,642
Additions	450	–
Allowance for impairment loss	(160)	(160)
	1,932	1,482

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 e-Marine Co., Ltd. ("**e-Marine**"), previously known as Hyundai e-Marine Co., Ltd, amounting to approximately $1,227,000 (2014: $1,227,000) whereby under the shareholders' agreement with Mr Kim Ung Gyu ("**Mr Kim**"), Mr Kim 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 Mr Kim 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 28 October 2011 to the date the Put Option is exercised. The Put Option may be exercised during the period from 1 January 2017 to 31 December 2019.

In the current financial year, included in the above unquoted investments is an investment in Sense Infosys Pte Ltd ("**SIS**") amounting to $450,000 whereby under the preference share subscription agreement with SIS, SIS has granted 52,000 Series-A convertible preference shares ("**Preference Shares**") to the Company. The Preference Shares, if converted, will be at a rate of 1 Preference Shares for 1 Ordinary Shares subject to Preference Shares Anti-Dilution Carve-Outs. The conversation right option may be exercise at any time by providing not less than 30 days' notice in writing.

The investment in unquoted equity securities is stated at cost less impairment loss, if any, as its fair value cannot be determined reliably.

There was no movement in allowance for impairment loss on available-for-sale financial assets during the financial years ended 31 March 2015 and 31 March 2014.

The currency profiles of available-for-sale financial assets as at the end of the reporting period are as follows:

	Group	
	2015	**2014**
	$'000	**$'000**
Korean won	1,227	1,227
Chinese renminbi	204	204
Euro	41	41
Indian rupee	10	10
Singapore Dollar	450	–
	1,932	1,482

9. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Non-current				
Other receivables – third party	186	548	–	–
Current				
Trade receivables				
– third parties	13,365	17,501	–	–
– an associate	43	38	–	–
	13,408	17,539	–	–
Allowance for impairment loss on doubtful trade receivables – third parties	(707)	(638)	–	–
	12,701	16,901	–	–
Non-trade receivables				
– third parties	535	406	9	5
– subsidiaries	–	–	67	67
– an associate	20	20	–	–
	555	426	76	72
Security and other deposits	98	75	–	–
Advances to suppliers	352	1,177	–	–
Advance to staff	37	8	–	–
	13,743	18,587	76	72
Total trade and other receivables	13,929	19,135	76	72

Trade receivables are unsecured, interest-free and generally on 30 to 90 (2014: 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 a third party is unsecured, bears interest at 4% (2014: 4%) per annum with fixed repayment terms.

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

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

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

Allowances made in respect of estimated irrecoverable amounts are determined by reference to past default experience. The carrying amount of third parties trade receivables individually determined to be impaired is as follows:

	Group	
	2015	2014
	$'000	$'000
Past due for more than 365 days	707	638

9. Trade and other receivables (Continued)

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

	Group	
	2015 $'000	2014 $'000
Balance at beginning of financial year	638	586
Allowance made during the financial year	79	72
Write-back of allowance during the financial year	(10)	(6)
Allowance written off during the financial year	–	(14)
Balance at end of financial year	707	638

Allowance for impairment loss on doubtful third parties trade receivables of approximately $79,000 (2014: $72,000) was recognised in profit or loss subsequent to a debt recovery assessment performed during the financial year.

The write-back of allowance for impairment loss on doubtful third parties trade receivables amounting to approximately $10,000 (2014: $6,000) was recognised in profit or loss when the related trade receivables were subsequently recovered.

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

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
United States dollar	6,525	9,672	–	–
Singapore dollar	7,205	8,679	76	72
Euro	58	319	–	–
Chinese renminbi	38	280	–	–
Korean won	5	70	–	–
Norwegian kroner	6	23	–	–
Ringgit Malaysia	17	20	–	–
Others	75	72	–	–
	13,929	19,135	76	72

10. Deferred tax assets / (liabilities)

	Group	
	2015 $'000	2014 $'000
Deferred tax assets		
Balance at beginning of financial year	2	3
Credited / (Charged) to profit or loss	1	(1)
Balance at end of financial year	3	2
Deferred tax liabilities		
Balance at beginning of financial year	129	131
Credited to profit or loss	(24)	(2)
Balance at end of financial year	105	129

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% (2014: 17%).

11. Inventories

	Group 2015 $'000	Group 2014 $'000
Trading goods	6,240	8,970

The cost of inventories recognised as an expense and included in "cost of sales" line item in profit or loss was approximately $29,871,000 (2014: $27,030,000) for the financial years ended 31 March 2015.

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 $218,000 (2014: $305,000) that had been included in "other expenses" line item in profit or loss.

12. Cash and cash equivalents

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Fixed deposits	17,018	11,763	4,955	4,339
Cash and bank balances	5,276	5,262	337	44
Cash and cash equivalents per statements of financial position	22,294	17,025	5,292	4,383
Cash and cash equivalents of disposal group	–	35		
Cash and cash equivalents per consolidated statement of cash flows	22,294	17,060		

Fixed deposits are placed between one month to twelve months (2014: two weeks to six months) from the end of the reporting period and the effective interest rates on the fixed deposits were 0.200% to 6.290% (2014: 0.313% to 6.130%) per annum.

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

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
United States dollar	10,715	8,294	–	–
Singapore dollar	10,309	8,050	5,292	4,383
Ringgit Malaysia	324	331	–	–
Indonesian rupiah	343	201	–	–
Euro	432	56	–	–
Chinese renminbi	75	24	–	–
Others	96	104	–	–
	22,294	17,060	5,292	4,383

13. Assets of a disposal group held for sale

Disposal of an indirect subsidiary – Baze Marine & Offshore Pte. Ltd.

On 3 April 2014, the Company's wholly-owned subsidiary, Jason Venture Pte. Ltd. disposed of its 51% equity interest, comprising 51,000 ordinary shares, in the share capital of Baze Marine & Offshore Pte. Ltd. ("**BMO**") to the existing shareholder, Baze Technology AS for a cash consideration of S$51,000 (Note 6). The consideration of the transaction was arrived on a willing-buyer, willing-seller basis. As at the date of the disposal, BMO is in a net liability position.

Following the disposal, BMO ceased to be an indirect subsidiary of the Group. In previous financial year, the Group has accounted for BMO as a disposal group held for sale.

The disposal group does not represent a separate major line of business or geographical area of operations and is not part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations. Hence, BMO's operation was not considered as a discontinued operation.

The major classes of assets and liabilities comprising the above disposal group classified as held for sale are as follows:

	2014 $'000
Assets	
Trade and other receivable	1
Cash and cash equivalents	35
Total assets of a disposal group held for sale	36
Liabilities	
Trade and other payables	839
Total liabilities of a disposal group held for sale	839
Net liabilities	803

14. Trade and other payables

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade payables				
– third parties	4,876	7,013	–	–
– an associate	64	37	–	–
– non-controlling interests	91	60	–	–
	5,031	7,110	–	–
Non-trade payables				
– third parties	282	236	53	23
– an associate	23	37	–	–
	305	273	53	23
Accrued expenses	2,913	2,538	248	243
Customers' deposits	623	613	–	–
	8,872	10,534	301	266

Trade payables are unsecured, interest-free and repayable within the normal trade credit terms of 30 to 120 (2014: 30 to 120) days.

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

The non-trade amount due to an associate is unsecured, interest-free and repayable on demand.

14. Trade and other payables (Continued)

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

	Group		Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Singapore dollar	5,032	4,355	301	266
United States dollar	2,354	3,374	–	–
Norwegian kroner	246	1,081	–	–
Euro	163	820	–	–
Chinese renminbi	680	664	–	–
Korean won	169	115	–	–
British pound	42	41	–	–
Japanese yen	124	21	–	–
Ringgit Malaysia	6	9	–	–
Others	56	54	–	–
	8,872	10,534	301	266

15. Advance billings

Group

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

16. Derivative financial instruments

	Group	
	2015 $'000	2014 $'000
Liabilities		
Foreign currency forward contracts	184	43

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 outstanding forward foreign currency contracts to which the Company is committed are as follows:

	Group					
	Foreign currency		Notional amount		Fair value	
	2015 '000	2014 '000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Sell United States dollar	2,000	3,200	2,572	4,016	184	31
Buy United States dollar	–	2,800	–	3,514	–	12
	2,000	6,000	2,572	7,530	184	43

As at 31 March 2015, the fair value loss of the forward foreign currency contracts is estimated to be $141,000 (2014: gain of $23,000). These amounts are determined based on quoted market prices for equivalent forward currency contracts at the end of the reporting period.

The foreign currency forward contracts are settle within 90 days after the reporting period on a net basis.

17. Share capital

	Group and Company 2015 $'000	Group and Company 2014 $'000
Issued and fully-paid		
106,000,000 ordinary shares at beginning and end of financial year	17,967	17,967

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

18. Treasury shares

	Group and Company			
	Number of ordinary shares		Amount	
	2015 '000	2014 '000	2015 $'000	2014 $'000
Balance at beginning of financial year	–	–	–	–
Acquired during the financial year	250	–	60	–
Re-issued for share awards vested	(147)	–	(35)	–
Balance at end of financial year	103	–	25	–

During the financial year, the Company acquired 250,000 (2014: Nil) of its ordinary shares through purchases in the open market. The total amount paid to acquire the shares was approximately $60,000 (2014: $Nil) and has been deducted from shareholders' equity.

The treasury shares has been used and released for share awards vested under the Jason Performance Share Plan. The difference between the actual price paid to acquire treasury shares and the share grant price has been presented within the consolidated statement of changes in equity.

19. Foreign currency translation account

The foreign currency translation account comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and is not distributable.

20. Revenue

	Group 2015 $'000	Group 2014 $'000
Sale of goods	43,775	38,256
Rendering of services	8,037	8,731
Airtime revenue	4,609	3,201
	56,421	50,188

21. Other income

	Group	
	2015	2014
	$'000	$'000
Gain on disposal of subsidiary	151	–
Trade payable written off	162	–
Changes in fair value of derivative financial instruments	–	23
Foreign exchange gain, net	1,102	83
Gain on disposal of plant and equipment	–	1
Government grants	258	240
Interest income	171	113
Marketing income	198	126
Sundry income	14	26
Write-back of allowance for impairment loss on doubtful third parties trade receivables	10	6
	2,066	618

22. Finance costs

	Group	
	2015	2014
	$'000	$'000
Interest expense		
– loan from a non-controlling interest	–	1

23. Profit before income tax

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

	Group	
	2015	2014
	$'000	$'000
Cost of sales		
Depreciation of plant and equipment	411	258
Distribution costs		
Entertainment	133	157
Transportation and travelling	197	200

23. Profit before income tax (Continued)

	Group	
	2015	2014
	$'000	$'000
General and administrative expenses		
Amortisation of intangible asset	28	114
Audit fees		
– auditors of the Company	73	74
– other auditors	17	16
Non-audit fees		
– auditors of the Company	–	–
Depreciation of plant and equipment	198	194
Legal and professional fees	560	391
Operating lease expenses		
– rental of office equipment	32	32
– rental of office premises	717	681
Other expenses		
Allowance for impairment loss on doubtful third parties trade receivables	79	72
Allowance for inventory obsolescence	218	305
Loss on disposal of plant and equipment	2	–
Changes in fair value of derivative financial instruments	141	–

The profit before income tax also includes:

	Group	
	2015	2014
	$'000	$'000
Employee benefits expense		
Salaries, wages and bonuses	11,663	10,718
Contributions to defined contribution plans	1,113	1,104
Other employee benefits	342	265
	13,118	12,087

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

	Group	
	2015	2014
	$'000	$'000
Cost of sales	4,492	4,330
Distribution costs	5,400	4,884
General and administrative expenses	3,226	2,873
	13,118	12,087

The employee benefits expense include the remuneration of Directors as shown in Note 28 to the financial statements.

24. Income tax expense

	Group 2015 $'000	Group 2014 $'000
Current income tax		
– current financial year	516	138
– under provision in prior financial years	1	77
	517	215
Deferred income tax		
– current financial year	(28)	95
– under/(over) provision in prior financial years	3	(96)
	(25)	(1)
Total income tax expense recognised in profit or loss	492	214

Reconciliation of effective income tax rate

	Group 2015 $'000	Group 2014 $'000
Profit before income tax	4,361	3,032
Share of results of associates	130	(235)
	4,491	2,797
Income tax calculated at Singapore's statutory income tax rate of 17% (2014: 17%)	763	475
Effect of different income tax rate in other countries	31	(7)
Expenses not deductible for income tax purposes	288	159
Income not subject to income tax	(197)	(89)
Deferred tax assets not recognised	21	55
Enhanced tax deduction and tax rebate	(291)	(316)
Tax exemption	(58)	(40)
Under provision of current income tax in prior financial years	1	77
Utilisation of deferred tax assets previously not recognised	(72)	(14)
Under/(over) provision of deferred income tax in prior financial year	3	(96)
Others	3	10
	492	214

24. Income tax expense (Continued)

Unrecognised deferred tax assets

	Group 2015 $'000	Group 2014 $'000
Balance at beginning of financial year	360	323
Utilised during the financial year	(72)	(14)
Amount not recognised during the financial year	21	55
Deferred tax assets of disposal group	(50)	–
Currency translation adjustment	21	(4)
Balance at end of financial year	280	360

Unrecognised deferred tax assets are attributable to:

	Group 2015 $'000	Group 2014 $'000
Unutilised tax losses	270	351
Unabsorbed capital allowance	10	9
	280	360

As at 31 March 2015, the Group has unabsorbed capital allowances and unutilised tax losses amounting to approximately $58,000 (2014: $53,000) and $1,589,000 (2014: $2,066,000) 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 total unutilised tax losses of the Group included that of a subsidiary which is in People's Republic of China amounting to $1,117,000 (2014: $1,373,000) can only be utilised for set-off against its future taxable profits within five years from the date the tax losses were incurred. The breakdown of total unutilised tax losses of a subsidiary which is in People's Republic of China are as follows:

Year of tax losses	2015 $'000	2015 Expiry date	2014 $'000	2014 Expiry date
2010	60	Dec – 2015	316	Dec – 2015
2011	616	Dec – 2016	616	Dec – 2016
2012	441	Dec – 2017	441	Dec – 2017

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 2.21 to the financial statements.

25. Earnings per share

The calculation for earnings per share is based on:

	Group	
	2015	2014
Profit attributable to owners of the parent ($'000)	3,890	2,780
Actual/Weighted number of ordinary shares in issue during the financial year applicable to basic earnings per share ('000)	105,798	106,000
– Basic and diluted earnings per share (in cents)	3.67	2.62

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.

26. Dividends

	Group and Company	
	2015	2014
	$'000	$'000
Interim one-tier exempt dividend of 0.50 cent (2014: $Nil) per share in respect of current financial year	529	–
Final tax-exempt dividend of $0.20 cent (2014: $0.20 cent) per share in respect of the previous financial year	211	212
Special tax-exempt dividend of $0.80 cent (2014: $Nil) per share in respect of the previous financial year	846	–
	1,586	212

The Directors recommend a final tax-exempt dividend of $1.00 cent (2014: $0.20 cent) per share, a special tax-exempt dividend of $Nil (2014: $0.80 cent) per share and interim one tier exempt dividend of $0.50 cent (2014: $Nil) per share amounting to a total of approximately $1,059,000 (2014: $211,000), $Nil (2014: $846,000) and $529,000 (2014: $Nil) respectively to be paid in respect of the current financial year ended 31 March 2015. The final tax-exempt 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.

27. Operating lease commitments

Group as a lessee

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

	Group	
	2015	**2014**
	$'000	**$'000**
Not later than one financial year	605	653
After one financial year but not later than five financial years	69	192
	674	845

The above operating lease commitments are based on existing rental rates. The lease agreements provide for periodic revision of such rates in future. The leases typically run for an initial period of 1 to 5 (2014: 1 to 5) years, with an option to renew the lease for another 1 (2014: 1) year.

28. 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 apply:

(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 venture 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 or an entity related to the Company. If 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).

28. Significant related party transactions (Continued)

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

	Group	
	2015	**2014**
	$'000	**$'000**
Related parties		
Rental expense for office premises	291	284
Associate		
Sales	214	352
Purchases	18	32
Sub-contract charges	80	82
Non-controlling interests		
Purchases	296	2,271
Commission income	–	1

Compensation of key management personnel

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

	Group	
	2015	**2014**
	$'000	**$'000**
Short-term employee benefits	1,120	897
Post-employment benefits	23	12
Directors' fees	173	170
	1,316	1,079

29. Segment information

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

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

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

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

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

Income taxes are managed on a Group basis.

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

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

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

29. Segment information (Continued)

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Eliminations $'000	Total $'000
2015						
Revenue						
External revenue	43,775	8,037	4,609	–	–	56,421
Inter–segment revenue	476	2,141	–	–	(2,617)	–
	44,251	10,178	4,609	–	(2,617)	56,421
Results						
Interest income	109	22	15	57	(32)	171
Interest expense	–	(1)	–	(31)	32	–
Depreciation of plant and equipment	(462)	(99)	(48)	–	–	(609)
Amortisation of intangible asset	–	–	–	(28)	–	(28)
Share of results of associates	–	–	–	–	(130)	(130)
Other non-cash expenses:						
– allowance for impairment loss on doubtful third parties trade receivables	(3)	(76)	–	(95)	95	(79)
– allowance for inventory obsolescence	(184)	(34)	–	–	–	(218)
Segment profit	3,764	85	151	3,299	(2,938)	4,361
Capital expenditure						
Plant and equipment	274	62	26	–	–	362
Intangible asset	–	–	–	53	–	53
Assets and liabilities						
Segment assets	33,620	6,397	3,555	6,168	(6,186)	43,554
Available-for-sale financial assets	–	–	–	1,936	(4)	1,932
Investments in associates	–	–	–	103	81	184
						45,670
Segment liabilities	12,602	3,712	1,271	4,547	(6,392)	15,740
Current income tax payable	240	50	24	3	–	317
						16,057

29. Segment information (Continued)

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Eliminations $'000	Total $'000
2014						
Revenue						
External revenue	38,256	8,731	3,201	–	–	50,188
Inter–segment revenue	2,234	1,340	–	–	(3,574)	–
	40,490	10,071	3,201	–	(3,574)	50,188
Results						
Interest income	39	9	4	104	(43)	113
Interest expense	–	–	–	(45)	44	(1)
Depreciation of plant and equipment	(326)	(59)	(38)	(29)	–	(452)
Amortisation of intangible asset	–	–	–	(114)	–	(114)
Share of results of associates	–	–	–	–	235	235
Other non-cash expenses:						
– allowance for impairment loss on doubtful third parties trade receivables	(45)	(26)	(1)	–	–	(72)
– allowance for inventory obsolescence	(248)	(57)	–	–	–	(305)
Segment profit	1,928	921	449	425	(691)	3,032
Capital expenditure						
Plant and equipment	524	127	–	40	–	691
Intangible asset	–	–	–	37	–	37
Assets and liabilities						
Segment assets	36,215	7,941	2,942	21,597	(22,315)	46,380
Available-for-sale financial assets	–	–	–	1,486	(4)	1,482
Investments in associates	–	–	–	103	211	314
						48,176
Segment liabilities	16,318	4,737	1,263	5,363	(7,164)	20,517
Current income tax payable	208	52	22	3	–	285
						20,802

29. Segment information (Continued)

Geographical information

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

	Group 2015 $'000	Group 2014 $'000
Revenue from external customers		
Singapore	19,705	20,631
People's Republic of China	13,666	11,294
Brazil	8,199	5,730
Indonesia	2,606	3,938
Vietnam	2,625	1,695
Malaysia	2,072	154
Others	7,548	6,746
	56,421	50,188
Non-current assets		
Singapore	812	1,188
United States of America	186	548
People's Republic of China	39	34
Others	170	148
	1,207	1,918

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

Major customer

During the financial year, revenue from one customer amounting to approximately $8,199,000 (2014: $5,730,000) under sale of goods segment, represents approximately 15% (2014: 11%) of total revenue.

30. Financial instruments, financial risks and capital management

The Group's and the Company's activities expose them to financial risks (including credit risk, foreign currency risk and liquidity risk) arising in the ordinary course of business. The Group's and the Company's overall risk management strategy to seek to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's management then establish the detailed policies such as risk identification and measurement, 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.

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

30.1 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 (2014: five) trade receivables from third parties amounting to approximately $2,789,000 (2014: $7,790,000) 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 $67,000 (2014: $67,000) as at 31 March 2015.

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

Cash and cash equivalents are mainly deposits with reputable banks with minimum risk of default.

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

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

	Group	
	2015 $'000	2014 $'000
Past due 0 to 1 month	2,591	1,071
Past due 1 to 2 months	928	1,306
Past due 2 to 3 months	656	1,295
Past due over 3 months	1,891	1,840

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 2015, the Company has provided corporate guarantees to banks for performance guarantees given to the subsidiary customers amounting to approximately $3,667,000 (2014: $3,458,000). 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.

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

30.2 Foreign currency risk

Foreign exchange risk management

Foreign currency risk arises from transactions denominated in currencies other than the functional currency of the entities within the Group. The currencies that give rise to this risk are primarily United States dollar, Euro, 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	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
United States dollar	18,059	17,997	3,015	3,374
Euro	491	375	163	820
Chinese renminbi	1,278	304	655	664
Norwegian kroner	6	23	246	1,081

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

30.2 Foreign currency risk (Continued)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% (2014: 5%) change in United States dollar, Euro, Chinese renminbi and Norwegian kroner against Singapore dollar. The sensitivity analysis assumes an instantaneous 5% change in the foreign currency exchange rates from the end of the reporting period, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in United States dollar, Euro, Chinese renminbi and Norwegian kroner are included in the analysis. Consequentially, reported changes in the values of some of the financial instruments impacting the results of the sensitivity analysis are not matched with the offsetting changes in the values of certain excluded items that those instruments are designed to finance or hedge.

	Group Increase/(Decrease) Profit or Loss	
	2015 $'000	2014 $'000
United States dollar		
Strengthened against Singapore dollar	752	731
Weakened against Singapore dollar	(752)	(731)
Euro		
Strengthened against Singapore dollar	16	(22)
Weakened against Singapore dollar	(16)	22
Chinese renminbi		
Strengthened against Singapore dollar	31	(18)
Weakened against Singapore dollar	(31)	18
Norwegian kroner		
Strengthened against Singapore dollar	(12)	(53)
Weakened against Singapore dollar	12	53

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

30.3 Liquidity risk

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

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

Contractual maturity analysis

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

	Within one financial year $'000	After one financial year but within five financial years $'000	After five financial years $'000	Total $'000
Group				
2015				
Financial assets				
Available-for-sale financial assets	–	–	1,932	1,932
Trade and other receivables	13,403	187	–	13,590
Cash and cash equivalents	22,441	–	–	22,441
Total undiscounted financial assets	35,844	187	1,932	37,963
Financial liabilities				
Trade and other payables	8,249	–	–	8,249
Total undiscounted financial liabilities	8,249	–	–	8,249
2014				
Financial assets				
Available-for-sale financial assets	–	–	1,482	1,482
Trade and other receivables	17,437	563	–	18,000
Cash and cash equivalents	17,404	–	–	17,404
Total undiscounted financial assets	34,841	563	1,482	36,886
Financial liabilities				
Trade and other payables	9,921	–	–	9,921
Total undiscounted financial liabilities	9,921	–	–	9,921

In respect of derivative financial instruments as shown in Note 16 to the financial statements, the derivative liabilities are due within one financial year. Foreign currency forward contracts are settled on a net basis.

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

30.3 Liquidity risk (Continued)

	Within one financial year $'000
Company	
2015	
Financial assets	
Other receivables	76
Cash and cash equivalents	5,297
Total undiscounted financial assets	5,373
Financial liabilities	
Other payables	301
Total undiscounted financial liabilities	301
2014	
Financial assets	
Other receivables	72
Cash and cash equivalents	4,412
Total undiscounted financial assets	4,484
Financial liabilities	
Other payables	266
Total undiscounted financial liabilities	266

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

30.4 Capital management policies and objectives

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

The capital structure of the Group and the Company consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

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 2014.

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 less cash and cash equivalents.

The gearing ratio of the Group and the Company as at 31 March 2015 and 31 March 2014 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 2015 and 31 March 2014.

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

30.5 Fair values of financial assets and financial liabilities

The carrying amounts of the Group's and the Company's current financial assets and current financial liabilities recorded at amortised cost in financial statements approximately their respective fair values at the end of reporting period due to the relatively short term maturity of these financial instruments.

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.

Fair value hierarchy

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

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

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

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

Fair value of financial instruments that are not carried at fair value

The carrying amounts of the current financial assets and current financial liabilities that are not carried at fair value approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

Fair value of financial instruments carried at fair value

The fair value of current financial liabilities carried at fair value in relation to derivative financial instruments is disclosed in Note 16 to the financial statements.

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

	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Group				
2015				
Liabilities				
Derivative financial instruments	–	184	–	184
2014				
Liabilities				
Derivative financial instruments	–	43	–	43

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

30.6 Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Loans and receivables	35,871	34,983	5,368	4,455
Available-for-sale financial assets	1,932	1,482	–	–
	37,803	36,465	5,368	4,455
Financial liabilities				
Derivative financial instruments	184	43	–	–
Other financial liabilities, at amortised cost	8,249	9,921	301	266
	8,433	9,964	301	266

31. Events after the reporting period

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

On 27 May 2015 and 28 May 2015, the Company purchased 267,000 and 630,000 ordinary shares by way of market acquisition at the average price of approximately $0.25 and $0.26 per share (excluding transaction costs) amounting to $66,095 and $162,830 respectively. Subsequent to the purchases, the Company holds 1,000,000 treasury shares and the total number of issued shares excluding treasury shares is 105,000,000 shares. The Company intends to use the treasury shares for award under the Jason Performance Share Plan.

SHAREHOLDING STATISTICS

AS AT 15 JUNE 2015

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

SIZE OF SHAREHOLDINGS			NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF TOTAL SHARES
1	–	99	0	0.00	0	0.00
100	–	1,000	149	29.57	147,200	0.14
1,001	–	10,000	137	27.18	896,000	0.85
10,001	–	1,000,000	213	42.26	13,786,800	13.13
1,000,001	&	ABOVE	5	0.99	90,170,000	85.88
TOTAL			504	100.00	105,000,000	100.00

TOP TWENTY SHAREHOLDERS

AS AT 15 JUNE 2015

NAME OF SHAREHOLDERS	NO. OF SHARES	% OF TOTAL SHARES
FOO CHEW TUCK	81,300,000	77.43
TAN FUH GIH	3,970,000	3.78
SIRIUS VENTURE CAPITAL PTE. LTD.	2,650,000	2.52
PHILLIP SECURITIES PTE LTD	1,230,000	1.17
TAN LIAN HUAT	1,020,000	0.97
CHEW KENG SENG	940,000	0.90
ONG WAI MENG	750,000	0.71
NAH WEE KEE (LAN WEIQI)	584,000	0.56
PANG YOKE MIN	500,000	0.48
SEAH CHYE ANN (XIE CAI'AN)	395,000	0.38
RAFFLES NOMINEES (PTE) LTD	392,900	0.37
TENG CHAI HAI	280,000	0.27
YEAP LAM YANG	250,000	0.24
NG HUA CHONG OR SIA MOI	201,000	0.19
TANG BEE YIAN	195,000	0.19
CIMB SECURITIES (S'PORE) PTE LTD	188,000	0.18
BOEY KWOK CHOON	175,000	0.17
TAN SIONG GUAN BENJAMIN (CHEN SHANGYUAN BENJAMIN)	175,000	0.17
LEE GEOK LOY	170,000	0.16
CHEW YI HONG (ZHOU YUFENG)	169,000	0.16
TOTAL	95,534,900	91.00

SUBSTANTIAL SHAREHOLDER	NO. OF SHARES DIRECT INTEREST	NO. OF SHARES DEEMED INTEREST
FOO CHEW TUCK	81,300,000	–

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 15 June 2015, approximately 19.08% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Jason Marine Group Limited (the "**Company**") will be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Thursday, 23 July 2015 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 2015 and the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To declare a final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share in respect of the financial year ended 31 March 2015. **(Resolution 2)**

3. To approve the Directors' fees of S$172,500 for the financial year ended 31 March 2015. (2014: S$170,000) **(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)**
   [See Explanatory Note 1]

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

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**") and to hold such office from the date of this AGM until the next AGM of the Company.
   [See Explanatory Note 1] **(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 Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company to issue and allot new ordinary shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise) and/or make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS that:

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

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of the Shares that may be issued under paragraph (1) above, the total number of issued Shares (excluding treasury shares) 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 any share options which are outstanding or subsisting at the time such authority was conferred; and

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

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

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

(4) such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."
[See Explanatory Note 2] **(Resolution 8)**

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

"THAT pursuant to Section 161 of the Companies Act, approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the vesting of awards under the Jason Performance Share Plan (the "**PSP**"), provided always that the aggregate number of additional new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares) from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."
[See Explanatory Note 3] **(Resolution 9)**

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

"THAT:

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

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

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

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

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

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

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

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

(3) in this Resolution:

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

"**Relevant Period**" means the period commencing from the date on which the 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,

where:

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

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

(4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."
[See Explanatory Note 4] **(Resolution 10)**

11. **OTHER BUSINESS**

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

BY ORDER OF THE BOARD

Foo Hui Min
Pan Mi Keay
Company Secretaries
8 July 2015

NOTES:

1. A member of the Company entitled to attend and vote at the AGM is entitled to appoint one or not more than two proxies to attend and vote in his stead. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.

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

3. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the power of attorney or a duly certified copy thereof must be lodged with the instrument.

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

EXPLANATORY NOTES:

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

   Detailed information on Mr Foo Chew Tuck, Mr Wong Hin Sun Eugene and Mr Sin Hang Boon can be found under the "Board of Directors" section of this Annual Report.

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

3. Ordinary Resolution 9, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant to the PSP, provided that the aggregate number of new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares). This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

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

PERSONAL DATA PRIVACY

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

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, 23 July 2015 at 11.30 a.m. ("**2015 AGM**") for the proposed renewal of the share buyback mandate to authorise the Company's directors ("**Directors**") from time to time to purchase or acquire shares in the capital of the Company (whether by market purchases and/or off-market purchases on an equal access system) subject to the Articles of Association of the Company and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") (the "**Share Buyback Mandate**").

1.2 Shareholders had at the Annual General Meeting ("**AGM**") held on 24 July 2014, renewed the Share Buyback Mandate ("**2014 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 at the time of passing of the resolution on the terms of that 2014 Mandate.

1.3 The 2014 Mandate will expire on the date of the forthcoming 2015 AGM. If the proposed resolution for the renewal of the Share Buyback Mandate is approved at the 2015 AGM, the Share Buyback Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the next AGM of the Company is held or is required by law to be held, whichever is earlier.

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

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

2.1 Rationale

The renewal of the Share Buyback Mandate authorising the Directors to purchase or acquire the 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 acquisition up to the 10% limit described in paragraph 2.2.1 below at any time, during the period when the Share Buyback Mandate is in force.

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

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

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

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

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

2.1 Rationale (Continued)

(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 acquisition of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisition 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 SGX-ST. Rule 723 of the Catalist Rules states that an issuer must ensure that at least 10% of the total number of issued Shares (excluding treasury shares) is at all times held by the public.

2.2 Authority and Limits on the Share Buyback Mandate

The authority and limitations placed on share purchase or acquisition of Shares under the Share Buyback Mandate, if renewed at the 2015 AGM, are substantially similar in terms to those previously approved by Shareholders at the AGM held on 24 July 2014, and are summarised below:

2.2.1 <u>Maximum Number of Shares</u>

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 forthcoming 2015 AGM at which the renewal of the Share Buyback Mandate is approved), unless the share capital of the Company has been reduced in accordance with the applicable provisions of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), at any time during the period commencing from the date on which the 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 (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.

Of the 105,000,000 Shares in issue as at 15 June 2015 (the "**Latest Practicable Date**"), 20,030,000 Shares (representing approximately 19.08% of the total issued Shares) are held by the public. As at the Latest Practicable Date, the Company holds 1,000,000 treasury shares. The Company is of the view that there is sufficient number of Shares in issue held by public shareholders, which would permit the Company to undertake share purchases or acquisition of up to 10% of its total issued Shares without affecting the listing status of the Company on the Catalist.

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

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

2.2.2 Duration of Authority

Unless varied or revoked by the Company in general meeting, purchases or acquisition of Shares pursuant to the Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the forthcoming 2015 AGM, at which the renewal of Share Buyback is approved, up to the earlier 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 acquisition of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed at the next AGM (after the 2015 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 acquisition 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 acquisition of Shares, where relevant, and the total consideration paid for such purchases or acquisition.

2.2.3 Manner of Purchases or Acquisition of Shares

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

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

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

In an Off-Market Purchase, the Directors may impose such terms and conditions which are consistent with the Share Buyback Mandate, the Catalist Rules, the Companies Act and the 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.

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

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

2.2.3 Manner of Purchases or Acquisition of Shares (Continued)

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

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

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

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

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

(f) details of any purchases or acquisition 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 acquisition, where relevant, and the total consideration paid for the purchases or acquisition; 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 acquisition 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 acquisition of the Shares must not exceed:

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

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

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

For the above purposes:

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

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

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

2.3 Sources of funds

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

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

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

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

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

2.5 Treasury Shares (Continued)

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

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

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

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

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

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

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

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

2.6 Reporting requirements

The Company shall notify the Accounting and Corporate Regulatory Authority (the "**ACRA**") in the prescribed form within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include, *inter alia*, details of the purchases or acquisition 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 acquisition. 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 acquisition 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. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (Continued)

2.7 Financial Effects

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

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

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

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

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

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

Under the Companies Act, purchases or acquisition 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.

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

2.7 Financial Effects (Continued)

The financial effects of the Share Buyback Mandate on the Group and the Company are based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2015 and the assumptions set out below:

(a) based on 105,897,000 Shares in issue (excluding 103,000 Shares held in treasury) as at 31 March 2015 and assuming no further Shares are issued between 1 April 2015 and the date of the 2015 AGM, not more than 10,589,700 Shares (representing 10% of the total number of issued Shares (excluding treasury shares) 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 10,589,700 Shares at the Maximum Price of S$0.263 (being the price equivalent to 105% of the Average Closing Price of the Shares for the 5 consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 10,589,700 Shares (excluding related expenses) is approximately S$2.8 million; and

(c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 10,589,700 Shares at the Maximum Price of S$0.300 (being the price equivalent to 120% of the Average Closing Price of the Shares for the 5 consecutive market days on which the Shares were traded on the SGX-ST immediately preceding the Latest practicable Date), the maximum amount of funds required for the purchase of the 10,589,700 Shares (excluding related expenses) is approximately S$3.2 million.

Purely for illustrative purposes only, and based on the assumptions set out above and assuming that:

(i) such purchase or acquisition of Shares is financed solely by internal sources of funds available as at 31 March 2015;

(ii) the Share Buyback Mandate has been effective on 1 April 2014; and

(iii) the Company has purchased or acquired the maximum of 10,589,700 Shares (representing 10% of the total issued Shares (excluding the Shares held in treasury) as at 31 March 2015),

the financial effects of the purchase or acquisition of the 10,589,700 Shares by the Company pursuant to the Share Buyback Mandate:

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

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

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

2.7 Financial Effects (Continued)

on the audited financial statements of the Group and the Company for the financial year ended 31 March 2015 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 2015	**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	(196)	(196)	(196)	–	–	–
Accumulated profits	11,859	11,859	11,859	2,038	2,038	2,038
Treasury shares	(25)	(2,810)	(3,201)	(25)	(2,810)	(3,201)
Equity attributable to the owners of the parent	29,605	26,820	26,429	19,980	17,195	16,804
NTA [(1)]	29,549	26,764	26,373	19,980	17,195	16,804
Cash and cash equivalents	22,294	19,509	19,118	5,292	2,507	2,116
Current assets	42,528	39,743	39,352	5,390	2,605	2,214
Current liabilities	15,952	15,952	15,952	302	302	302
Working capital	26,576	23,791	23,400	5,088	2,303	1,912
Total borrowings [(2)]	–	–	–	–	–	–
Profit for the financial year	3,866	3,866	3,866	2,488	2,488	2,488
Number of issued Shares ('000)	106,000	106,000	106,000	106,000	106,000	106,000
Treasury shares ('000)	103	10,693	10,693	103	10,693	10,693
Number of voting shares ('000)	105,897	95,307	95,307	105,897	95,307	95,307
<u>Financial Ratios</u>						
NTA per Share (cents) [(3)]	27.9	28.1	27.7	18.9	18.0	17.6
EPS (cents) [(4)]	3.7	4.1	4.1	2.3	2.6	2.6
Current ratio (times) [(5)]	2.7	2.5	2.5	17.8	8.6	7.3
Gearing ratio (times) [(6)]	–	–	–	–	–	–
Return on equity (%) [(7)]	13.1	14.4	14.6	12.5	14.5	14.8

Notes:

(1) NTA refers to total net assets less intangible assets.

(2) Total borrowings refer to the total of short term and long term borrowings, and finance lease obligations.

(3) NTA per Share is calculated based on NTA and 105,897,000 Shares in issue as at 31 March 2015 excluding treasury shares.

(4) For illustrative purpose, EPS is calculated based on 105,897,000 Shares in issue as at 31 March 2015 excluding 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.

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

2.7 Financial Effects (Continued)

Scenario 2: Purchases made out of capital and cancelled

	Group			Company		
As at 31 March 2015	**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	(196)	(2,981)	(3,372)	–	(2,785)	(3,176)
Accumulated profits	11,859	11,859	11,859	2,038	2,038	2,038
Treasury shares	(25)	(25)	(25)	(25)	(25)	(25)
Equity attributable to the owners of the parent	29,605	26,820	26,429	19,980	17,195	16,804
NTA [(1)]	29,549	26,764	26,373	19,980	17,195	16,804
Cash and cash equivalents	22,294	19,509	19,118	5,292	2,507	2,116
Current assets	42,528	39,743	39,352	5,390	2,605	2,214
Current liabilities	15,952	15,952	15,952	302	302	302
Working capital	26,576	23,791	23,400	5,088	2,303	1,912
Total borrowings [(2)]	–	–	–	–	–	–
Profit for the financial year	3,866	3,866	3,866	2,488	2,488	2,488
Number of issued Shares ('000)	105,897	95,307	95,307	105,897	95,307	95,307
Financial Ratios						
NTA per Share (cents) [(3)]	27.9	28.1	27.7	18.9	18.0	17.6
EPS (cents) [(4)]	3.7	4.1	4.1	2.3	2.6	2.6
Current ratio (times) [(5)]	2.7	2.5	2.5	17.8	8.6	7.3
Gearing ratio (times) [(6)]	–	–	–	–	–	–
Return on equity (%) [(7)]	13.1	14.4	14.6	12.5	14.5	14.8

Notes:

(1) NTA refers to total net assets less intangible assets.

(2) Total borrowings refer to the total of short term and long term borrowings, and finance lease obligations.

(3) NTA per Share is calculated based on NTA and 105,897,000 Shares in issue as at 31 March 2015 excluding treasury shares.

(4) For illustrative purpose, EPS is calculated based on 105,897,000 Shares in issue as at 31 March 2015 excluding 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.

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

2.7 Financial Effects (Continued)

Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for the financial year ended 31 March 2015 and the total number of issued Shares (excluding treasury shares) as at 31 March 2015, 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) as at the date of passing of the resolution at the 2015 AGM, the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Shareholders who are in doubt as to their tax positions or any tax implications arising from the Share Buyback Mandate in their respective jurisdictions should consult their own professional advisers.

2.8 Catalist Rules

While the Catalist Rules do not expressly prohibit purchase or acquisition of shares by a Catalist company during any particular time or times, because a Catalist company would be considered an "**insider**" in relation to any proposed purchase or acquisition of its issued shares, the Company will not purchase any Shares pursuant to the Share Buyback Mandate after a development which could have a material effect on the price of the Shares has occurred or has been the subject of a consideration and/or a decision of the Board until such time as such information has been publicly announced. In particular, the Company will not purchase or acquire any Shares through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's half-year and full-year results.

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its Shares are in the hands of the public. The "**public**", as defined under the Catalist Rules, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiary companies, as well as the Associates of such persons.

Based on the Register of Directors' shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 20,030,000 Shares, representing 19.08% of the total issued Shares (excluding treasury shares), 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 sufficient float in the hands of the public will be maintained so that such purchases or acquisition of Shares will not adversely affect the listing status of the Company on the Catalist, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.9 Implications under the Take-over Code

Shareholders' attention is drawn to Appendix 2 of the Take-over Code which contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 <u>Obligation to make a take-over offer</u>

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

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

2.9 Implications under the Take-over Code (Continued)

2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert ("**concert parties**") comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

(a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

(b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

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

2.9 Implications under the Take-over Code (Continued)

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Based on the information in the Company's Register of Shareholders as at the Latest Practicable Date, none of the Directors or Substantial Shareholders of the Company are obliged to make a general offer to other Shareholders under Rule 14 and Appendix 2 of the Take-over Code as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate. As at the Latest Practicable Date, the Directors are not aware of any potential Shareholder(s) who may have to make a general offer to the other Shareholders as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the interests of the Directors' and the Substantial Shareholders in the Shares of the Company are as follows:-

	Direct Interest No. of Shares	Deemed Interest No. of Shares	Total Interest	% [1]
Foo Chew Tuck	81,300,000	–	81,300,000	77.43
Tan Lian Huat	1,020,000	–	1,020,000	0.97
Wong Hin Sun Eugene [2]	–	2,650,000	2,650,000	2.52
Sin Hang Boon @ Sin Han Bun	–	–	–	–
Eileen Tay-Tan Bee Kiew	–	–	–	–
Sirius Venture Capital Pte. Ltd. ("**Sirius Venture**") [2]	2,650,000	–	2,650,000	2.52

Notes:

(1) The percentage is calculated based on the total issued and paid-up share capital of 105,000,000 Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Sirius Venture is a company incorporated in Singapore on 12 September 2002 and is principally engaged in investment activities and the provision of business consultancy services. Mr Wong Hin Sun Eugene is the managing director of Sirius Venture. As at the Latest Practicable Date, Mr Wong Hin Sun Eugene holds 100% of the issued share capital of Sirius Venture. Mr Wong Hin Sun Eugene is accordingly deemed to have an interest in the Shares held by Sirius Venture.

4. SHARES BOUGHT BY THE COMPANY IN THE PAST TWELVE MONTHS

The following are details of purchases or acquisition of Shares made by the Company in the previous 12 months preceding the Latest Practicable Date:-

Date of purchase or acquisition of Shares	Number of Shares purchased or acquired	Price paid per Share (S$)	Total consideration paid (including expenses related thereto) (S$)
27 May 2015	267,000	Highest:S$0.250 Lowest:S$0.245	66,407.03
28 May 2015	630,000	Highest:S$0.260 Lowest:S$0.25	163,335.05
Total:	897,000		229,742.08

These Shares were acquired by way of open market purchases during the period of 12 months preceding the Latest Practicable Date.

As at the Latest Practicable Date, an aggregate of 1,000,000 Shares are being held by the Company as treasury shares.

5. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company or to who may be subject to tax whether in or outside Singapore should consult their own professional advisers.

6. DIRECTORS' RECOMMENDATION

After having considered the rationale and the information relating to the Share Buyback Mandate, the Directors are of the opinion that the proposed renewal of Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution 10 as set out in the Notice of AGM relating to the proposed renewal of the Share Buyback Mandate.

7. ANNUAL GENERAL MEETING

The 2015 AGM, notice of which is set out on pages 79 to 83 of the 2015 Annual Report of the Company, will be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Thursday, 23 July 2015 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 2015 AGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2015 AGM and wish to appoint a proxy to attend and vote at the 2015 AGM on their behalf must complete, sign and return the Proxy Form attached to the 2015 Annual Report 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 2015 AGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2015 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 2015 AGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the 2015 AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm 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 the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 194 Pandan Loop, #06-05 Pantech Business Hub, Singapore 128383, during normal business hours from the date of this Appendix up to and including the date of the 2015 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 2015.

11. STATEMENT BY SPONSOR

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**") for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this Appendix.

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

The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.

Yours faithfully,
For and on behalf of the Board of Directors of
JASON MARINE GROUP LIMITED

FOO CHEW TUCK
Executive Chairman

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

PROXY FORM

IMPORTANT
1. **For investors who have used their CPF monies to buy shares in the capital of Jason Marine Group Limited, this Annual Report 2015 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.**

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 July 2015.

I / We, ________________________ of NRIC/Passport/Company Registration No, ________________________

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

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

and/or (delete where appropriate)

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

as my/our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Annual General Meeting of the Company to be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Thursday, 23 July 2015 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 the Audited Financial Statements for the financial year ended 31 March 2015 and the Reports of the Directors and the Auditors thereon.		
2.	To declare a final one-tier tax exempt dividend of 1.0 Singapore cent per ordinary share in respect of the financial year ended 31 March 2015.		
3.	Approval of Directors' fees of S$172,500 for the financial year ended 31 March 2015.		
4.	Re-election of Mr Foo Chew Tuck as Director.		
5.	Re-election of Mr Wong Hin Sun Eugene 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 in the capital of the Company and/or instruments pursuant to Section 161 of the Companies Act.		
9.	Authority to allot and issue shares under the Jason Performance Share Plan.		
10.	Renewal of the Company's share buyback mandate.		

Dated this ________________ day of ________ 2015

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

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

IMPORTANT: Please read notes overleaf

Notes:-

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or not more than two proxies to attend and vote in his/her stead. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

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. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

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 Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse the admission of any person or persons appointed under the instrument of proxy, to the Annual General Meeting.

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member(s) are not shown to have shares entered against his/her/their name(s) in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

8. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his/her name appears on the Depository Register 48 hours before the time appointed for the Annual General Meeting.

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

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SERVICE CENTRES

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