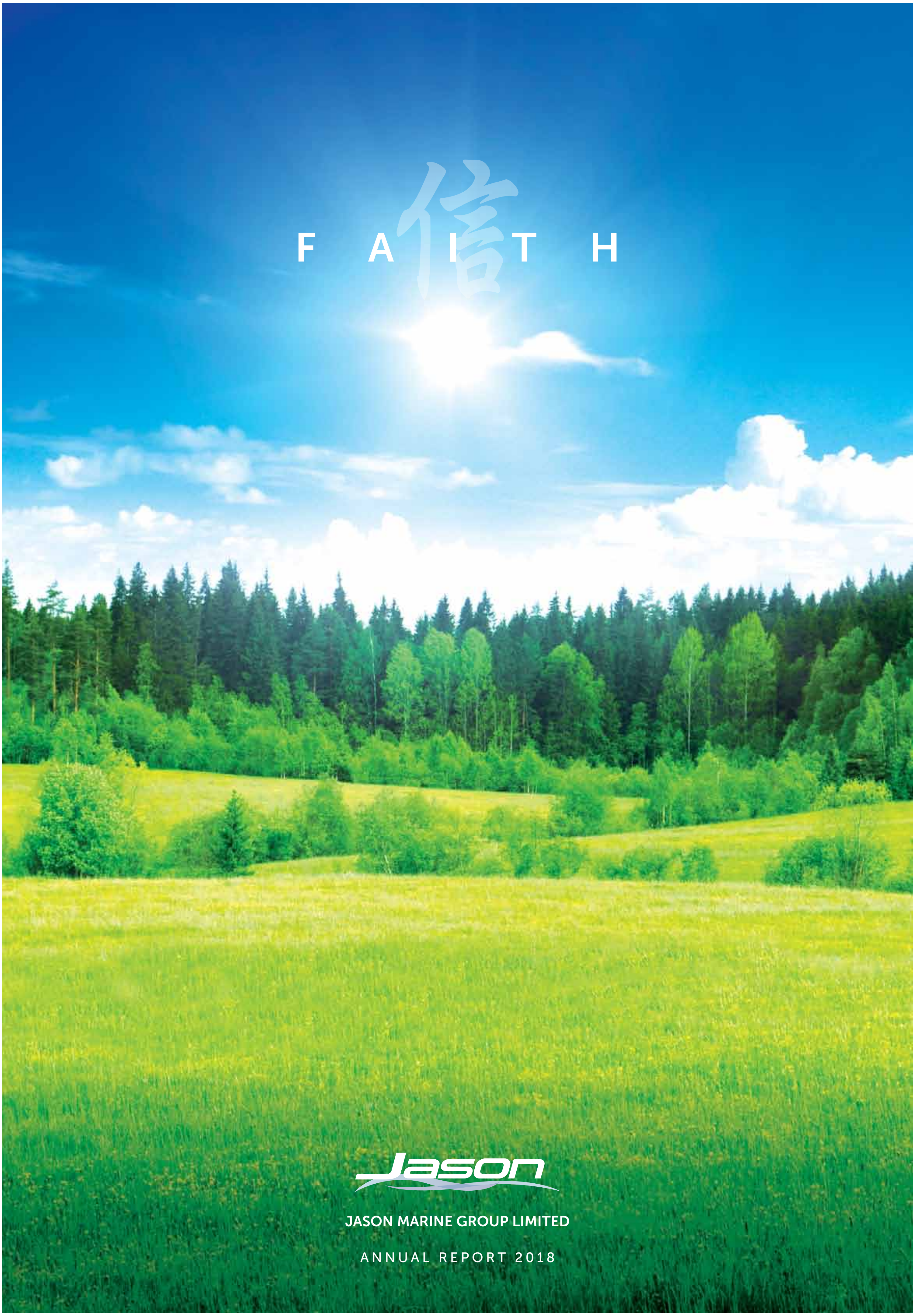


信
F A I T H
Jason
JASON MARINE GROUP LIMITED
ANNUAL REPORT 2018

The world today thrives on real-time connectivity with split-second communications and data flow to improve productivity and efficiency. Wi-Fi services for passengers on board aircraft have already revolutionised the airline industry. With the rising trend of digitalisation now unlocking many opportunities for the marine and offshore oil & gas industries, Jason Marine is well-positioned to become a key services provider in this area.

Backed by our solid track record, Jason Marine continues to expand its partnerships and capabilities as an integrated marine electronics solutions provider to remain relevant, more than able to meet the growing demand for digital connectivity at sea.

Faith in our people, capabilities, network and partners, and more importantly, their faith in us, have taken our Jason Marine reputation to new shores. God has blessed our every endeavour and we look to the future with faith as we persevere to further entrench our name and build on our foundation for sustainable growth.

CONTENTS

Corporate Profile	1
Our Vision, Our Values	1
Our Business Model	2
Our People, Our Sectors	4
Chairman's Statement	8
Board of Directors	10
Management Team	12
Financial & Operations Review	14
Corporate Structure	16
Key Partner	18
Sustainability Report	19
Corporate Information	35
Service Centres	36

CORPORATE PROFILE

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

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

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

OUR VISION

To be a Global World Class Company in Marine Electronics

OUR VALUES

CHARACTER

Integrity and honesty
Positive attitude
Excellent teamwork

COMPETENCE

Excellent quality work
Deliver expected results
Innovation and creativity

COMMITMENT

Passion and drive
Walk the extra mile
Seek opportunities

Diverse Clients but ONE Team

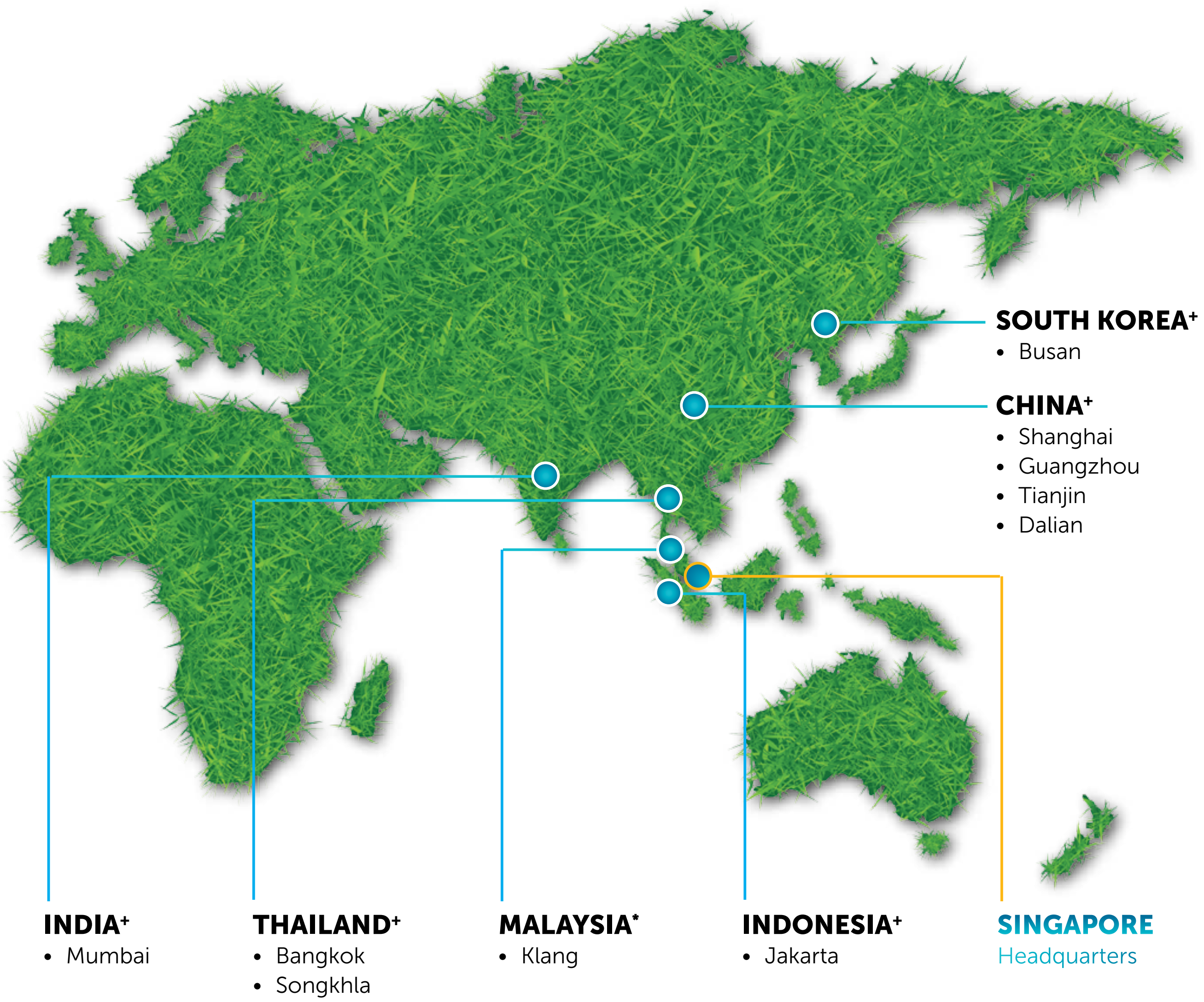
Since 1976, Jason Marine has been putting together and servicing data and communications electronic equipment, customising integrated solutions that make these machines work together in line with our clients' requirements.

We work on merchant ships for the marine sector and exploration & production platforms for the oil & gas sector which operate under very different conditions and have different requirements. The Group thus works through various internal business units but as ONE team.

Skilled People, Wide Network, Timely Response

Our highly trained people are based in different service centres located in various major ports in East Asia. This allows us to respond quickly to our customers (vessel owners, operators and managers) in this part of the world.

In order to be even more effective, we intend to set up more service centres in Asia, namely India and the Middle East market.



Notes:
+ Branch Offices and Service Centre
* Service Centre only

INTEGRATED SOLUTIONS

1. SALE OF GOODS
2. RENDERING OF SERVICES
3. AIRTIME

Our integrated solutions target the following sectors

<table>
<tr><th>Sector</th><th>Marine – Services</th><th>Oil & gas, petrochemical, energy and marine</th><th>Marine – Leasing</th></tr>
<tr><td rowspan="2">Customised Integrated Solutions
- Hardware sales
- Maintenance and support services (24/7)
- Airtime services</td><td>Marine electronics solutions for navigation and communication systems for all types of commercial, fishing and naval vessels, including newbuilds</td><td>Innovative and reliable products, systems and solutions for all types of applications

Services include:
• End-to-end services
• Turnkey project systems
• Front-End Engineering Design (FEED)
• Consultancy
• Project management
• Installation and commissioning
• Training</td><td>Marine electronics solutions for navigation and communication systems for all types of commercial, fishing and naval vessels, mostly retrofitted

Also does leasing for VSAT[1] and ECDIS[2] equipment</td></tr>
<tr><td colspan="3">• Virtual Network Operator services
• Flexible VSAT[1] bandwidth packages
• Installation of hardware
• Maintenance & repair</td></tr>
</table>

Notes:
1 VSAT – Very Small Aperture Terminal
2 ECDIS – Electronic Chart Display and Information System

OUR COMPETITIVE EDGE

The 3Cs – **Character, Competence** and **Commitment** define the Jason Marine Group and give us a competitive edge in the industry.

CHARACTER

Upholding integrity, reliability and enthusiasm; going the extra mile

•

We strive to remain trustworthy in our relationships with partners and clients who have grown to rely on us and our willingness to go the extra mile

COMPETENCE

Staying on top of technological advancements; in-depth product knowledge

•

We develop innovative and customised solutions for various electronic equipment to work seamlessly together and meet clients' exacting requirements

COMMITMENT

Caring for our people and their training; thriving on teamwork

•

We leverage on one another's strengths in getting the job done well to deliver high customer satisfaction

MARINE –SERVICES

from left:

Keith Lim,
Sales Director (Marine)

Kenneth Wong,
Service Manager

Eric Wan,
Commercial Manager

We provide one-stop customised solutions for the navigation, communications, automation and satellite airtime services on board a wide range of ships.

We are always trying to do things differently. For instance, besides just providing hardware and services like installation, commissioning, certification and repair in our VSAT airtime packages, we are also a network operator for Ku-band services.

We are known to be reliable. Our swift critical response time is crucial as commercial shipping has fixed sailing schedules. We were recently called to do a last minute job onboard and we completed it to the customer's satisfaction and well before the ship set sail.

We are looking to grow by expanding our sales teams and service centres in the region. We are always building on our capabilities so that we can continue to improve on our service level.

OIL & GAS –SYSTEMS INTEGRATION

from left:

Thiha Aung,
Senior Proposal Engineer

Li Zhi Heng,
Engineering Manager

Shaun Teo,
Head of Business Unit, Energy

We have well over two decades of experience servicing and satisfying the most demanding requirements of the global oil & gas and energy industries. Today, we are a trusted solutions provider for the design, engineering, integration and management of multi-vendor communications, navigation, automation and professional IT/ICT systems in these markets.

Our job as a telecoms systems integrator is to ensure the different systems installed onboard work together seamlessly, raising operational efficiency and improving business processes. At the same time, we also enhance the safety of those on board – not only does our work comply with international regulatory requirements, it also facilitates the delivery of mission-critical solutions that can be time-sensitive.

We are well-known in the maritime, oil & gas as a systems integration, connectivity and service & maintenance provider.

Our core strengths are our time-tested and proven project management and engineering skills that enable us to provide total end to end (ETE) solutions, from Front End Engineering Design (FEED) to after sales support (warranty), and to respond quickly when problems crop up.

Our customers trust us to deliver. A recent achievement is our largest contract to-date – to integrate a wide range of silo systems on board a 220-metre semi-submersible crane vessel into one unified secured network. We won this contract after passing a stringent audit against the competition, well satisfying the evaluation criteria and requirements.

We want to grow our reach in the offshore and onshore O&G sector, as well as in renewable energy (such as floating LNG vessels) and infrastructure projects, always building on our skills and capabilities.

MARINE –LEASING

from left:

Dominic Oliver,
Sales Director

Captain Tarun,
Managing Director

Dip Gajjar,
Senior Sales Manager

We are making good progress in helping to enlarge our supplier partner and customer reach. Trust is the engine of our business. We recommend products that we believe are the best for our customers – we do not 'push' our inventory or standard packaged solutions.

Earlier this year, despite knowing that a project was beyond the scope of our in-house team, our client still awarded us the contract simply because they trusted our experience, expertise and excellent work ethic. We were entrusted with engaging, directing and managing sub-contractors who had the specific skill-set required for this particular project. Pleased with our service, this client has since roped us in for subsequent similar work.

We believe in the products we represent – our thorough testing and evaluation of these equipment/solutions have built our trust in their quality and effectiveness. Our commitment on this front has enabled us to serve as gatekeepers for our customers – we can recommend them the best solutions and guide them to maximise their choices.

Our vision is to deliver 'extraordinary service' at every step of our business process, creating memorable experiences with our people from enquiry stage to after-sales service. In the medium term, we will focus on growing our revenue and expand the range of principals we represent.

OUR **PEOPLE** OUR **CAPABILITIES**

Just as the earth provides the trees with the necessary ingredients for growth, the foundation of Jason Marine is well grounded on our team of committed and trustworthy people who have tirelessly helped us to grow our capabilities and industry reputation over the years.

Dear Valued Shareholders,

"It was the best of times, it was the worst of times." This much quoted phrase from Charles Dickens aptly describes the state of the global marine and offshore oil & gas industry today.

Despite the steady recovery in the world economy since 2015 and firmer crude oil prices, rising costs of operations, vessel oversupply, thinning margins and beleaguered balance sheets, especially of the offshore support services providers, continue to dampen overall sentiment so that the roll-out of new investments and maintenance projects has been slow in the industry.

And yet, we are at the edge of an exciting era where automation and digitalisation are set to transform lifestyles and how we work at sea, saving time and cost while minimising resource wastage through improved connectivity, efficiency and productivity for ship owners, operators and service providers like Jason Marine in the entire value chain. The much talked about One Belt One Road global transport infrastructure strategy also promises new trade routes and marine infrastructure which are expected to increase multi-lateral trade and open up opportunities for the Group.

The technology that can support seamless connectivity between land and sea and allow fast ship-to-ship transfer of data is already available. Indeed, the digital transformation of the world economy is slowly but surely making its way into the maritime industry.

FAITH

Our team at Jason Marine is preparing well to ride this wave of change, and my confidence is sustained by our faith in the 3 Cs – character, competence, commitment – that define our people in our partner/client relationships. We listen, analyse and then move decisively to add the necessary skills so we can develop innovative and flexible solutions that meet the needs of our customers.

The fact that Jason Marine has been servicing clients for forty-two years attests to our ability to stay relevant by nimbly adapting to changes in operating conditions. Our people and their focus on customer satisfaction is our key differentiating factor. We have faith in our people, constantly investing in their upskill or multi-skill training, and looking after their welfare and career development in the Group.

Our integrated solutions cover sale of goods, rendering of services and airtime. With growing demand for greater connectivity at sea, we have developed customized and innovative comprehensive packages that combine marine electronics equipment and systems integration with flexible satellite bandwidth, so that each client, big or small, can optimize his own operations. On top of this, we are also moving up the value chain as a Virtual Network Operator, with several of our engineers currently working to attain their Cisco Certified Network Associate (CCNA) certification.

This year, I am pleased to share some insights into how our various internal business units differentiate their services in the marketplace and enhance the Jason Marine brand and reputation for excellence in the Business Model section of this Annual Report.

Not withstanding that the outlook for the global marine and offshore oil & gas industry remains challenging, we continue to aspire to be amongst the best marine electronics solutions providers in the world – rooted in our commitment to excellence, always building on our expertise to strengthen our brand equity.

FY2018 FINANCIAL REVIEW

Although conditions in the global marine and offshore oil & gas sector have improved on the back of firmer oil prices and higher offshore capital expenditure, these have only begun to trickle down to the spending budgets of vessel and platform owners as well as service providers.

Against this backdrop, Jason Marine achieved a 1.8% higher sale of goods and maintained the revenue from the rendering of services through focused marketing of our innovative and customised package offerings. These helped to partially offset the decline in airtime sales so that the Group's revenue for the financial year ended 31 March 2018 (FY2018) declined by 4.6% to S$31.6 million.

The Group reported a net profit of S$45,000 for the year, despite a net fair value loss on derivative financial instruments of S$0.7 million. This resulted from a S$1.6 million fair value loss from the put option on 1,363,953 common stock shares in eMarine Global Inc. held by Jason Marine's wholly-owned Jason Venture Pte. Ltd. This fair value loss was partially offset by the S$0.9 million fair value gain on a derivative relating to Sense Infosys Pte. Ltd.

At the same time, Jason Marine's persistence in maintaining a healthy balance sheet and managing its overall costs resulted in a net cash position of S$17.9 million as at 31 March 2018, which translates into a net cash per share of 17.0 S¢.

PROPOSED DIVIDEND

As an extension of our gratitude to our loyal shareholders for staying with us during this difficult period, the Board has proposed a first and final tax-exempt dividend of 0.5 S¢ a share for FY2018. If approved by shareholders at the Annual General Meeting to be held on 26 July 2018, the total payout will be S$525,000.

ACKNOWLEDGEMENTS AND APPRECIATION

My Board and I would like to thank Mr Tan Lian Huat, who stepped down as the Group's Chief Executive Officer on 31 March 2018, for his strong leadership and invaluable contributions since 1982 when he was appointed a director of Jason Electronics (Pte) Ltd. Mr Tan was instrumental in pushing the Group's expansion into new markets and businesses. We shall miss his wise counsel and wish him all the best in his endeavours.

"Our team at Jason Marine is preparing well to ride this wave of change, and my confidence is sustained by our faith in the 3 Cs – character, competence, commitment – that define our people in our partner/client relationships."

I must also thank our people on the ground and our management team – they are the pillars upholding our Jason Marine brand. Your hard work, dedication and commitment to always give your best and go that extra mile to meet customers' expectations have lifted our standing as a leading marine electronics systems integrator and support services provider.

To our business partners, we are deeply grateful for your steadfast support and faith in us. Your confidence in our ability to deliver will strengthen our resolve to rise above the challenges.

Last but not least, thank you shareholders for your continued patience and trust as we work to build a sustainable business and establish a better future for everyone.

MR FOO CHEW TUCK
Executive Chairman and
Chief Executive Officer

BOARD OF DIRECTORS

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

MR FOO CHEW TUCK

Executive Chairman and Chief Executive Officer

Since its inception in 1976, or 42 years ago, Jason Marine's growth and aspirations have been shaped by our founder, Mr Foo Chew Tuck, 67, whose vision for the Group has enabled it to become a leading comprehensive solutions provider of marine electronics systems. As a leader of the management team, he has demanded the highest standards of quality and service throughout the Group, helping it build strong ties with customers and partners alike that have stood the test of time, even in the most challenging of environments.

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

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

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

MR EUGENE WONG HIN SUN

Non-Independent Non-Executive Director

Mr Eugene Wong Hin Sun, 50, is a non-independent, non-executive director of the Group, having been appointed to the board on 15 September 2009. He founded Sirius Venture Capital Pte Ltd, a venture investment company, in September 2002, and has been its managing director since its incorporation. He is currently non-executive chairman of CrimsonLogic Pte Ltd and non-executive vice-chairman of Japan Foods Holding Ltd. He is also the non-independent non-executive Director of Neo Group Limited. He is also serving on the Boards of Enterprise Singapore and Agri-Food & Veterinary Authority of Singapore, both Statutory Boards of Singapore.

He currently serves as a non-executive director of several private companies, including Cargo Community Network Pte Ltd, a subsidiary of Singapore Airlines, as well as Singapore Cruise Centre Pte Ltd.

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, a Chartered Director (CDir) since 2014, and a Chartered Valuer and Appraiser (CVA) in 2018. He is a Fellow of the Australia Institute of Company Directors (AICD) and the UK Institute of Directors (IoD).

MRS EILEEN TAY-TAN BEE KIEW

Lead Independent Director

Mrs Eileen Tay-Tan Bee Kiew, 65, is the lead independent non-executive director of the Group, having been appointed to the board on 15 September 2009. She has more than 38 years of experience in areas such as accounting, auditing, taxation, public listings, due diligence, mergers and acquisitions, and business advisory. She was a partner at KPMG and served as a director of several companies, both private and publicly listed, in Singapore and Australia. Currently, she is independent director and chairman of SGX-ST Catalist-listed Singapore Kitchen Equipment Limited and an independent director of SGX-ST Mainboard-listed Sunningdale Tech Ltd.

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, 79, is an independent non-executive director of the Group, having been appointed to the board on 15 September 2009. He has more than 40 years of experience in the telecommunications industry. He began his career in 1960 as a trainee engineer with the Singapore Telephone Board (which was eventually reorganised into today's SingTel), under a localisation programme to replace the expatriate officers on loan from the then British Post Office.

During his term of service, he has undertaken executive responsibilities ranging from frontline operation, to engineering planning & support, and business development, including a posting as senior executive to Belgacom S.A. in Belgium for 3 years. He returned to SingTel in 1999 and served as CEO of SingTel International, the company's strategic investment arm, overseeing merger and acquisition projects, until his retirement in 2002. After he retired, he continued to serve on the boards of some of SingTel's overseas joint-venture firms until 2004.

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

MANAGEMENT TEAM

MR FOO CHEW TUCK

Executive Chairman and Chief Executive Officer

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

MS ESABELLE SAW HONG GAIK

Financial Controller

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

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

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

Ms Saw is a Director of Jason Elektronik (M) Sdn. Bhd.

OUR **PARTNERS** OUR **CUSTOMERS**

Just as the branches of trees reach out and spread their leaves to capture the most sunlight to stand tall in the forest, our growing network of partners and customers, supported by strategically located branch offices and service centres in East Asia, is key to the sustainability and growth of our business.

FY2018 IN REVIEW

The global marine and offshore oil & gas industry is recovering but market conditions remained difficult with weaker demand for the Group's goods and services in the financial year ended 31 March 2018 (FY2018). Against this backdrop, our team at Jason Marine continued to streamline our operations, implement new strategies and renew our marketing efforts that will strengthen our position as an integrated communications solutions provider and contribute to the sustainability of our business.

Revenue

The Group reported an overall revenue of S$31.6 million for FY2018, against FY2017's S$33.2 million. The decrease was due mainly to a lower airtime revenue.

Earnings

Jason Marine recorded a 2.3% higher gross profit of S$10.2 million in FY2018 which was due mainly to the better gross profit margin from the rendering of services segment. The Group's overall gross profit margin also rose from 30.1% in FY2017 to 32.3% in FY2018 with the improvement in its overall costs and operational efficiency. Distribution, general and administrative expenses continued to decline, falling nearly 8.9% to S$8.5 million during the year.

Jason Marine achieved a net profit of S$45,000 after accounting for a S$0.7 million net fair value loss on derivative financial instruments, with the Group re-stating its balance sheet and financial accounts to better reflect the value of its investments separately from derivative financial instruments in accordance with the Singapore Financial Reporting Standard 39 – the Financial Instruments Recognition and Measurement (FRS 39).

In FY2018, Jason Marine took in a fair value loss of S$1.6 million from the put option on 1,363,953 common stock shares in eMarine Global Inc., (eMarine Global)[1] held by Jason Marine's wholly-owned subsidiary, Jason Venture Pte. Ltd. (JV). This was partially offset by the fair value gain on a derivative relating to Sense Infosys Pte. Ltd. of S$0.9 million.

Despite the put option's fair value loss, Jason Marine's available-for-sale financial assets rose from S$0.6 million as at 31 March 2017 to S$23.5 million as at 31 March 2018. This was largely a result of the market value of its 1,363,953 common stock shares in eMarine Global, representing a 6% equity stake in the company.[2]

SEGMENT REVENUE AND PROFIT

Sale of Goods

On the back of our focused marketing efforts, revenue from the sale of goods segment rose by 1.8% to S$22.9 million in FY2018. Gross profit also increased by 1.4%, from S$7.2 million in FY2017 to S$7.3 million in FY2018 on a steady gross profit margin of 32.1%.

Rendering of Services

Revenue from rendering of services, which is from equipment leasing and provision of maintenance and support services, held up well at S$6.3 million despite the competitive environment. The segment gross profit grew 22.0% in FY2017 to S$2.6 million in FY2018 and gross profit margin increased to 41.2% from 33.9% previously.

Airtime Services

Due to lower airtime services taken up by customers, revenue for the airtime services segment decreased by S$1.9 million to S$2.5 million in FY2018. Gross profit also fell 60.8% to S$0.3 million, with gross profit margin declining from 14.3% in FY2017 to 9.9% in FY2018.

HIGHLIGHTS OF FINANCIAL POSITION AND CASHFLOW

Financial Position

Reflecting its still healthy balance sheet and prudent cost management, Jason Marine reported a net cash position of S$17.9 million as at 31 March 2018, compared with S$23.9 million as at 31 March 2017. This represents a net cash per share of 17.0 S¢ as at 31 March 2018.

Equity attributable to owners of the parent rose to S$46.4 million as at 31 March 2018, supported by a share capital of S$18.0 million, fair value adjustment reserve of S$23.0 million, and retained earnings of S$5.9 million, partially offset by treasury shares held of S$0.3 million and foreign currency translation account of S$0.1 million. Jason Marine's share capital remained the same at 1,000,000 treasury shares and 105,000,000 issued ordinary shares (excluding treasury shares) as at 31 March 2018.

The net asset value per share strengthened from 22.4 S¢ as at 31 March 2017 to 44.2 S¢ as at 31 March 2018.

Operating Activities

Operating cashflows before working capital changes was about S$2.5 million for FY2018. Due largely to an increase

in trade and other receivables of S$6.5 million, decrease in trade and other payables of S$0.7 million, and decrease in deferred revenue of S$1.4 million, partially offset by the decrease in inventories of S$1.4 million, the net cash used in operations came to S$4.8 million. After payment of income tax of S$0.5 million and interest received of S$0.1 million, the net cash used in operating activities amounted to S$5.1 million for FY2018. In FY2017, the net cash generated from operating activities was S$11.0 million.

Investing Activities

Net cash used in investing activities was about S$0.2 million. This was due mainly to the loan to iProMar (Pte) Ltd (iProMar) of S$0.2 million which was subsequently converted into new ordinary shares in the capital of iProMar by the Group's wholly-owned JV on 15 December 2017, and purchase of plant and equipment of S$0.2 million, partially offset by proceeds from the disposal of plant and equipment of S$0.2 million.

Financing Activities

No cash was generated or used in financing activities in FY2018, as with FY2017.

OPERATIONS REVIEW

To keep pace and stay ahead of advances in information and communications technology, our key people undergo specialised training programmes to arm them with the right knowledge and skills – these enable Jason Marine to widen and deepen our capabilities which could hinder us from offering our clients the best solutions.

We are also always exploring ways to do things better and improve productivity. To this end, we recently completed upgrading our email system to facilitate more seamless information sharing, including in-house training programmes, among our staff in Singapore and branch offices and service centres throughout East Asia.

OUTLOOK

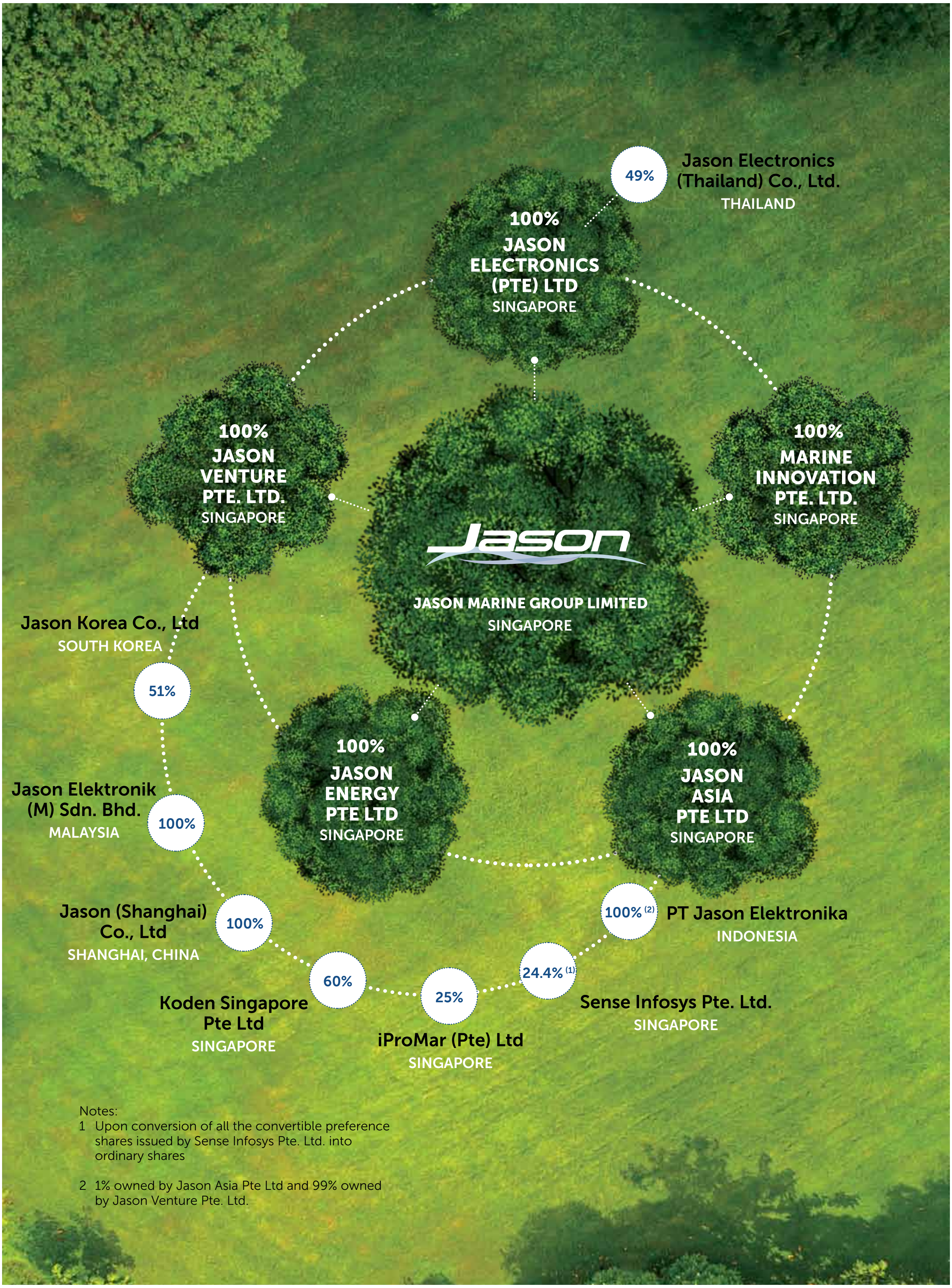
We are cautious about our prospects, as we expect the soft demand for our goods and services and intense competition to persist. Keen pricing will also likely continue to put pressure on margins.

However, we remain steadfast and resolute to overcome these difficult operating conditions, pressing on in growing our portfolio of integrated communications solutions and our capabilities, ready to embrace the digitalisation wave that is shaping the industry and push Jason Marine ahead.

(1) eMarine Global shares trade in US dollars on the US OTC Pink Market. Shareholders should note that depending on market conditions and other relevant factors, the gain, if any, that the Group may be able to realise on its investment in eMarine Global may not necessarily be the same or close to the accounting impact reflected in the Group's audited consolidated financial statements for FY2018.

(2) Under the terms of the relevant agreement, JV has the option to sell all or part of its 1,363,953 shares in eMarine Global between 1 January 2017 and 31 December 2019 to Mr Ung Gyu Kim, the CEO of eMarine Global. The exercise price of the option is 759 Korean won per share plus interest accrued at a rate of 5.38% per annum from 28 October 2011 to the date the option is exercised.

CORPORATE STRUCTURE



Notes:

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

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

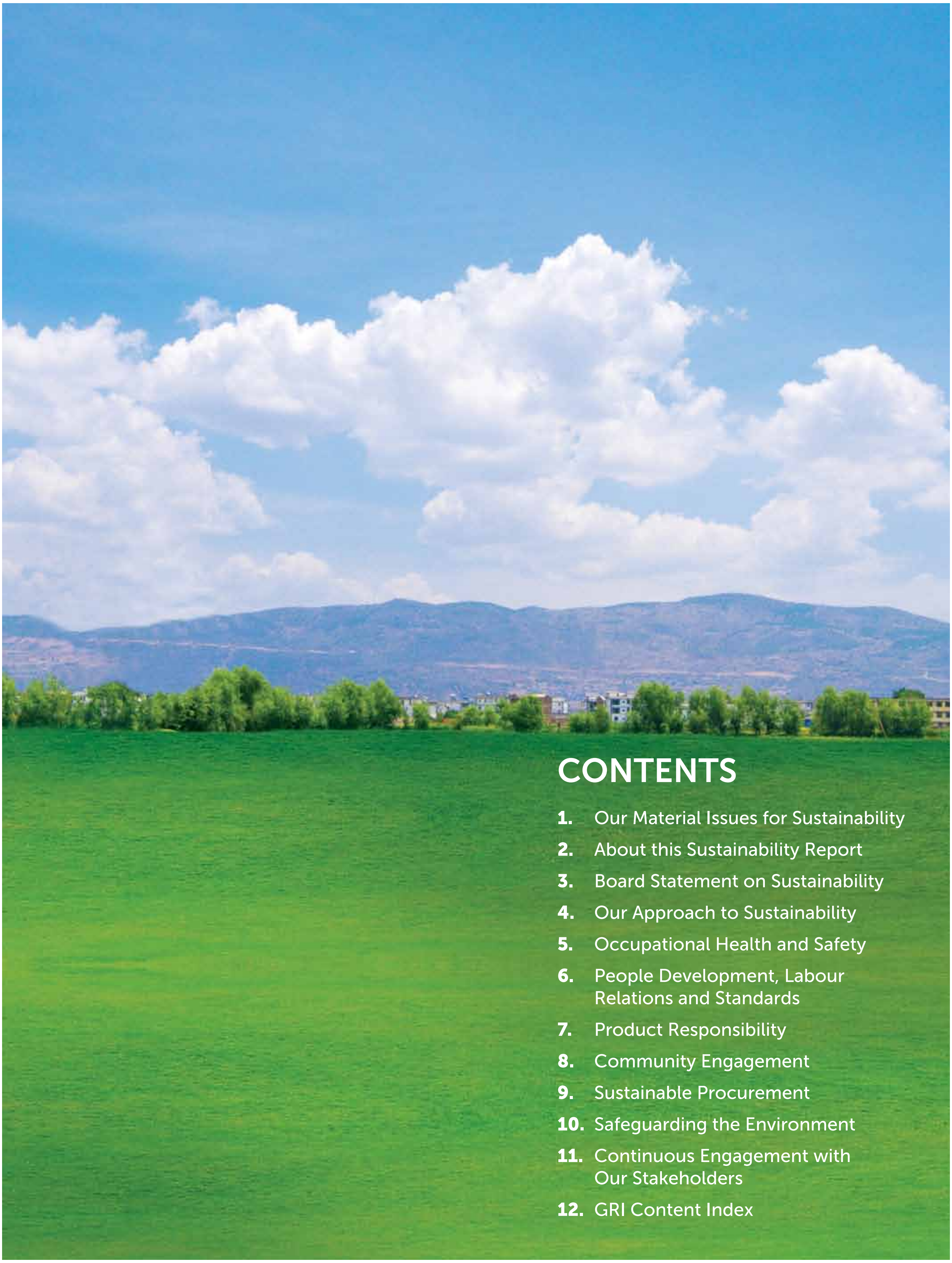
OUR **FAITH** OUR **FUTURE**

"For I know the plans I have for you,"
declares the Lord,
"plans to prosper you and not to harm you,
plans to give you hope and a future."

Jeremiah 29:11

Just as God is our Creator who holds the vast expanse of the skies, and everything in the universe and the earth together, He is also the anchor of Jason Marine's foundation, growth and hope for the future.

Intelsat S.A. (NYSE: I) operates the world's first Globalized Network, delivering high-quality, cost-effective video and broadband services anywhere in the world. Intelsat's Globalized Network combines the world's largest satellite backbone with terrestrial infrastructure, managed services and an open, interoperable architecture to enable customers to drive revenue and reach through a new generation of network services. Thousands of organizations serving billions of people worldwide rely on Intelsat to provide ubiquitous broadband connectivity, multi-format video broadcasting, secure satellite communications and seamless mobility services. The end result is an entirely new world, one that allows us to envision the impossible, connect without boundaries and transform the ways in which we live.



CONTENTS

1. Our Material Issues for Sustainability
2. About this Sustainability Report
3. Board Statement on Sustainability
4. Our Approach to Sustainability
5. Occupational Health and Safety
6. People Development, Labour Relations and Standards
7. Product Responsibility
8. Community Engagement
9. Sustainable Procurement
10. Safeguarding the Environment
11. Continuous Engagement with Our Stakeholders
12. GRI Content Index

OUR MATERIAL ISSUES FOR SUSTAINABILITY

Focusing On Issues That Matter to Our Stakeholders

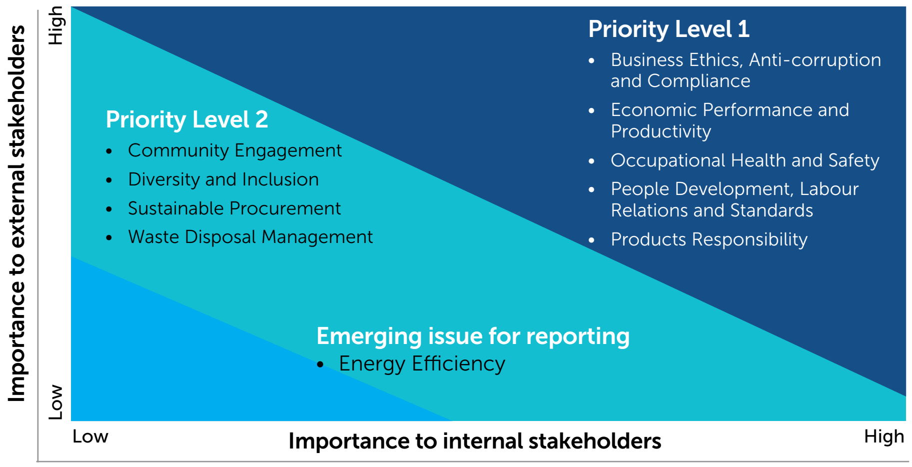
In 2016, we conducted a materiality assessment workshop with our Senior Management and representatives from key business units to identify key material issues based on the Global Reporting Initiative (GRI) guidelines and AA1000AS five-part materiality test. This year, to take into consideration their relevance to more stakeholder groups, we engaged key external and internal stakeholders on their views of the material issues that were previously identified.

A month-long survey was carried out towards the end of the reporting period by an independent consultant, Paia Consulting Pte Ltd. 79 participants from 5 stakeholder groups were invited to rate the level of importance of Jason Marine's previous material issues. We achieved an overall response rate of 71% from our stakeholders, which included customers, bankers, suppliers, employees and Board of Directors.

Re-Prioritisation of Our Material Issues

Following the stakeholder engagement exercise, two material issues have been re-prioritised. 'Product responsibility' is now of higher priority than 'Sustainable procurement', while 'Diversity and inclusion' has been added as a 'Priority Level 2' material issue.

The materiality matrix on the right reflects the issues of importance to both our external stakeholders and to internal stakeholders, categorised according to priority level:



Identified Material Issue	Section Reference for Information on Identified Material Issue [1]	Page Reference [1]
Priority level 1		
• Business Ethics, Anti-corruption and Compliance	Our Approach to Sustainability	22
• Economic Performance and Productivity	Financial & Operations Review, Financial Statements, Community Engagement	14-15, 26
• Occupational Health and Safety	Occupational Health and Safety	23
• People Development, Labour Relations and Standards	People Development, Labour Relations and Standards	24-25
• Product Responsibility	Product Responsibility	25
Priority level 2		
• Community Engagement	Community Engagement	26
• Diversity and Inclusion	People Development, Labour Relations and Standards	24-25
• Sustainable Procurement	Sustainable Procurement	27
• Waste Disposal Management	Safeguarding the Environment	28
Emerging key issue for reporting		
• Energy Efficiency	Safeguarding the Environment	28

Note:
(1) For each material issue identified, please refer to the relevant section of this annual report for details on the Company's policies, practices and performance for the financial year ended 31 March 2018 (FY2018) as well as targets for the next financial year (including descriptive and quantitative information where relevant) for Priority level 1 issues.

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

Jason Marine's Material Issues in its Value Chain

Stages

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

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

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

Material Issues

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

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

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

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

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

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

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

Diversity and Inclusion
A diverse and inclusive working environment at every stage of the value chain is important for employee satisfaction and productivity. We are a signatory of the Tripartite Alliance for Fair and Progressive Employment Practices.

VALUE

ABOUT THIS SUSTAINABILITY REPORT

We are pleased to present Jason Marine's second annual Sustainability Report for our financial year ended 31 March 2018 (FY2018). This report has been prepared in accordance with the GRI Standards: Core Option, and is set out on a "comply or explain" basis in accordance with Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual Section B: Rules of Catalist. Jason Marine has chosen the GRI framework as it is the most established international sustainability reporting standard and in respect of the extent to which such framework is applied, this report has been prepared in accordance with the Core Option.

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

In September 2017, Jason Marine was also invited to share our experience in sustainability reporting at the SGX Sustainability Reporting event for Directors. We hope to have inspired other companies to embark on the sustainability reporting journey.

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

We aim to seek external assurance in future.

We welcome your feedback at **csr@jason.com.sg.**

BOARD STATEMENT ON SUSTAINABILITY

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

OUR APPROACH TO SUSTAINABILITY

Sustainability Governance

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

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

Mr Foo Chew Tuck, our Executive Chairman and CEO, has been instrumental in leading Jason Marine in our sustainability journey. He works closely with the heads of business units including finance, human resources, health and safety, and procurement, who together make up Jason Marine's Sustainability Committee.

Responsible Business and Operational Risk Management

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

We recognise the importance of risk management as a core part of responsible business management. Our Business Continuity Management (BCM) Committee oversees the management of operational risks and mitigating actions to reduce the risk of business disruptions. Our BCM Policy is part of the Management's review to ensure continuing suitability or when significant changes occur. We have also implemented management systems including the ISO 9001:2015 (since 2009) for Quality Management and OHSAS 18001:2007 Occupational Health and Safety Management System (since 2014). Our internal audit policies and procedures provide checks and balances for our processes.

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

Business Ethics, Anti-corruption and Compliance

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

During our employment process, we look out for possible conflicts of interest. Our code of conduct details Jason Marine's expectations on employee's conduct, the consequences of violation of conduct, and grievance procedures. It is made available on our intranet for all our Singapore-based staff. Business ethics is regularly communicated to the regional heads of the different business units regularly.

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

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

For FY2018, there were no significant fines or non-monetary sanctions for non-compliance with laws and regulations. There have also been no reported incidents of corruption during the reporting period.

It is Jason Marine's goal to maintain zero incidents of corruption. We review policies on whistle blowing, anti-corruption and business gifts annually.

OCCUPATIONAL HEALTH AND SAFETY

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

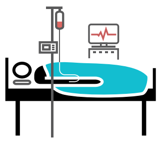
Our Safety and Health Policy, which is publicly available on our website, applies to all employees and contractors, and focuses on prevention and compliance. We conduct safety risk assessments at all levels and across all operating locations.

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

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

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

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



Accident Severity Rate
per million man hours

FY2018 :	14.21
FY2017 :	8.33
FY2016 :	0

Accident Frequency Rate
per million man hours

FY2018 :	4.74
FY2017 :	4.16
FY2016 :	0

Number of Injuries

FY2018 :	1
FY2017 :	1
FY2016 :	0

We had no fatalities during the reporting period. One of our employees injured his hand from the inappropriate use of a metal cable tie while working onboard a vessel. An incident investigation was conducted to determine the root cause and the risk assessment on performing job onboard was updated to prevent future recurrence. Results of the investigation and the revised risk assessment were disseminated to all field staff to share the important lessons learnt from the incident.

Our accident frequency rate (ASR) and accident severity rate (AFR) is 14.21 and 4.74 per million man hours worked in FY2018, which is lower than the 2017 national averages for the marine industry at 95 and 1.5 respectively[1].

We will continue to stress the importance of workplace safety and aim for an AFR and ASR of zero in the upcoming years. For the next reporting period, we will also aim to report injuries based on the updated GRI Standards for occupational health and safety, which is currently under revision.

Note:
1 Source: Workplace Safety and Health Report 2017, Ministry of Manpower Singapore

PEOPLE DEVELOPMENT, LABOUR RELATIONS AND STANDARDS

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

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

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

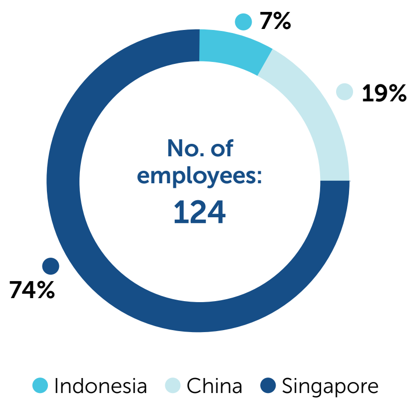
Our Singapore workforce increased from 85 employees as at 31 March 2017 to 92 employees as at 31 March 2018.

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

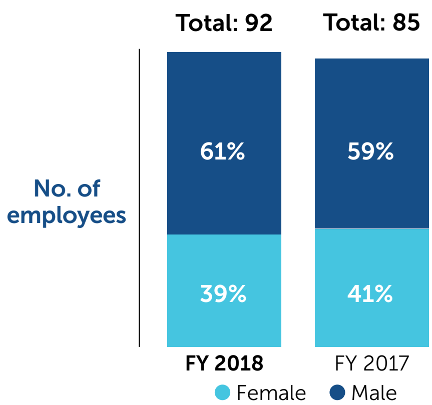
We endorse TAFEP's guidelines to implement fair and merit-based employment practices.

Jason Marine was conferred a Human Capital Partner ("HCPartner") status by TAFEP in September 2017

Global Employee Profile



Region: Singapore



Group-level new hires and turnover FY2018

	By Gender		By Age Group		
	Male	Female	< 30 years	30-50 years	>50 years
Rate of new hire	14.5%	11.3%	4.8%	17.7%	3.2%
Rate of turnover (total)	8.1%	12.9%	3.2%	13.7%	4.0%
Rate of turnover (voluntary)	6.5%	9.7%	2.4%	9.7%	4.0%

Rate of new hires and turnover in Singapore, broken down by gender

	FY2018		FY2017	
	Male	Female	Male	Female
Rate of new hire	14.1%	12.0%	8.2%	2.4%
Rate of turnover (total)	9.8%	15.2%	47.1%	21.2%
Rate of turnover (voluntary)	7.6%	13.0%	18.8%	9.4%

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

	FY2018			FY2017		
	< 30 years	30-50 years	>50 years	< 30 years	30-50 years	>50 years
Rate of new hire	3.3%	18.5%	4.3%	1.2%	9.4%	0%
Rate of turnover (total)	3.3%	16.3%	5.4%	17.6%	43.5%	7.2%
Rate of turnover (voluntary)	2.2%	13.0%	5.4%	5.9%	21.2%	1.1%

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

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

The Jason Marine Group employee engagement survey is conducted periodically, about once every 2 to 3 years, to determine the level of employee satisfaction and to gather feedback. Employees' inputs are considered in the formulation of human resource practices and programmes such as Corporate Social Responsibility (CSR) or Workplace Health Promotion (WHP) activities.

People Development

At Jason Marine, we believe that our people play a vital role for our success, and it is our mission that they are developed to their fullest. Talent attraction and development are thus crucial for Jason Marine, and we have policies and processes in place to ensure that our employees receive sufficient training and that their personal development goals are met. In FY2018, overall average training hours for our employees is 25.4.

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

The evaluation of an employee's performance against their targets aids their personal development. To this end, we ensure that all our employees receive regular performance reviews

Average no. of training hours per employee, by gender

Region: Singapore	Male	Female
FY2018	50.4	6.3
FY2017	42.5	4.6

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

Region: Singapore	Executives	Non-executive	Senior Management
FY2018	32.7	34.9	29.9
FY2017	25.5	27.8	20.3

Group-level average no. of training hours per employee, FY2018

By gender	
Male	Female
36.5	5.2

By employee category		
Executives	Non-executive	Senior Management
29.5	24.7	29.9

at least once a year under our Performance Management and Appraisal Policy.

In the first half of 2018, we conducted an alignment survey to ensure alignment of employees to Jason Marine's business strategies. We plan to provide more information on our global workforce in our next report.

PRODUCT RESPONSIBILITY

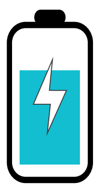
Integral to our mission of delighting customers is our responsibility in ensuring our customers are supplied with products that are safe. To manage this, we have identified potential impacts that may arise from the use of our equipment and systems, and have put in place measures to prevent any negative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

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

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

Read more about our Health and Safety measures for our workers below.

We have internal indicators to track our performance in the area of product responsibility. We aim to disclose performance for this area in the next report.



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

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

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

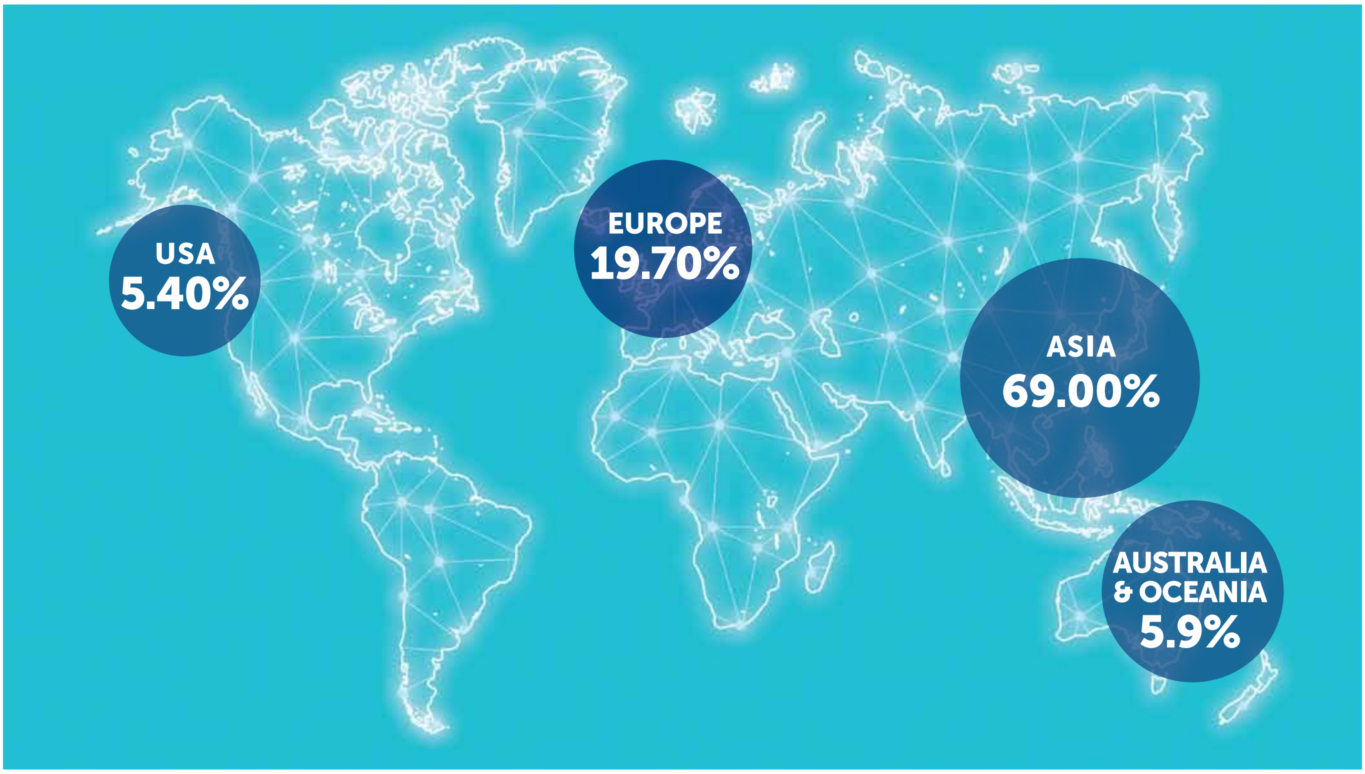
COMMUNITY ENGAGEMENT

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

We also aim to positively impact local communities beyond the maritime community, and we have been doing so through community development and engagement programmes. We have remained committed to meeting local communities' needs and enabling vulnerable groups of the society. Since 2012, all of Jason Marine's operations in Singapore have implemented local community development programmes by joining the Adopt-a-Precinct (AAP) scheme of South West Community Development Council. Every year, we have been contributing to our adopted precinct, the Telok Blangah community, in different ways. This year, we sponsored 50 book vouchers amounting to S$3,000 for low income children and 20 goodies bags amounting to S$600 for senior citizens through the Telok Blangah Residents' Committee's Edu Aid event in December 2017.

SUSTAINABLE PROCUREMENT

Demograhic distribution of products and services procured



Percentage of products and services purchased locally or overseas

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

We procure from regional partners who provide us with high quality equipment, systems and solutions, in order to achieve the highest quality in our products and services. In line with our material issues of Business Ethics, Product Responsibility and Occupational Health and Safety, it is important to us to procure from suppliers with sound social and environmental practices. In the manufacturing stage, human rights issues and forced or child labour practices have potential negative impacts, together with the use of contentious materials such as rare earth metals in the production of the equipment. Jason Marine can indirectly influence our supply chain positively, through our supplier selection process. Extending our environmental values to our supply chain, having ISO 14001 certification is one of the consideration factors when selecting suppliers.

Our sourcing activities can also have a positive influence on the local economy. We engage local suppliers whenever possible, but due to specific legal and technical requirements for our products, a large proportion of our systems and equipment are sourced from Europe and the USA. 34% of our products and services were purchased locally (i.e. from Singapore).

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

Read more about our key partner on page 18.

SAFEGUARDING THE ENVIRONMENT

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

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

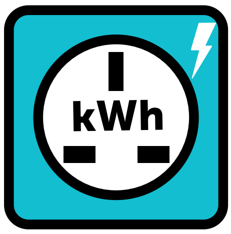
Environmental protection is no doubt a corporate responsibility. Yet we also see its value in the reduction of operational costs when material inputs and waste are reduced. For example, we reuse discarded paper boxes as our packaging material. By reusing materials, not only is waste minimised, but there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

We continue to re-examine our business processes and seek innovative new ways to improve efficiency of our operations while reducing environmental impacts. As part of our Group-wide drive to adopt paperless solutions, we have leveraged our IT expertise and have gone electronic with most of our billing processes and customers' statements. We also employ energy-efficient systems that help us contain our environmental footprint while cutting operational costs. Extending our values of environmental protection to our supply chain, having ISO 14001 certification is one of the consideration factors when selecting suppliers.

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

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

Electricity consumption (kWh)
Region: Singapore



FY2018	FY2017	FY2016
232,612	**210,330**	**342,153**

CONTINUOUS ENGAGEMENT WITH OUR STAKEHOLDERS

As part of the materiality assessment process conducted in 2016, Jason Marine identified five key stakeholder groups to engage with, based on their level of influence and interest. The table below summarises our engagement methods and key topics raised.

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

Jason Marine and its subsidiaries is a member of the following associations:

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

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page References CGFR refers to Corporate Governance and Financial Report 2018
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	102-1	Name of the organization	Cover page
	102-2	Activities, brands, products, and services	1, 3-6
	102-3	Location of headquarters	1
	102-4	Location of operations	2
	102-5	Ownership and legal form	1
	102-6	Markets served	2
	102-7	Scale of the organization	14-15, 24
	102-8	Information on employees and other workers	24 Data on employees and other workers is compiled by our HR department.
	102-9	Supply chain	21, 27
	102-10	Significant changes to the organization and its supply chain	There were are no significant changes.
	102-11	Precautionary Principle or approach	28
	102-12	External initiatives	24
	102-13	Membership of associations	29
	102-14	Statement from senior decision-maker	8-9
	102-16	Values, principles, standards, and norms of behavior	22-23
	102-18	Governance structure	11-12, 22-23
	102-40	List of stakeholder groups	29
	102-41	Collective bargaining agreements	24
	102-42	Identifying and selecting stakeholders	29
	102-43	Approach to stakeholder engagement	20, 29
	102-44	Key topics and concerns raised	20, 29
	102-45	Entities included in the consolidated financial statements	16, 22
	102-46	Defining report content and topic Boundaries	20-21
	102-47	List of material topics	20
	102-48	Restatements of information	None
	102-49	Changes in reporting	20
	102-50	Reporting period	22

GRI Standard	Disclosure Number	Disclosure Title	Page References CGFR refers to Corporate Governance and Financial Report 2018
General Disclosures			
GRI 102: General Disclosures 2016	102-51	Date of most recent report	11 July 2017
	102-52	Reporting cycle	22
	102-53	Contact point for questions regarding the report	22
	102-54	Claims of reporting in accordance with the GRI Standards	22
	102-55	GRI content index	30-34
	102-56	External assurance	22
Material Topics			
Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21, 26
	103-2	The management approach and its components	8-9, 14-15, 26
	103-3	Evaluation of the management approach	CGFR 13-15
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	26, CGFR 64-67, Economic value retained in FY2018 is $4,326,000.
Procurement Practices			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21, 27
	103-2	The management approach and its components	27
	103-3	Evaluation of the management approach	27
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	27 Local suppliers are suppliers based in the same country where our operations are. All countries in which Jason Marine has operations in are considered significant.
Anti-corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21-23
	103-2	The management approach and its components	22-23, CGFR 4-18
	103-3	Evaluation of the management approach	22-23
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	22-23
	205-2	Communication and training about anti-corruption policies and pro-cedures	22 Anti-corruption policies and procedures have been communicated to governance body members, employees and contractors in Singapore.
	205-3	Confirmed incidents of corruption and actions taken	23

GRI Standard	Disclosure Number	Disclosure Title	Page References CGFR refers to Corporate Governance and Financial Report 2018
Anti-competitive Behaviour			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21-23
	103-2	The management approach and its components	22-23
	103-3	Evaluation of the management approach	We plan to evaluate our management approach in the years to come.
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There have been no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices.
Environmental Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21-23
	103-2	The management approach and its components	22-23
	103-3	Evaluation of the management approach	We plan to evaluate our management approach in the years to come.
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	22-23
Employment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21, 24-25
	103-2	The management approach and its components	24-25
	103-3	Evaluation of the management approach	25
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	24
Labour/ Management Relations			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21, 24-25
	103-2	The management approach and its components	24-25
	103-3	Evaluation of the management approach	25
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	24

GRI Standard	Disclosure Number	Disclosure Title	Page References CGFR refers to Corporate Governance and Financial Report 2018
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21, 23
	103-2	The management approach and its components	23
	103-3	Evaluation of the management approach	22-23
GRI 403: Occupational Health and Safety 2016	403-1	Workers representation in formal joint management–worker health and safety committees	23
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	23
	403-3	Workers with high incidence or high risk of diseases related to their occupation	23
Training and Education			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21, 24-25
	103-2	The management approach and its components	24-25
	103-3	Evaluation of the management approach	24-25
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	25
	404-2	Programs for upgrading employee skills and transition assistance programs	25
	404-3	Percentage of employees receiving regular performance and career development reviews	25
Non-discrimination			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21, 24-25
	103-2	The management approach and its components	24-25
	103-3	Evaluation of the management approach	25
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	There have been no reported incidents of discrimination during the reporting period.

GRI Standard	Disclosure Number	Disclosure Title	Page References CGFR refers to Corporate Governance and Financial Report 2018
Local Communities			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21, 26
	103-2	The management approach and its components	26
	103-3	Evaluation of the management approach	We plan to evaluate our management approach in the years to come.
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	26
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21, 25
	103-2	The management approach and its components	25
	103-3	Evaluation of the management approach	We plan to evaluate our management approach in the years to come.
GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	25
Socioeconomic Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	21-23
	103-2	The management approach and its components	22-23
	103-3	Evaluation of the management approach	We plan to evaluate our management approach in the years to come.
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	22-23

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

NOMINATING COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARIES

Saw Hong Gaik
Pan Mi Keay

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
8 Robinson Road
#03-00 ASO Building
Singapore 048544

INDEPENDENT AUDITORS

BDO LLP
Public Accountants and Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778
Partner-in-charge: Yeo Siok Yong
(Appointed since financial year ended 31 March 2016)

PRINCIPAL BANKERS

Bank of China Limited, Singapore Branch
CIMB Bank Berhad, Singapore Branch
Citibank, N.A., Singapore Branch
The Hongkong and Shanghai Banking Corporation Limited, Singapore Office
Standard Chartered Bank, Singapore Branch

INVESTOR RELATIONS

OakTree Advisers Pte Ltd
6 Eu Tong Sen Street
#07-20 Clarke Quay Central
Singapore 059817

SPONSOR

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

SERVICE CENTRES

SINGAPORE

Jason Electronics (Pte) Ltd
194 Pandan Loop
#06-05 Pantech Business Hub
Singapore 128383
Tel: +65-6477 7700
Fax: +65-6872 1800
Email: service@jason.com.sg

INDONESIA

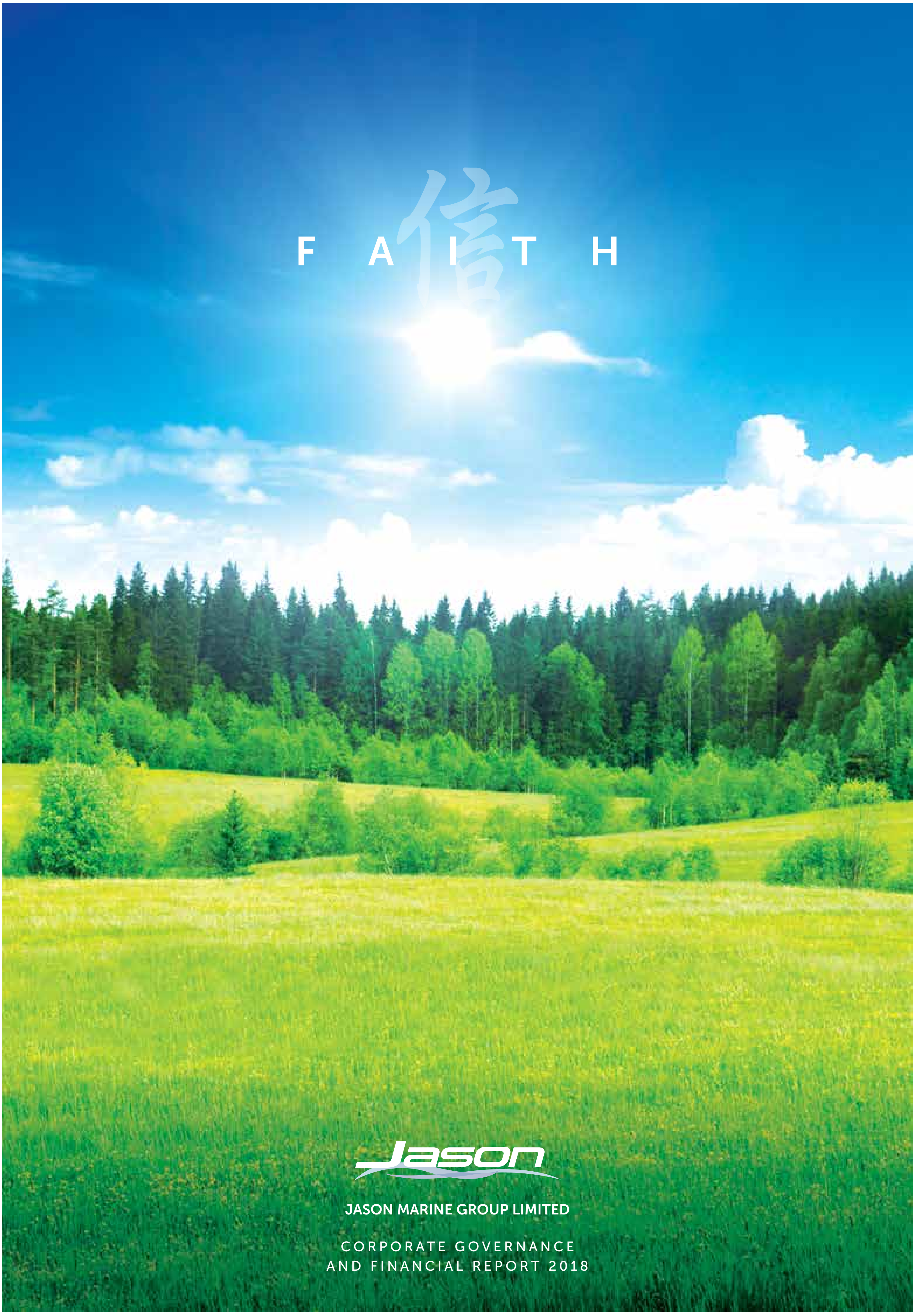
PT Jason Elektronika
Jl. Gunung Sahari Raya 2
Kompleks Marinatama Mangga Dua Blok A No. 3A
Jakarta Utara 14420
Indonesia
Tel: +62-21-640 4400 / 647 17582
Fax: +62-21-647 17612
Email: sales@jason.com.sg

PEOPLE'S REPUBLIC OF CHINA

Jason (Shanghai) Co., Ltd
16H New Shanghai City Building
33 He Nan Road (S)
Shanghai 200002
People's Republic of China
Tel: +86-21-6337 5966 / 67 / 68
Fax: +86-21-6337 5969
Email: chinasales@jason.com.sg

THAILAND

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



信
F A I T H
Jason
JASON MARINE GROUP LIMITED
CORPORATE GOVERNANCE
AND FINANCIAL REPORT 2018

The world today thrives on real-time connectivity with split-second communications and data flow to improve productivity and efficiency. Wi-Fi services for passengers on board aircraft have already revolutionised the airline industry. With the rising trend of digitalisation now unlocking many opportunities for the marine and offshore industries, Jason Marine is well-positioned to become a key services provider in this area.

Backed by our solid track record, Jason Marine continues to expand its partnerships and capabilities as an integrated marine electronics solutions provider to remain relevant, more than able to meet the growing demand for digital connectivity at sea.

Faith in our people, capabilities, network and partners, and more importantly, their faith in us, have taken our Jason Marine reputation to new shores. God has blessed our every endeavour and we look to the future with faith as we persevere to further entrench our name and build on our foundation for sustainable growth.

FINANCIAL CONTENTS

Financial Highlights	02
Segment Revenue	03
Corporate Governance Report	04
Directors' Statement	19
Independent Auditor's Report	22
Statements of Financial Position	28
Consolidated Income Statement	29
Consolidated Statement of Comprehensive Income	30
Consolidated Statement of Changes In Equity	31
Statements of Changes In Equity	33
Consolidated Statement of Cash Flows	34
Notes to the Financial Statements	35
Shareholding Statistics	80
Notice of Annual General Meeting	81
Appendix	86
Proxy Form	

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

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

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

OUR VISION

To be a Global World Class Company in Marine Electronics

OUR VALUES

CHARACTER

Integrity and honesty
Positive attitude
Excellent teamwork

COMPETENCE

Excellent quality work
Deliver expected results
Innovation and creativity

COMMITMENT

Passion and drive
Walk the extra mile
Seek opportunities

RESULTS OF OPERATIONS

	FY2018 (S$'000)	FY2017 (S$'000) (restated)	FY2016 (S$'000)	FY2015 (S$'000)	FY2014 (S$'000)
Revenue	**31,646**	33,155	37,169	56,421	50,188
Gross profit	**10,218**	9,992	7,088	14,729	13,612
Profit/(Loss) before income tax	**192**	516	(5,960)	4,361	3,032
Profit/(Loss) attributable to owners of the parent	**45**	237	(5,996)	3,890	2,780
Earnings/(Loss) per share (cents)*	**0.04**	0.23	(5.70)	3.70	2.64

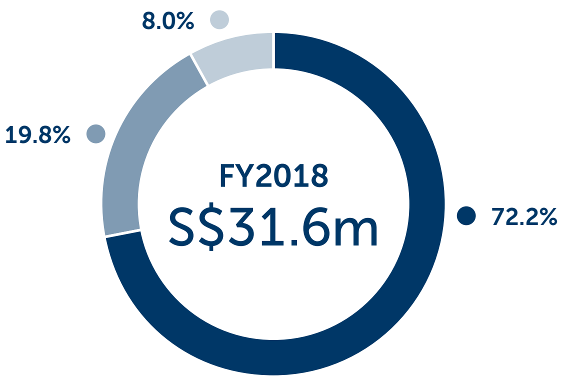
* For comparative purpose, earnings/(loss) per share of the Group for the financial years shown were computed based on the weighted average number of ordinary shares in issue (excluding treasury shares) of 105,000,000 for FY2018.

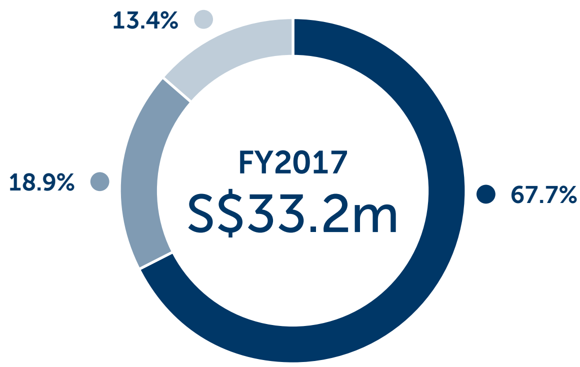
FINANCIAL POSITION

	As at 31 March				
	2018 (S$'000)	2017 (S$'000) (restated)	2016 (S$'000) (restated)	2015 (S$'000)	2014 (S$'000)
Non-current assets	25,221	3,315	2,173	3,142	3,402
Current assets	34,128	35,562	37,596	42,528	44,774
Current liabilities	12,846	15,318	16,526	15,952	20,673
Non-current liabilities	51	50	50	105	129
Equity	46,452	23,509	23,193	29,613	27,374
Net asset value per share (cents)#	44.24	22.39	22.09	28.20	26.07

\# For comparative purpose, net asset value per share of the Group for the financial years shown were computed based on 105,000,000 ordinary shares (excluding treasury shares) in issue as at 31 March 2018.

REVENUE
BY BUSINESS SEGMENT

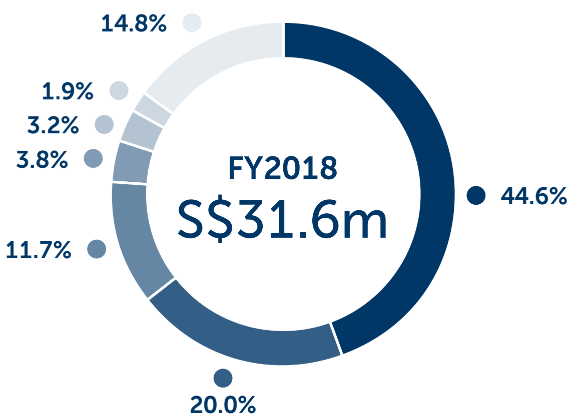


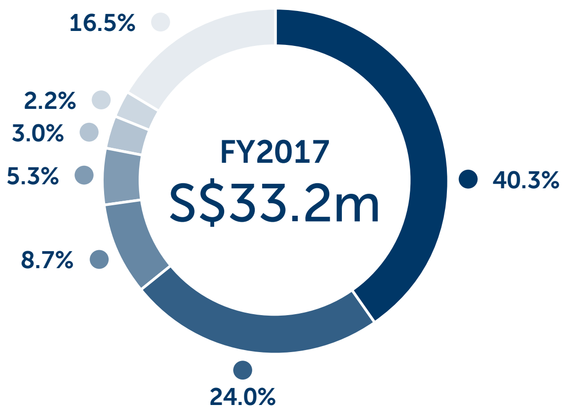


FY2018	(S$'000)	(%)
Sale of goods	22,860	72.2%
Rendering of services	6,271	19.8%
Airtime revenue	2,515	8.0%
Total:	**31,646**	**100.0%**

FY2017	(S$'000)	(%)
Sale of goods	22,458	67.7%
Rendering of services	6,257	18.9%
Airtime revenue	4,440	13.4%
Total:	**33,155**	**100.0%**

REVENUE
BY GEOGRAPHICAL SEGMENT





FY2018	S$'000	%
Singapore	14,126	44.6%
People's Republic of China	6,341	20.0%
Indonesia	3,698	11.7%
Malaysia	1,194	3.8%
Germany	1,020	3.2%
Denmark	594	1.9%
Others	4,673	14.8%
Total:	**31,646**	**100.0%**

FY2017	S$'000	%
Singapore	13,374	40.3%
People's Republic of China	7,942	24.0%
Indonesia	2,899	8.7%
Malaysia	1,765	5.3%
Germany	957	3.0%
Denmark	744	2.2%
Others	5,474	16.5%
Total:	**33,155**	**100.0%**

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 2018 ("**FY2018**"), 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 and Risk Committee ("**ARC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"), have been established and delegated with certain functions. The ARC is headed by the Lead Independent Director and the Nominating and Remuneration Committees are headed by an Independent Director. The chairperson of the respective committees will report to the Board on the outcome of the committee meetings and their recommendations on the specific agendas mandated to the committees by the Board. Further details of the scope and functions of the various committees are provided under the sections on Principles 4, 5, 7, 8 and 12 of this report.

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

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

The attendance of the Directors at meetings of the Board and the Board committees during FY2018 is tabulated below:

	Board	Audit and Risk Committee	Nominating Committee	Remuneration Committee
Total number of meetings held	3	3	1	1
Number of meetings attended by respective directors				
Executive Directors				
Mr Foo Chew Tuck[(1)]	3	N/A	N/A	N/A
Mr Tan Lian Huat[(2)]	2	N/A	N/A	N/A
Non-Executive Non-Independent Director				
Mr Wong Hin Sun, Eugene	3	3	1	1
Independent Directors				
Mr Sin Hang Boon	3	3	1	1
Mrs Eileen Tay-Tan Bee Kiew	3	3	1	1

(1) Mr Foo Chew Tuck was re-designated as the Executive Chairman and Chief Executive Officer with effect from 1 April 2018.
(2) Mr Tan Lian Huat retired as the Executive Director and Chief Executive Officer with effect from 31 March 2018.
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 Director and the management for operational efficiency.

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. The Company shall be responsible for funding the training of the Directors.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

During FY2018, the Board comprises five Directors, out of whom two are Independent Directors, one is a Non-Executive and Non-Independent Director and two are Executive Directors. On 31 March 2018, Mr Tan Lian Huat retired as the Chief Executive Officer ("**CEO**") and Executive Director and Mr Foo Chew Tuck was re-designated as Executive Chairman and CEO with effect from 1 April 2018. Following this, Independent Directors currently make up 50% of the Board and the Company complies with Guideline 2.2 of the Code which stipulates that Independent Directors should make up at least half of the Board where, among others, the Chairman and CEO is the same person and part of the management team as well as non-independent.

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 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 Director is considered non-independent. During FY2018, none of the Directors have served beyond nine years from the respective date of their first appointment. Each of Mr Sin Hang Boon and Mrs Eileen Tay-Tan Bee Kiew was appointed to our Board on 15 September 2009.

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

	Balance and Diversity of the Board	
Core Competencies	**Number of Directors**	**Proportion of Board**
Accounting or finance	2	50%
Business management	4	100%
Legal or corporate governance	3	75%
Relevant industry knowledge or experience	1	25%
Strategic planning experience	4	100%
Customer based experience or knowledge	1	25%
Gender	**Number of Directors**	**Proportion of Board**
Male	3	75%
Female	1	25%

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

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

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr Foo Chew Tuck is the Executive Chairman of the Board and CEO of the Company. He determines the overall strategic and expansion plans and is responsible for the overall business development and general management of the Group. He is also responsible for the daily management and operations as well as the overseeing of the Group's strategies and growth.

The Board is of the opinion that it is not necessary to separate the roles of the Chairman and the CEO after taking into account the size, scope and nature of the operations of the Group. Although the roles of Chairman and CEO are not separate, the Board is of the view that there are sufficient independent elements with Independent Directors making up half of the Board, safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or groups of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance.

The Board is of the view that it is currently in the best interests of the Group to adopt a single leadership structure having Mr Foo Chew Tuck as the Executive Chairman and CEO of the Board to facilitate the decision-making process of the Group and is thereby better able to guide discussions and ensures that the Board is properly briefed in a timely manner on pertinent issues and developments.

The Board is of the view that there is a balance of power and authority with the various Committees chaired by the Independent Directors.

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 in particular;

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

(ix) promote high standards of corporate governance.

In view that the Executive Chairman and the CEO is the same person and part of the management team, Mrs Eileen Tay-Tan Bee Kiew is appointed as our Lead Independent Director in accordance with the guidelines set out in the Code. As the Lead Independent Director, she will be available to Shareholders if they have concerns and for which contact through the normal channels of the Chairman and the CEO or the Financial Controller has failed to resolve their concerns or is inappropriate. Whenever warranted, the Independent Directors will meet without the presence of the other Directors and will provide feedback to the Chairman after such meetings.

PRINCIPLE 4: BOARD MEMBERSHIP

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

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

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

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

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

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

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

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

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

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

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

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

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

(iv) makes recommendations to the Board for approval.

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

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

The NC determines the independence of Directors annually in accordance with the guidelines set out in the Code and the declaration form completed by each Non-Executive Director disclosing the required information. The NC is of the opinion that in respect of FY2018, 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 FY2018, 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[1]	Executive Chairman and CEO	9 September 2007	26 July 2017
Mr Wong Hin Sun, Eugene	Non-Executive Non-Independent Director	15 September 2009	26 July 2017
Mr Sin Hang Boon	Independent Director	15 September 2009	26 July 2016
Mrs Eileen Tay-Tan Bee Kiew	Lead Independent Director	15 September 2009	26 July 2016

(1) Mr Foo Chew Tuck was re-designated as the Executive Chairman and CEO with effect from 1 April 2018 in replacement of Mr Tan Lian Huat who retired as the Executive Director and CEO on 31 March 2018.

During FY2018, none of the Independent Directors has served beyond nine years from the respective date of their first appointment. However, Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon, our Lead Independent Director and Independent Director respectively, will have served their ninth year term in office on 15 September 2018.

The Board has subjected the independence of Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon to a conscientious review by all other Directors. The NC has evaluated the participation of Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon at board and committee meetings and determined that each of them continues to possess independent thinking and the ability to exercise objective judgement on corporate matters independently. Taking into account the above, the Board has resolved that each of Mrs Eileen-Tay Tan Bee Kiew and Mr Sin Hang Boon continues to be considered as an Independent Director, notwithstanding that they will serve on the Board beyond nine years.

The Nominating Committee Guide (Second Edition 2017 produced by the Singapore Institute of Directors) (the "**NC Guide**") recommends that if an Independent Director who has served more than nine continuous years wishes to extend his appointment, the Board, as good practice, should require a separate resolution to be approved by shareholders. Accordingly, Mrs Eileen-Tay Tan Bee Kiew and Mr Sin Hang Boon who are completing their ninth year term in office on 15 September 2018, will offer themselves for re-election as Directors 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 FY2018. The results of the appraisal exercise were tabulated, analysed and considered by the NC which then made recommendations to the Board on areas for improvement, aimed at helping the Board to discharge its duties more effectively. The appraisal process focused on the following areas of evaluation:

(i) Board and Board committees composition;

(ii) information to the Board;

(iii) Board and Board committees procedures;

(iv) Board and Board committees accountability;

(v) CEO and top management;

(vi) standards of conduct;

(vii) internal controls and risk management systems; and

(viii) audit process.

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

The Company did not engage any external facilitator for assessment of the Board, board committees and Directors during FY2018.

PRINCIPLE 6: ACCESS TO INFORMATION

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

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

The Board members also have separate and independent access to the Company Secretaries. The role of the Company Secretaries is clearly defined and includes responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. The Company Secretaries attend all Board meetings and 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 RC comprise entirely of Non-Executive Directors, namely Mr Sin Hang Boon (who is chairman of the RC), Mrs Eileen Tay-Tan Bee Kiew and Mr Wong Hin Sun, Eugene. Mr Sin Hang Boon and Mrs Eileen Tay-Tan Bee Kiew are Independent Directors. As such, the RC comprises a majority of Independent Directors.

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

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

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

(iii) structure an appropriate portion of Executive Director's 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 Director and key management personnel's contracts of service to ensure that the termination clauses are fair and reasonable and not overly generous.

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

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

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

If necessary, the RC will seek expert advice inside and/or outside the Company on remuneration matters. The RC did not engage any remuneration consultant in respect of remuneration matters for FY2018.

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

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

The Executive Director has entered into a service agreement with the Company in which the terms of his employment are stipulated. The 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, his employment is renewed annually subject to termination clauses in the service agreement. 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, the Executive Director is entitled to be paid an incentive bonus annually which is pegged to the financial performance achieved by the Group for that financial year.

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

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

In addition to the ESOS, the Company has adopted the Jason Performance Share Plan (the "**PSP**") which was approved by Shareholders at an extraordinary general meeting held on 27 July 2011. The PSP was implemented to complement the ESOS and to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance. No share awards were granted and no new shares or treasury shares were issued or transferred to employees under the PSP during FY2018.

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 and subsidiary holdings) on the day preceding that date.

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

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

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

A breakdown showing the level and mix of the remuneration of the Directors in respect of FY2018 is as follows:

	Fees %	Salary and CPF^ %	Performance-related income %	Others %	Benefit-in-kind %	Total %
S$250,000 to S$499,000						
Mr Foo Chew Tuck[(1)]	–	82	14	–	4	100
Mr Tan Lian Huat[(2)]	–	42	8	50	–	100
Below $250,000						
Mrs Eileen Tay-Tan Bee Kiew	100	–	–	–	–	100
Mr Sin Hang Boon	100	–	–	–	–	100
Mr Wong Hin Sun, Eugene	100	–	–	–	–	100

(1) Mr Foo Chew Tuck was re-designated as the Executive Chairman and CEO with effect from 1 April 2018. There was no change in his terms of remuneration arising from such re-designation.

(2) Mr Tan Lian Huat retired as the Executive Director and CEO with effect from 31 March 2018 and the table above reflects the actual remuneration paid to Mr Tan Lian Huat for his period of service during FY2018. "Others" refers to gratuity payment.

^ CPF denotes Central Provident Fund.

No Director has been granted share-based award during FY2018.

In respect of FY2018, 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 Director, the Group's key management team includes Ms Esabelle Saw Hong Gaik (Financial Controller). A breakdown showing the level and mix of the remuneration of the Group's key management (who is not a Director or CEO) in respect of FY2018 is as follows:

	Salary and CPF^ %	Performance-related income %	Others %	Benefit-in-kind %	Total %
Below S$250,000					
Ms Esabelle Saw Hong Gaik	100	–	–	–	100

The Executive Director and key management personnel are not entitled to any benefits upon termination, retirement or post-employment. During FY2018, 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 Director 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 FY2018, the non-financial KPIs have been met by the Executive Director and key management personnel.

PRINCIPLE 10: ACCOUNTABILITY

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

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

PRINCIPLE 11: RISK MANAGEMENT AND INTERNAL CONTROLS

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

The ARC and the Board review 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 FY2018, the Company's appointed internal auditor, PricewaterhouseCoopers LLP, has conducted internal audit review based on an agreed scope of review. In respect of FY2018, the Board has received from the Executive Chairman and CEO and Financial Controller a letter of assurance confirming that the Group's financial records have been properly maintained and the Group's consolidated financial statements for FY2018 give a true and fair view of the Group's operations and finances, and that the Group's risk management and internal control systems were sufficiently effective.

Based on (i) the internal controls established and maintained by the Group, (ii) work performed by the internal and external auditors, (iii) reviews performed by the management, the ARC and the Board, and (iv) the aforementioned letter of assurance provided by the Executive Chairman and CEO and the Financial Controller, the Board with the concurrence of the ARC is of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and risk management systems were adequate and effective for FY2018.

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

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

PRINCIPLE 12: AUDIT AND RISK COMMITTEE

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

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

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

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

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

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

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

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

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

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

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

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

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

During FY2018, the ARC has met with the external auditors and internal auditors to review accounting, auditing and financial reporting matters to ensure that an effective control environment is maintained in the Group. The ARC has also met with the internal auditors and external auditors without the presence of the Company's management in May 2018.

In respect of FY2018, the ARC has reviewed the independence of the external auditors, Messrs BDO LLP and recommended that Messrs BDO LLP be nominated for re-appointment as auditors at the forthcoming AGM. In recommending the re-appointment of the auditors, the ARC considered and reviewed a number of key factors, including amongst other things, the adequacy of the resources and experience of the supervisory and professional staff as well as audit engagement partner to be assigned to the audit, and size and complexity of the Group and its businesses and operations.

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

During FY2018, 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 FY2018 was S$101,000. The ARC confirms that it has undertaken a review and during FY2018, there was no factor affecting Messrs BDO LLP's independence in the ARC's opinion.

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

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

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

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

PRINCIPLE 13: INTERNAL AUDIT

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

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

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

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

PRINCIPLE 14: SHAREHOLDER RIGHTS

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

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

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

PRINCIPLE 15: COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders is managed by the Board and is facilitated through professional investors' relations firms engaged by the Company, namely Oaktree 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. In respect of FY2018, the Board is recommending a first and final dividend of 0.5 Singapore cent per share subject to the approval of shareholders at the forthcoming AGM.

PRINCIPLE 16: CONDUCT OF SHAREHOLDER MEETINGS

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

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

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

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

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

SUSTAINABILITY COMMITTEE

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

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

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

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 FY2018.

INTERESTED PERSON TRANSACTIONS

Details of the interested person transactions for FY2018 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 FY2018 (excluding transactions less than S$100,000 and conducted under shareholders' mandate pursuant to Rule 920) (S$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) (S$'000)
Mr Foo Chew Tuck		
Lease of office premises from:		
(i) JE Holdings Pte Ltd	161	–
(ii) Unity Consultancy Pte Ltd	13	–
(iii) Jason Harvest Pte Ltd	45	–
Total:	219	–

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 any Director or Controlling Shareholder of the Company, either still subsisting at the end of FY2018 or if not subsisting, were entered into since 1 April 2018.

RISK MANAGEMENT

Inherent industry risk

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

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

Dependence on key management personnel

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

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

Project execution risk

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

The Directors of Jason Marine Group Limited (the "**Company**") present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 March 2018 and the statement of financial position and statement of changes in equity of the Company as at 31 March 2018.

1. OPINION OF THE DIRECTORS

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended; and

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

2. DIRECTORS

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

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

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, except as disclosed in paragraph 5 below.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Shareholdings registered in the name of Directors		**Shareholdings in which Directors are deemed to have an interest**	
	Balance at 1 April 2017	**Balance at 31 March 2018**	**Balance at 1 April 2017**	**Balance at 31 March 2018**
Company				
Number of ordinary shares				
Foo Chew Tuck	81,300,000	81,300,000	–	–
Wong Hin Sun Eugene	–	–	2,650,000	2,650,000

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

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company state that, according to the Register of Directors' Shareholdings, the Directors' interests as at 21 April 2018 in the shares of the Company have not changed from those disclosed as at 31 March 2018.

5. SHARE OPTIONS

Jason Employee Share Option Scheme

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

Jason Performance Share Plan

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

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

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

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

6. AUDIT AND RISK COMMITTEE

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

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

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

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

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

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

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

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

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

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

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

6. AUDIT AND RISK COMMITTEE (Continued)

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

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

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

7. INDEPENDENT AUDITOR

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

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

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

On behalf of the Board of Directors

Foo Chew Tuck
Director

Eileen Tay-Tan Bee Kiew
Director

Singapore
27 June 2018

To the Members of Jason Marine Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2018;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "**Act**") and Financial Reporting Standards in Singapore ("**FRSs**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2018, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

KEY AUDIT MATTER	AUDIT RESPONSE
1. Recoverability of trade receivables from third parties	
As at 31 March 2018, the Group has significant trade receivables from third parties amounting to \$11,003,000, net of an allowance for impairment of \$1,816,000, representing 32% of the Group's total current assets. The Group's customers mainly operate in the marine and offshore oil & gas industries in Asia. Taking into account the challenging market conditions in these industries and financial pressures faced by the Group's customers, there is an increase in the Group's credit risk exposure. We focused on this area as a key audit matter as the recoverability assessment performed by management involved significant judgement of the customers' ability to pay, including an evaluation of the creditworthiness and past collection history of significant customers on a case-by-case basis. Refer to note 3.2, note 9 and note 28.1 of the accompanying financial statements.	Our procedures included amongst others, the following: • tested trade receivables aging report used by management in the recoverability of trade receivables assessment; • assessed reasonableness of management's judgements of the recoverable amount of trade receivables with objective evidence of impairment, including those that are past due with no payments received during or subsequent to the financial year end or on a case-by-case basis for customers whose financial conditions may have deteriorated; • verified significant outstanding trade receivables to subsequent receipts, if any; and • evaluated the adequacy of the related disclosures in the financial statements.

To the Members of Jason Marine Group Limited

KEY AUDIT MATTER	AUDIT RESPONSE
2. Valuation of investment in e-Marine Global Inc. ("e-Marine Global")	
In 2011, the Group invested in e-Marine Co., Ltd through a purchase of 23,486 shares for a consideration of KRW1,035,000,000 (equivalent to approximately $1,228,000). In July 2017, e-Marine Co., Ltd undertook a corporate exercise pursuant to which it became a wholly-owned subsidiary of Pollex, Inc ("Pollex") which is listed on OTC Market in the United States of America ("OTC Market"). As a result, the Group's equity interest of 23,486 shares in e-Marine Co., Ltd was exchanged into 1,363,953 shares in Pollex. Pollex subsequently changed its name to e-Marine Global Inc. ("e-Marine Global") in September 2017. As e-Marine Global's shares were thinly traded since listing, management carried out an assessment to determine if the OTC Market is active in relation to e-Marine Global's shares and whether any adjustment to the price of those shares as quoted on the OTC Market may be necessary. Based on management's assessment, the quoted price on the OTC Market is representative of the fair value of e-Marine Global's shares as at 31 March 2018 and would be categorised as Level 1 of the fair value hierarchy. As at 31 March 2018, the carrying amount of the investment in e-Marine Global was $23,258,000 based on the price of e-Marine Global's shares as quoted on the OTC Market as at that date. We have determined this to be a key audit matter as significant judgements are involved in management's assessment of whether the OTC Market is active in relation to e-Marine Global's shares, including consideration of the trading volume and level of activity, and circumstances that may indicate that transactions are not orderly. Refer to note 3.1, note 8, note 28.4 and note 28.6 of the accompanying financial statements.	Our procedures included amongst others, the following: • held discussions with management and those charged with governance to understand the basis and judgements applied in management's assessment; • analysed the trends in trading volumes and transactions prices of e-Marine Global since listing up to the date our report, and compared against historical trends of Pollex's shares prior to the corporate exercise; • checked the quoted price of the investment in e-Marine Global as at 31 March 2018 used by management to OTC Market and re-computed the fair value of the investment, and further traced to the quoted price of the investment subsequent to year end; and • evaluated the adequacy of the related disclosures in the financial statements.

To the Members of Jason Marine Group Limited

KEY AUDIT MATTER

3. Accounting for investment in an associate – Sense Infosys Pte. Ltd. ("Sense Infosys")

The Group had subscribed for the following in the capital of Sense Infosys:

- 52,000 Series A convertible preference shares ("CPS Series A") for an aggregate subscription price of $450,000 in January 2015; and
- 51,340 Series A2 convertible preference shares ("CPS Series A2") for an aggregate subscription price of $850,000 in April 2016.

With the subscription of the above CPS, the Group had 24.4% shareholding in Sense Infosys and recognised the investment in Sense Infosys as an associate of the Group.

Fair value of profit guarantee and convertible loan

As stipulated in the CPS Series A and Series A2 agreements with Sense Infosys, in the event that Sense Infosys is not able to achieve a pre-specified consolidated net profit target for the financial year ending 31 March 2019, the Group shall be issued such number of bonus Series CPS based on a specified formula in the agreements.

In February 2018, the Group granted a convertible loan of $375,000 to Sense Infosys for working capital. Per the convertible loan agreement dated November 2017, the Group may, in its discretion, convert the convertible loan into convertible preference shares of the associate in accordance to the terms stipulated in the agreement.

Management has engaged an independent valuer to derive the fair value of the profit guarantee for CPS Series A and Series A2 and the conversion feature of the convertible loan.

As at 31 March 2018, the fair value of the profit guarantee for CPS Series A and Series A2 was valued at $931,000. The fair value of the derivative asset in relation to the conversion feature of the convertible loan is assessed to be not material.

AUDIT RESPONSE

Our procedures included amongst others, the following:

Fair value of profit guarantee and convertible loan

- assessed the competency, expertise and objectivity of the independent valuer, including obtaining an understanding of the independent valuer's scope of work and the terms of engagement;
- engaged our internal valuation specialist to assess the appropriateness of the independent valuer's valuation approach such as whether it is a generally accepted valuation method in the market and whether it is consistent with the requirement of FRSs;
- obtained the final valuation report issued by the independent valuer and, with the assistance of our internal valuation specialist, assessed the reasonableness of the significant judgements, key estimates and assumptions adopted;

Impairment

- discussed with management and evaluated management's impairment assessment of which included amongst others, the following; and
  - evaluated the appropriateness of key assumptions such as revenue growth rate, gross profit margin, operating costs and net profit margin by referencing to historical performance;
  - checked to underlying secured sales contracts that were included in the discounted cash flow projections;
  - benchmarked the discount rate against external market data;
  - performed checks on the appropriateness of the input data used in the value-in-use calculation by management;
  - performed sensitivity analysis around the key assumptions used in the discounted cash flow projections, including applying downside scenarios; and
  - evaluated the adequacy of the related disclosures in the financial statements.

KEY AUDIT MATTER	AUDIT RESPONSE
3. Accounting for investment in an associate – Sense Infosys Pte. Ltd. ("Sense Infosys") (Continued) Impairment As at 31 March 2018, the Group's carrying amount of its investment in Sense Infosys was $416,000 and the Group's share of Sense Infosys' losses during the financial year amounted to $596,000. As Sense Infosys reported losses in both current and prior financial years, there was indicator of impairment in investment in Sense Infosys. Accordingly, management assessed its recoverable amount using the value-in-use approach by estimating the present value of the expected future cash flows to be derived from the investment in Sense Infosys. No impairment was necessary based on management's assessment. We focused on this area as a key audit matter as a considerable amount of judgements are involved in determining the fair value of the profit guarantee for CPS Series A and Series A2 and conversion feature of the convertible loan as at the financial year end, taking into account that the fair values are using significant unobservable inputs (Level 3). In addition, impairment assessment of investment in an associate requires the exercise of significant judgements about the feasibility of Sense Infosys' future business plan and key assumptions including revenue growth rate, gross profit margin, operating costs, net profit margin and discount rate. Refer to note 3.1, note 7, note 9, note 15 and note 28.6 of the accompanying financial statements.	

OTHER INFORMATION

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

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

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

To the Members of Jason Marine Group Limited

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

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

To the Members of Jason Marine Group Limited

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
27 June 2018

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2018

	Note	Group 31.03.2018 $'000	Group 31.03.2017 $'000 (restated)	Group 01.04.2016 $'000 (restated)	Company 2018 $'000	Company 2017 $'000
Non-current assets						
Intangible asset	4	–	6	31	–	–
Plant and equipment	5	1,138	1,463	901	–	–
Investments in subsidiaries	6	–	–	–	15,480	15,480
Investments in associates	7	488	1,117	578	–	–
Available-for-sale financial assets	8	23,537	592	662	–	–
Trade receivables	9	57	136	–	–	–
Deferred tax assets	10	1	1	1	–	–
Total non-current assets		25,221	3,315	2,173	15,480	15,480
Current assets						
Inventories	11	3,071	4,352	5,895	–	–
Trade and other receivables	9	11,983	5,506	16,051	694	575
Derivative financial instruments	15	955	1,618	1,419	–	–
Prepayments		236	212	274	23	24
Current income tax recoverable		2	–	1	–	–
Cash and cash equivalents	12	17,881	23,874	13,956	7,278	6,996
Total current assets		34,128	35,562	37,596	7,995	7,595
Less:						
Current liabilities						
Trade and other payables	13	6,581	7,298	8,710	298	274
Deferred revenue	14	6,128	7,525	7,801	–	–
Current income tax payable		137	495	15	1	–
Total current liabilities		12,846	15,318	16,526	299	274
Net current assets		21,282	20,244	21,070	7,696	7,321
Less:						
Non-current liabilities						
Deferred tax liabilities	10	51	50	50	–	–
Net assets		46,452	23,509	23,193	23,176	22,801
Equity						
Share capital	16	17,967	17,967	17,967	17,967	17,967
Treasury shares	17	(255)	(255)	(255)	(255)	(255)
Fair value adjustment reserve		22,979	–	–	–	–
Foreign currency translation account	18	(143)	(38)	(111)	–	–
Retained earnings		5,850	5,805	5,568	5,464	5,089
Equity attributable to owners of the parent		46,398	23,479	23,169	23,176	22,801
Non-controlling interests		54	30	24	–	–
Total equity		46,452	23,509	23,193	23,176	22,801

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

For the Financial Year Ended 31 March 2018

	Note	2018 $'000	2017 $'000 (restated)
Revenue	19	31,646	33,155
Cost of sales		(21,428)	(23,163)
Gross profit		10,218	9,992
Other item of income			
Other income	20	1,196	1,390
Other items of expense			
Distribution costs		(4,080)	(4,771)
General and administrative expenses		(4,421)	(4,565)
Other expenses		(1,842)	(1,233)
Share of results of associates, net of tax		(879)	(297)
Profit before income tax	21	192	516
Income tax expense	22	(125)	(269)
Profit for the financial year		67	247
Profit attributable to:			
Owners of the parent		45	237
Non-controlling interests		22	10
		67	247
Earnings per share			
– Basic and diluted	23	0.04 cents	0.23 cents

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2018

	2018 $'000	2017 $'000 (restated)
Profit for the financial year	67	247
Other comprehensive income:		
Items that will or may be reclassified subsequently to profit or loss:		
Net gain on fair value changes of available-for-sale financial assets	22,979	–
Foreign currency differences on translation of foreign operations	(103)	69
Other comprehensive income for the financial year, net of tax	22,876	69
Total comprehensive income for the financial year	22,943	316
Total comprehensive income attributable to:		
Owners of the parent	22,919	310
Non-controlling interests	24	6
	22,943	316

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2018

	Note	Share capital $'000	Treasury shares $'000	Fair value adjustment reserve $'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 2017, as previously reported		17,967	(255)	–	(38)	4,651	22,325	30	22,355
Prior year adjustment		–	–	–	–	1,154	1,154	–	1,154
Balance at 1 April 2017, as restated	29	17,967	(255)	–	(38)	5,805	23,479	30	23,509
Profit for the financial year		–	–	–	–	45	45	22	67
Other comprehensive income for the financial year									
Net gain on fair value changes of available-for-sale financial assets		–	–	22,979	–	–	22,979	–	22,979
Foreign currency differences on translation of foreign operations		–	–	–	(105)	–	(105)	2	(103)
Total comprehensive income for the financial year		–	–	22,979	(105)	45	22,919	24	22,943
Balance at 31 March 2018		17,967	(255)	22,979	(143)	5,850	46,398	54	46,452

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2018

	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 (restated)								
Balance at 1 April 2016, as previously reported		17,967	(255)	(111)	4,288	21,889	24	21,913
Prior year adjustment		–	–	–	1,280	1,280	–	1,280
Balance at 1 April 2016, as restated	29	17,967	(255)	(111)	5,568	23,169	24	23,193
Profit for the financial year								
– As previously reported		–	–	–	363	363	10	373
– Prior year adjustment		–	–	–	(126)	(126)	–	(126)
– As restated		–	–	–	237	237	10	247
Other comprehensive income for the financial year								
Foreign currency differences on translation of foreign operations		–	–	73	–	73	(4)	69
Total comprehensive income for the financial year, as restated		–	–	73	237	310	6	316
Balance at 31 March 2017, as restated	29	17,967	(255)	(38)	5,805	23,479	30	23,509

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2018

	Share capital $'000	Treasury shares $'000	Retained earnings $'000	Total equity $'000
Company				
Balance at 1 April 2017	17,967	(255)	5,089	22,801
Profit for the financial year	–	–	375	375
Total comprehensive income for the financial year	–	–	375	375
Balance at 31 March 2018	17,967	(255)	5,464	23,176
Balance at 1 April 2016	17,967	(255)	2,550	20,262
Profit for the financial year	–	–	2,539	2,539
Total comprehensive income for the financial year	–	–	2,539	2,539
Balance at 31 March 2017	17,967	(255)	5,089	22,801

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year Ended 31 March 2018

	Note	2018 $'000	2017 $'000 (restated)
Operating activities			
Profit before income tax		192	516
Adjustments for:			
Allowance for impairment loss on doubtful third parties trade receivables	21	207	931
Write-back of allowance for impairment loss on doubtful third parties trade and other receivables	20	(131)	(274)
Write-back of trade payables	20	(22)	(46)
Impairment loss on available-for-sale financial assets	8	34	169
Allowance for inventory obsolescence	11	–	105
Write-back of allowance for inventory obsolescence	11	(83)	–
Amortisation of intangible asset	4	6	25
Fair value loss/(gain) on derivative financial instruments	21	663	(199)
Depreciation of plant and equipment	5	395	456
Dividend income		(25)	(19)
Gain on disposal of plant and equipment	20	(55)	(6)
Interest income	20	(126)	(114)
Plant and equipment written off		6	–
Share of results of associates	7	879	297
Unrealised exchange loss		579	2
Operating cash flows before working capital changes		2,519	1,843
Working capital changes:			
Inventories		1,364	1,438
Trade and other receivables		(6,524)	9,371
Prepayments		(24)	62
Trade and other payables		(717)	(1,725)
Deferred revenue		(1,397)	(276)
Cash (used in)/generated from operations		(4,779)	10,713
Interest received		126	114
Income tax (paid)/refunded		(484)	212
Net cash (used in)/from operating activities		(5,137)	11,039
Investing activities			
Acquisition of shares in an associate company	7	(200)	(568)
Dividend received	7	25	33
Proceeds from disposals of plant and equipment		189	11
Purchase of plant and equipment*	5	(188)	(664)
Net cash used in investing activities		(174)	(1,188)
Net change in cash and cash equivalents		(5,311)	9,851
Cash and cash equivalents at beginning of financial year		23,874	13,956
Effects of foreign exchange rate changes on cash and cash equivalents		(682)	67
Cash and cash equivalents at end of financial year	12	17,881	23,874

* During the financial year ended 31 March 2018, additions of plant and equipment amounted to $209,000 (2017: $1,023,000) of which $21,000 (2017: $359,000) was unpaid and included in accruals as at 31 March 2018.

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

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

FRS 7 (Amendments) Disclosure Initiative

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

The Group adopted these amendments on 1 April 2017 and the additional disclosures have been included in the consolidated statements of cash flows.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

SFRS(I) and INT SFRS(I) not yet effective

Convergence with International Financial Reporting Standards ("IFRS")

On 29 December 2017, Accounting Standards Council Singapore has issued Singapore Financial Reporting Standards (International) (SFRS(I)s), Singapore's equivalent of the International Financial Reporting Standards (IFRSs). Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore are required to apply SFRS(I)s for annual periods beginning on or after 1 January 2018.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of International Financial Reporting Standards*. In addition to the adoption of the new framework, the following new SFRS(I)s, amendments to and interpretations of SFRS(I) are effective from the same date.

- SFRS(I) 15 Revenue from Contracts with Customers and Amendments to SFRS(I) 15 Clarifications to SFRS(I) 15;
- SFRS(I) 9 Financial Instruments;
- Classification and Measurement of Share-based Payment Transactions (Amendments to SFRS(I) 2);
- Transfers of Investment Property (Amendments to SFRS(I) 1-40);
- Deletion of short-term exemptions for first-time adopters (Amendments to SFRS(I) 1);
- Measuring an Associate or Joint Venture at Fair Value (Amendments to SFRS(I) 1-28);
- Applying SFRS(I) 9 Financial Instruments with SFRS(I) 4 Insurance Contracts (Amendments to SFRS(I) 4); and
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration.

The Directors expect that the adoption of the standards above will have no material impact on financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 9 and SFRS(I) 15 are described below.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Classification and measurement

Under SFRS(I) 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group can elect to recognise the gains and losses in other comprehensive income. Debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets can also be measured at fair value through other comprehensive income.

SFRS(I) 9 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, SFRS(I) 9 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

SFRS(I) and INT SFRS(I) not yet effective (Continued)

Convergence with IFRS (Continued)

SFRS(I) 9 Financial Instruments (Continued)

Classification and measurement (Continued)

The Group has completed its assessment of the classification and measurement of its financial assets and liabilities and does not expect any significant changes to the classification of its financial assets and liabilities currently measured at amortised cost and fair value through profit or loss upon adoption of the standard. The Group currently accounts certain AFS investment in unquoted equity instruments at cost less impairment loss as disclosed in Note 8 to the financial statements. On adoption of SFRS(I) 9, the Group will be required to measure such investment in unquoted equity instruments at fair value, with the difference between the previous carrying value and the fair value recognised in the opening balance of retained earnings at the date of initial application. Subsequently, all fair value changes will be recognised in other comprehensive income and will not be reclassified to profit or loss, even on disposal.

Impairment

SFRS(I) 9 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment loss allowances as well as interest revenue. For financial assets at amortised cost or debt instruments at fair value through other comprehensive income, the Group will recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition under the three-stage model or from initial recognition if the simplified model is applied.

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

The Group and the Company are currently finalising the policies and procedures in determining how to estimate expected credit losses and the sources of forward-looking data, and evaluating the tax implications arising from the above change in impairment model.

Transition

The Group plans to adopt SFRS(I) 9 in the financial year beginning on 1 April 2018 with retrospective effect in accordance with the transitional provisions and intends to elect not to restate comparatives for the previous financial year. The Group will include additional disclosure in the financial statements in the financial year when SFRS(I) 9 is adopted.

SFRS(I) 15 Revenue from Contracts with Customers and Amendments to SFRS(I) 15 Clarifications to SFRS(I) 15

SFRS(I) 15 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. SFRS(I) 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Group has performed an assessment on the impact of SFRS(1) 15 and assessed that the impact on adoption of SFR(1) 15 will not be material to the Group's financial statements.

On adoption of SFRS(I) 15, the Group expects to recognise revenue from sale of goods at a point in time when goods have been delivered and acknowledged by its customers. Revenue from rendering of maintenance services is recognised when services have been rendered and acknowledged by its customers. The Group expects to recognise revenue from rendering of airtime services over the period of the contracts.

The Group plans to adopt SFRS(I) 15 in the financial year beginning on 1 April 2018 using the full retrospective method in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

SFRS(I) and INT SFRS(I) not yet effective (Continued)

Convergence with IFRS (Continued)

Applicable to financial statements for the year 2019 and thereafter

The following new SFRS(I), amendments to and interpretations of SFRS(I) are effective for annual periods beginning after 1 January 2019, and have not been early adopted:

- SFRS(I) 1-28 *Long-term interests in Associates and Joint Ventures*
- SFRS(I) 16 *Leases*
- SFRS(I) I7 *Insurance Contracts*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- Annual improvements to SFRS(I) 2015-2017 cycle

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28).

Management anticipates that the adoption of the above new SFRS(I), amendments to and interpretations of SFRS(I) will not have a material impact on the financial statements of the Group in the period of their initial adoption, except as disclosed below.

SFRS(I) 16 *Leases*

SFRS(I) 16 supersedes FRS 17 *Leases* and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. SFRS(I) 16 requires lessees to capitalise all leases on the statement of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the lease assets will be depreciated and the lease liabilities will be measured at amortised cost.

From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under SFRS(I) 16. SFRS(I) 16 also requires enhanced disclosures by both lessees and lessors.

On initial adoption of SFRS(I) 16, there may be an impact on the accounting treatment for leases, which the Group as lessee currently accounts for as operating leases. On adoption of SFRS(I) 16, the Group will be required to capitalise its rented office premise and office equipment on the statement of financial position by recognising them as 'right-of-use' assets and their corresponding lease liabilities for the present value of future lease payments.

The Group plans to adopt the standard in the financial year beginning 1 April 2019 using the modified retrospective in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that year.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation

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

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

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

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

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

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

2.3 Business combinations

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Business combinations (Continued)

Business combinations from 1 April 2010 (Continued)

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 102 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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

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

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

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

2.4 Intangible asset

Computer software

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

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

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

Computer software license is assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful life and amortisation method are reviewed at each financial year-end to ensure that the period of amortisation and amortisation method are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the computer software.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Plant and equipment

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

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

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

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

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

	Years
Office equipment	7
Furniture and fittings	10
Motor vehicles	5
Electrical fittings	7
Plant and machinery	1-7
Renovation	3
Computers	3

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

2.6 Subsidiaries

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

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

2.7 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Associates (Continued)

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

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

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

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

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

2.8 Impairment of non-financial assets

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

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets. Impairment loss is recognised in profit or loss.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Inventories

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

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

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

2.10 Financial assets

The Group classifies 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.

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" (excluding advances to suppliers, advances to staff and GST receivables) and "cash and cash equivalents" on the statements of financial position.

Available-for-sale financial assets

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

Recognition and derecognition

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

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

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

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

Initial and subsequent measurement

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

Initial and subsequent measurement (Continued)

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

Impairment

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

Loans and receivables

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

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

Available-for-sale financial assets

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

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in equity is transferred from equity to profit or loss. Reversals of impairment losses in respect of equity instruments is recognised directly in equity except for impairment losses on equity instruments at cost which are not reversed.

2.11 Derivative financial instruments

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

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

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

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

For the Financial Year Ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Cash and cash equivalents

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

2.13 Financial liabilities

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

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

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

<u>Trade and other payables</u>

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

<u>Financial guarantee contracts</u>

The Company has issued corporate guarantees to banks for borrowings of a subsidiary and these guarantees qualify as financial guarantees because the Company is required to reimburse the banks if the subsidiary breach any repayment term.

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

Recognition and derecognition

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Equity instruments

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

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

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

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

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

2.15 Revenue recognition

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

<u>Sale of goods</u>

Revenue from sale of goods is recognised when equipment is 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.

<u>Rendering of services</u>

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

<u>Interest income</u>

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

<u>Dividend income</u>

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

2.16 Grants

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

For the Financial Year Ended 31 March 2018

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Leases

As lessee

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

As lessor

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

2.18 Employee benefits

Defined contribution plans

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

Employee leave entitlement

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

2.19 Taxes

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Taxes (Continued)

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.

2.20 Foreign currency transactions and translation

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

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

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

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

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

(iii) all resulting foreign currency exchange differences are recognised in other comprehensive income and presented in the foreign currency translation account in equity.

2.21 Dividends

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

2.22 Segment reporting

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

3.1 Critical judgements made in applying the accounting policies

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

(i) Valuation of investment in available-for-sale financial asset

The Group has investment in e-Marine Global Inc. ("e-Marine Global") which is quoted on the OTC Market in the United States of America ("OTC Market"). As e-Marine Global's shares were thinly traded on the OTC Market, management carried out an assessment to determine if the OTC Market is active in relation to e-Marine Global's shares. The determination of what constitutes an 'active market' requires significant judgement by management, including consideration of the trading volume and level of activity, and circumstances that may indicate that transactions are not orderly. In assessing the trading volume and level of activity of e-Marine Global shares, management considered both historical and current frequency and trading volume of e-Marine Global shares on OTC Market. Management also considered the financial health, regulatory and legal environment and comparison with recent similar transactions involving market participants in determining if transactions may not be conducted in an orderly manner. Based on management's assessment, the quoted price on the OTC Market is representative of the fair value of e-Marine Global's shares as at the reporting date and would be categorised as Level 1 of the fair value hierarchy.

(ii) Impairment of investments in subsidiaries and associates

Management reviews investments in subsidiaries and associates for indication of impairment on an annual basis. Management has evaluated and concluded that there is no further indication of impairment in the investments in subsidiaries and associates for the financial year then ended as the subsidiaries and associates are assessed to be commercially viable. The Group's carrying amount of investments in associates as at 31 March 2018 is \$488,000 (2017: \$1,117,000). As at 31 March 2018, the Company's investment in subsidiaries is \$15,480,000 (2017: \$15,480,000).

3.2 Key sources of estimation uncertainty

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

(i) Allowance for inventory obsolescence

Inventories are stated at the lower of cost and net realisable value. Management primarily determines cost of inventories using the weighted average method. 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, 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 2018 was approximately \$3,071,000 (2017: \$4,352,000).

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

3.2 Key sources of estimation uncertainty (Continued)

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

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, 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 2018 were approximately $12,040,000 and $694,000 (2017: $5,642,000 and $575,000) respectively.

(iii) Impairment of available-for-sale financial assets

The Group records impairment charges on available-for-sale financial assets when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates among other factors, historical share price movements and the duration and extent to which the fair value of a quoted equity instrument is less than its cost. During the financial year, the Group recognised an impairment loss of $34,000 (2017: $169,000) for available-for-sale financial assets. Unquoted available-for-sale equity instruments are evaluated using valuation techniques including market approach performed by an independent valuation firm. The inputs to these models are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required to determine the duration and extent to which the fair value of an investment is less than its cost. The carrying amount of the Group's available-for-sale financial assets as at 31 March 2018 were approximately $23,537,000 (2017: $592,000).

4. INTANGIBLE ASSET

	Group	
	2018	**2017**
	$'000	**$'000**
Computer software		
Cost		
Balance at beginning of financial year and at end of financial year	650	650
Accumulated amortisation		
Balance at beginning of financial year	644	619
Amortisation	6	25
Balance at end of financial year	650	644
Carrying amount		
Balance at end of financial year	–	6

The amortisation of computer software costs is included in "General and administrative expenses" line item in the Group's profit or loss for the financial year then ended.

For the Financial Year Ended 31 March 2018

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								
2018								
Cost								
Balance at 1 April 2017	267	343	349	72	1,947	173	716	3,867
Additions	14	–	–	–	154	7	34	209
Written off	(1)	(32)	–	(18)	(229)	(25)	(36)	(341)
Disposals	–	–	–	–	(178)	–	(8)	(186)
Currency translation adjustment	–	–	1	–	(2)	–	–	(1)
Balance at 31 March 2018	280	311	350	54	1,692	155	706	3,548
Accumulated depreciation								
Balance at 1 April 2017	193	305	216	54	826	170	640	2,404
Depreciation	20	7	46	4	272	3	43	395
Written off	(1)	(26)	–	(18)	(229)	(25)	(36)	(335)
Disposals	–	–	–	–	(45)	–	(8)	(53)
Currency translation adjustment	–	–	1	–	(2)	–	–	(1)
Balance at 31 March 2018	212	286	263	40	822	148	639	2,410
Carrying amount								
Balance at 31 March 2018	68	25	87	14	870	7	67	1,138
2017								
Cost								
Balance at 1 April 2016	269	347	385	60	1,335	180	856	3,432
Additions	21	–	–	12	942	2	46	1,023
Disposals	(23)	(4)	(35)	–	(331)	(9)	(185)	(587)
Currency translation adjustment	–	–	(1)	–	1	–	(1)	(1)
Balance at 31 March 2017	267	343	349	72	1,947	173	716	3,867
Accumulated depreciation								
Balance at 1 April 2016	189	298	205	50	849	169	771	2,531
Depreciation	23	10	47	4	307	10	55	456
Disposals	(19)	(3)	(35)	–	(331)	(9)	(185)	(582)
Currency translation adjustment	–	–	(1)	–	1	–	(1)	(1)
Balance at 31 March 2017	193	305	216	54	826	170	640	2,404
Carrying amount								
Balance at 31 March 2017	74	38	133	18	1,121	3	76	1,463

6. INVESTMENTS IN SUBSIDIARIES

	Company 2018 $'000	Company 2017 $'000
Unquoted equity shares, at cost	16,100	16,100
Allowance for impairment loss	(620)	(620)
	15,480	15,480

The details of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership interest held by the Group 2018 %	Proportion of ownership interest held by the Group 2017 %	Proportion of ownership interest held by non-controlling interests 2018 %	Proportion of ownership interest held by non-controlling interests 2017 %
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)	Sales and service of marine communication and navigational systems	100	100	–	–
Jason Venture Pte Ltd[(1)] (Singapore)	Investment holding	100	100	–	–
Jason Energy Pte. Ltd.[(1)] (Singapore)	Sales and service of marine communication, navigational and automation systems	100	100	–	–
Marine Innovation Pte. Ltd.[(1)] (Singapore)	Sales and service of marine communication, navigational and automation systems	100	100	–	–

For the Financial Year Ended 31 March 2018

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	
		2018 %	2017 %	2018 %	2017 %
Held by Jason Venture Pte Ltd					
Jason Elektronik (M) Sdn. Bhd.[2] (Malaysia)	Trading and servicing of communication, navigational and automation systems	100	100	–	–
Jason (Shanghai) Co., Ltd[3] (People's Republic of China)	Sales and service of radio, satellite communication and navigational systems	100	100	–	–
PT Jason Elektronika[4] (Indonesia)	Import trading, maintenance and support services of communication, navigational and automation equipment and spares	99	99	–	–
Jason Korea Co., Ltd.[5] (South Korea)	Manufacturing, sales and service of marine offshore and industrial communication, navigational and automation systems	51	51	49	49
Koden Singapore Pte. Ltd.[1] (Singapore)	Marketing, sales, distribution and servicing of marine electronic products	60	60	40	40
Held by Jason Asia Pte Ltd					
PT Jason Elektronika[4] (Indonesia)	Import trading, maintenance and support services of communication, navigational 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

7. INVESTMENTS IN ASSOCIATES

	Group 2018 $'000	Group 2017 $'000
Unquoted equity shares, at cost	1,458	608
Acquisition of shares in an associate company	250	850
Share of post-acquisition results	(1,220)	(341)
	488	1,117

During the financial year, the Group recognised $879,000 (2017: $297,000) share of losses after tax in the consolidated statement of comprehensive income and dividend of $Nil (2017: $14,000) was received by the Group during the financial year.

The details of the associates are as follows:

Name of associates (Country of incorporation and principal place of business)	Principal activities	Effective equity interest held by the Group 2018 %	Effective equity interest held by the Group 2017 %
Jason Electronics (Thailand) Co., Ltd[1] (Thailand)	Sales and service of radio, satellite communications and navigational system	49	49
iPromar (Pte.) Ltd.[2] (Singapore)	Process plant and engineering services	25	25
Sense Infosys Pte. Ltd.[3] (Singapore)	Provision of consultancy and software development and marine networking and communication	24	24

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

The activities of the associates are strategic to the Group activities. The Group has not recognised losses relating to iPromar (Pte.) Ltd. ("iPromar") where its share of losses exceeds the Group's carrying amount of its investment in this associate. The Group's cumulative share of unrecognised losses were $72,000 (2017: $58,000). The Group has no obligation in respect of those losses.

On 15 December 2017, a wholly-owned subsidiary of the Company, Jason Venture Pte Ltd has elected to convert the convertible loan previously extended by itself to iPromar comprising principal amount of $50,000 into fully paid new ordinary shares in the share capital of iPromar at a conversion price of $1.00 per share. In addition, Jason Venture Pte Ltd also subscribed to additional 200,000 shares at $1.00 per share in the share capital of iPromar. Accordingly, iPromar has issued and allotted to Jason Venture Pte Ltd an aggregate of 250,000 shares at $1.00 per share.

7. INVESTMENTS IN ASSOCIATES (CONTINUED)

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

Summarised financial information (material associate)

	2018 $'000	2017 $'000
Sense Infosys Pte. Ltd.		
Current assets	1,479	920
Non-current assets	1,685	998
Current liabilities	(3,826)	(633)
Non-current liabilities	(648)	(391)
Net (liabilities)/assets	(1,310)	894

	2018 $'000	2017 $'000
Revenue	1,807	904
Net loss representing total comprehensive income for the financial year	(2,444)	(908)
Carrying value of material associate		
At 1 April	1,012	381
Add: Acquisition of shares	–	850
Less: Share of post-acquisition results	(596)	(219)
At 31 March	416	1,012

Summarised financial information (immaterial associates)

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

	2018 $'000	2017 $'000
Net loss representing total comprehensive income for the financial year	(608)	(548)
Carrying value of immaterial associates		
At 1 April	105	197
Additional investment	250	–
Add: Share of post-acquisition results	(283)	(92)
At 31 March	72	105

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2018	**2017**
	$'000	**$'000**
At 1 April	592	662
Additions	–	99
Fair value changes recognised in other comprehensive income	22,979	–
Impairment loss* (Note 21)	(34)	(169)
At 31 March	23,537	592

	2018	**2017**
	$'000	**$'000**
Available-for-sale financial assets, at cost	214	214
Available-for-sale financial assets, at fair value	23,323	378
At 31 March	23,537	592

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

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

During the financial year, the Group recognised an impairment loss of $34,000 (2017: $Nil) on Vallianz Holdings Limited based on the closing quoted market price.

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

In July 2017, e-Marine undertook a corporate exercise pursuant to which it became a wholly-owned subsidiary of Pollex, Inc. ("Pollex") which is listed on the OTC Market in United States of America ("OTC Market"). As a result of the corporate exercise, the Group's equity interest of approximately 9.6% (23,486 shares) in e-Marine was exchanged into approximately 6.0% (1,363,953 shares) in Pollex. Pollex subsequently changed its name to e-Marine Global Inc. ("e-Marine Global") in September 2017. The Group's equity interest of 6.0% in e-Marine Global was subject to a lock-up period of 6 months from July 2017 which has expired on January 2018.

The fair value of the Group's investment in quoted equity securities were based on the closing quoted market price on the last market trading day of the financial year.

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

For the Financial Year Ended 31 March 2018

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Non-current				
Finance lease receivables – third parties	57	136	–	–
Current				
Trade receivables				
– third parties	9,867	6,352	–	–
– finance lease receivables – third parties	72	74	–	–
– unbilled receivables	2,823	365	–	–
– GST receivables	–	96	–	–
	12,819	7,023	–	–
Allowance for impairment loss on doubtful trade receivables – third parties	(1,712)	(1,776)	–	–
Allowance for impairment loss on unbilled receivables – third parties	(104)	–	–	–
Trade receivables from third parties	11,003	5,247	–	–
Trade receivables from an associate	81	38		
Trade receivables from a related party	2	–	–	–
	11,086	5,285	–	–
Other receivables				
– third parties	533	546	12	3
– subsidiaries	–	–	678	568
– an associate	669	54	–	–
	1,202	600	690	571
Allowance for impairment loss on doubtful other receivables – third parties	(486)	(518)	–	–
Allowance for impairment loss on doubtful other receivables – associate	–	(50)	–	–
	716	32	690	571
Security and other deposits	138	124	–	–
Advances to suppliers	94	187	4	4
Advances to staff	6	14	–	–
Trade and other receivables	12,040	5,642	694	575
Add:				
– Cash and cash equivalents (Note 12)	17,881	23,874	7,278	6,996
Less:				
– Advances to suppliers	(94)	(187)	(4)	(4)
– GST receivables	–	(96)	–	–
Total loans and receivables	29,827	29,233	7,968	7,567

9. TRADE AND OTHER RECEIVABLES (Continued)

Trade receivables are unsecured, interest-free and generally on 30 to 90 (2017: 30 to 90) days credit terms. They are recognised at their original invoice amounts which represent their fair value on initial recognition.

Other receivables (non-trade) due from third parties are unsecured, interest-free with fixed repayment terms.

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

Included within other receivables (non-trade) due from an associate is a convertible loan of $375,000 which the Group granted to an associate for working capital purposes. The loan bears interest at 12% per annum, and in accordance with the loan agreement, the Group may, in its absolute discretion, at any time, on one occasion, from the date of last drawdown of the convertible loan to the later of 1) 24 months from the date of the last drawdown or 2) the completion of next round of fund-raising by the associate convert the convertible loan into convertible preference shares of the associate in accordance to the terms stipulated in the agreement. Management has evaluated and determined that the derivative asset of the convertible loan is not material.

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

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

Finance lease receivables

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Amount receivable under finance leases				
Within one year	76	82	72	74
In second to fifth year inclusive	58	141	57	136
	134	223	129	210
Less: Unearned finance income	(5)	(13)	–	–
Present value of minimum lease payments receivable	129	210	129	210

	Group	
	2018 $'000	2017 $'000
Analysed as:		
Current finance lease receivables (recoverable within 12 months)	72	74
Non-current finance lease receivables (recoverable after 12 months)	57	136
	129	210

For the Financial Year Ended 31 March 2018

9. TRADE AND OTHER RECEIVABLES (Continued)

Finance lease receivables (Continued)

The Group enters into finance lease arrangements for certain of its marine equipment. All leases are denominated in United States dollar. The term of finance leases entered into is 3 (2017: 1 to 3) years.

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

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

	Group	
	2018 $'000	2017 $'000
Past due for more than 90 days	1,712	1,776

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

	Group	
	2018 $'000	2017 $'000
Balance at beginning of financial year	1,776	1,136
Allowance made during the financial year	103	931
Write-back of allowance during the financial year	(81)	(268)
Allowance written off during the financial year	(48)	(42)
Currency translation differences	(38)	19
Balance at end of financial year	1,712	1,776

Allowance for impairment loss on doubtful third parties trade receivables of approximately $103,000 (2017: $931,000) 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 $81,000 (2017: $268,000) was recognised in profit or loss when the related trade receivables were subsequently recovered.

9. TRADE AND OTHER RECEIVABLES (Continued)

Receivables that are impaired

At the end of the reporting period, the Group has provided an allowance of approximately $1,712,000 (2017: $1,776,000) for impairment of third parties' trade receivables which related to debtors who have defaulted in payment.

Allowance for impairment loss on doubtful unbilled trade receivables of approximately $104,000 (2017: $Nil) was recognised in profit or loss subsequent to a debt recovery assessment performed during the financial year.

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

	Group	
	2018 $'000	2017 $'000
Balance at beginning of financial year	–	–
Allowance made during the financial year	104	–
Balance at end of financial year	104	–

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

	Group	
	2018 $'000	2017 $'000
Balance at beginning of financial year	518	505
Write-back of allowance during the financial year	-	(6)
Currency differences	(32)	19
Balance at end of financial year	486	518

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

	Group	
	2018 $'000	2017 $'000
Balance at beginning of financial year	50	50
Write-back of allowance during the financial year	(50)	–
Balance at end of financial year	–	50

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

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
United States dollar	5,741	2,747	–	–
Singapore dollar	5,985	2,063	694	575
Euro	86	604	–	–
Chinese renminbi	56	113	–	–
Others	172	115	–	–
	12,040	5,642	694	575

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2018	**2017**
	$'000	**$'000**
Deferred tax assets		
Balance at beginning and end of financial year	1	1
Deferred tax liabilities		
Balance at beginning of financial year	(50)	(50)
Charged to profit or loss	(1)	–
Balance at end of financial year	(51)	(50)

Deferred tax assets/(liabilities) arise as a result of temporary differences between the tax written down values and the carrying amounts of plant and equipment computed at the prevailing statutory income tax rate of 17% (2017: 17%).

11. INVENTORIES

	Group	
	2018	**2017**
	$'000	**$'000**
Trading goods	3,071	4,352

The cost of inventories recognised as an expense and included in "Cost of sales" line item in profit or loss was approximately $15,560,000 (2017: $14,163,000) for the financial year ended 31 March 2018.

As at 31 March 2018, the Group carried out a review of the realisable value of its inventories and the review led to a reversal of allowance for inventory obsolescence of $83,000 (2017: allowance for inventory obsolescence of $105,000) included in "Other income" line item (2017: "Other expenses") in profit or loss. The write-back of allowance for inventory obsolescence was made when the related inventories were sold above their carrying amounts.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Fixed deposits	12,840	12,257	7,122	3,844
Cash and bank balances	5,041	11,617	156	3,152
Cash and cash equivalents as per statements of financial position	17,881	23,874	7,278	6,996

Fixed deposits are placed between one month to six months (2017: one month to six months) from the end of the reporting period and the effective interest rates on the fixed deposits were 0.50% to 5.50% (2017: 0.62% to 5.75%) per annum.

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
United States dollar	9,497	13,737	1,482	2,975
Singapore dollar	6,968	8,222	5,796	4,021
Ringgit Malaysia	321	297	–	–
Indonesian rupiah	436	516	–	–
Euro	627	969	–	–
Chinese renminbi	20	123	–	–
Others	12	10	–	–
	17,881	23,874	7,278	6,996

13. TRADE AND OTHER PAYABLES

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Trade payables				
– third parties	2,538	3,000	–	–
– GST payables	435	–	–	–
– an associate	16	24	–	–
– non-controlling interests	636	402	–	–
	3,625	3,426	–	–
Other payables				
– third parties	128	300	14	19
Accrued expenses	1,251	1,451	284	255
Customers' deposits	474	513	–	–
Advances from customers	1,103	1,608	–	–
Total trade and other payables	6,581	7,298	298	274
Less:				
– Customers' deposits	(474)	(513)	–	–
– Advances from customers	(1,103)	(1,608)	–	–
– GST payables	(435)	–	–	–
Total financial liabilities carried at amortised cost	4,569	5,177	298	274

Trade payables are unsecured, interest-free and repayable within the normal trade credit terms of 30 to 120 (2017: 30 to 120) days.

Other payables (non-trade) due to third parties are unsecured, interest-free, repayable on demand and are to be settled in cash.

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

	Group		Company	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Singapore dollar	3,112	3,035	298	274
United States dollar	1,715	2,169	–	–
Euro	583	851	–	–
Chinese renminbi	448	774	–	–
British pound	77	50	–	–
Japanese yen	513	199	–	–
Others	133	220	–	–
	6,581	7,298	298	274

14. DEFERRED REVENUE

Group

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

15. DERIVATIVE FINANCIAL INSTRUMENTS

	Group		
	31.03.2018 $'000	31.03.2017 $'000 (restated)	01.04.2016 $'000 (restated)
Assets			
Put option	–	1,618	1,419
Profit guarantee	931	–	–
Foreign currency forward contracts	24	–	–
	955	1,618	1,419

Put option arising from investment in e-Marine Global Inc. ("e-Marine Global")

In 2011, the Group entered into a shareholder agreement where a put option had been granted in respect of 23,486 common shares held in e-Marine Co., Ltd. The put option, if exercised, will give the Group the right to sell 23,486 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 exercise period of the put option is from 1 January 2017 to 31 December 2019.

Pursuant to the corporate exercise to which e-Marine Co., Ltd became a wholly-owned subsidiary of Pollex, the shareholder agreement entered into with Mr Ung Gyu Kim ("Mr Kim") was revised on 30 August 2017. The put option, if exercised, will give the Group the right to sell 1,363,953 shares in e-Marine Global (Note 8) for KRW759 per share, plus interest accrued on the aggregate consideration at a rate of 5.38% per annum for the period from 28 October 2011 to the date the put option is exercised. The exercise period of the put option is from 1 January 2017 to 31 December 2019.

As at 31 March 2018, the fair value of the put option contract is estimated at $3 (2017: $1,618,000). The fair value of the put option in e-Marine Global was valued by an independent valuation firm and the valuation techniques used to derive the fair value of the put option is binomial model.

Profit guarantee arising from investment in an associate, Sense Infosys Pte. Ltd. ("Sense Infosys") Series A and Series A2 Convertible Preference Shares ("CPS Series A" and "CPS Series A2")

The Group entered into CPS Series A and Series A2 agreements with Sense Infosys on 15 January 2015 and 25 April 2016 respectively. In the event that Sense Infosys is not able to achieve a pre-specified consolidated net profit target for the financial year ending 31 March 2019, the Group shall be issued such number of bonus Series CPS based on a specified formula in the agreements.

As at 31 March 2018, the fair value of profit guarantee is estimated to be $931,000 (2017: $Nil). The fair value of the profit guarantee was valued by an independent valuation firm and the valuation techniques used to determine the fair value of the profit guarantee are income approach and Black-Scholes option-pricing model.

Foreign currency forward contracts

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 foreign currency forward contract in the management of its exchange rate exposure. The instrument purchased is primarily denominated in the currencies of the Group's principal markets.

As at the end of the reporting period, the outstanding forward foreign currency contract to which the Group is committed is as follows:

	Foreign currency		Notional amount		Fair value	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Sell United States dollar	500	–	679	–	24	–

The fair value of the forward foreign currency contract is determined based on quoted market prices for equivalent forward foreign currency contract at the end of the reporting period.

The forward foreign currency contract is to be settled within one month after the end of the reporting period on a gross basis.

16. SHARE CAPITAL

	Group and Company	
	2018	2017
	$'000	$'000
Issued and fully-paid		
106,000,000 ordinary shares at beginning and end of financial year	17,967	17,967

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

17. TREASURY SHARES

	Group and Company			
	Number of ordinary shares		Amount	
	2018	2017	2018	2017
	'000	'000	$'000	$'000
Balance at beginning and end of financial year	1,000	1,000	255	255

18. FOREIGN CURRENCY TRANSLATION ACCOUNT

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

19. REVENUE

	Group	
	2018	2017
	$'000	$'000
Sale of goods	22,860	22,458
Rendering of services	6,271	6,257
Airtime revenue	2,515	4,440
	31,646	33,155

20. OTHER INCOME

	Group	
	2018	2017
	$'000	$'000 (restated)
Dividend income	25	19
Write-back of trade payables	22	46
Fair value gain on derivative financial instruments	–	199
Foreign exchange gain, net	–	251
Gain on disposal of plant and equipment	55	6
Government grants	258	283
Interest income	126	114
Marketing income	77	20
Sundry income	419	178
Write-back of allowance for impairment loss on doubtful third parties trade and other receivables	131	274
Write-back of allowance for inventory obsolescence (Note 11)	83	–
	1,196	1,390

For the Financial Year Ended 31 March 2018

21. 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	
	2018	**2017**
	$'000	**$'000**
Cost of sales		
Depreciation of plant and equipment	257	290
Distribution costs		
Advertisement and promotion	144	67
Entertainment	90	102
Transportation and travelling	225	233
General and administrative expenses		
Amortisation of intangible asset (Note 4)	6	25
Audit fees		
– auditors of the Company	101	94
– other auditors	11	11
Depreciation of plant and equipment	138	166
Legal and professional fees	632	742
Operating lease expenses		
– rental of office equipment	25	31
– rental of office premises	439	599
Other expenses		
Allowance for impairment loss on doubtful third parties trade and other receivables	207	931
Allowance for inventory obsolescence (Note 11)	–	105
Impairment loss on investment in available-for-sale financial assets (Note 8)	34	169
Fair value loss on derivative financial instruments	663	–
Foreign exchange loss, net	930	–

The profit before income tax also includes:

	Group	
	2018	**2017**
	$'000	**$'000**
Employee benefits expense		
Salaries, wages and bonuses	7,254	8,412
Contributions to defined contribution plans	913	1,058
Other employee benefits	154	110
	8,321	9,580

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

	Group	
	2018	**2017**
	$'000	**$'000**
Cost of sales	2,401	3,288
Distribution costs	3,582	4,321
General and administrative expenses	2,338	1,971
	8,321	9,580

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

22. INCOME TAX EXPENSE

	Group 2018 $'000	Group 2017 $'000
Current income tax		
– current financial year	136	18
– (over)/under provision in respect of prior financial years	(12)	251
	124	269
Deferred income tax		
– under provision in respect of prior financial years	1	–
	1	–
Total income tax expense recognised in profit or loss	125	269

Reconciliation of effective income tax rate

	Group 2018 $'000	Group 2017 $'000
Profit before income tax	192	642
Share of results of associates	879	297
	1,071	939
Income tax calculated at Singapore's statutory income tax rate of 17% (2017: 17%)	182	160
Effect of different income tax rates in other countries	(20)	(63)
Expenses not deductible for income tax purposes	396	158
Income not subject to income tax	(57)	(145)
Enhanced tax deduction and tax rebate	(10)	(14)
Tax exemption	(35)	(8)
Deferred tax assets not recognised	50	142
(Over)/under provision in respect of prior financial years	(11)	251
Utilisation of deferred tax assets previously not recognised	(295)	(230)
Others	(75)	18
Total income tax expense recognised in profit or loss	125	269

As at 31 March 2018, the Group has unutilised tax losses of approximately $1,330,000 (2017: $3,478,000) and other deductible temporary differences of $392,000 (2017: $238,000) that are available for offset against future taxable profits of the Group, subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation. No deferred tax asset has been recognised on these tax losses and other deductible temporary differences as there is no certainty that there will be sufficient future taxable profits to realise these future benefits.

The total unutilised tax losses of the Group included that of a subsidiary which is in People's Republic of China amounting to $937,000 (2017: $1,179,000) 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:

	2018		2017	
Year of tax losses	**$'000**	**Expiry date**	**$'000**	**Expiry date**
2013	–	–	441	Dec–2017
2016	211	Dec–2020	211	Dec–2020
2017	527	Dec–2021	527	Dec–2021
2018	199	Dec–2022	–	–

The unrecognised deferred tax assets relating to certain subsidiaries have not been recognised as there is no certainty that there will be sufficient future taxable profits to realise these future benefits. Accordingly, the deferred tax assets have not been recognised in the financial statements in accordance with the accounting policy in Note 2.19 to the financial statements.

For the Financial Year Ended 31 March 2018

23. EARNINGS PER SHARE

The calculation for earnings per share is based on:

	Group	
	2018	**2017 (restated)**
Profit attributable to owners of the parent ($'000)	45	237
Actual/Weighted number of ordinary shares in issue during the financial year applicable to basic earnings per share ('000)	105,000	105,000
– Basic and diluted earnings per share (in cents)	0.04	0.23

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

24. DIVIDENDS

	Group and Company	
	2018 $'000	**2017 $'000**
Final tax-exempt dividend of $0.50 cent (2017: $Nil) per share in respect of the previous financial year	525,000	–

The Directors recommend final tax-exempt dividend of $0.50 cent per share amounting to a total of approximately $525,000 to be paid in respect of the current financial year ended 31 March 2018. 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 Company's annual general meeting to be held in July 2018.

25. OPERATING LEASE COMMITMENTS

Group as a lessor

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

	Group	
	2018	**2017**
	$'000	**$'000**
Not later than one financial year	331	240

Group as a lessee

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

	Group	
	2018	**2017**
	$'000	**$'000**
Not later than one financial year	430	413
After one financial year but not later than five financial years	106	111
	536	524

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 2 (2017: 1 to 3) years, with an option to renew the lease for another 1 (2017: 1) year.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group	
	2018	**2017**
	$'000	**$'000**
Related parties*		
Rental expense for office premises	219	244
Services	2	–
Purchases	1,148	728
Associate		
Sales	86	100
Services	74	–
Commission	1	–
Sub-contract charges	17	49
Dividend received	–	14

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

The Group has rendered services to Sirius Venture Pte Ltd, in which Mr Wong Hin Sun, Eugene has beneficial interests.

The Group has made purchases from Koden Electronics Co., Ltd, in which the Company is one of the non-controlling interests of a subsidiary.

26. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

Compensation of key management personnel

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

	Group	
	2018 $'000	2017 $'000
Short-term employee benefits	782	590
Gratuity benefits	226	–
Post-employment benefits	32	12
Directors' fees	173	173
	1,213	775

27. SEGMENT INFORMATION

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

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

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

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

Management monitors the operating results of the segments separately for the purpose of making decisions about resources 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 income 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 inter-segment sales and transfers as if the sales or transfers were to third parties, which approximate market prices. These inter-segment transactions are eliminated on consolidation.

27. SEGMENT INFORMATION (Continued)

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Eliminations $'000	Total $'000
2018						
Revenue						
External revenue	22,860	6,271	2,515	–	–	31,646
Inter-segment revenue	1,412	938	6	–	(2,356)	–
	24,272	7,209	2,521	–	(2,356)	31,646
Results						
Fair value loss on derivative financial instruments	–	–	–	(663)	–	(663)
Gain on disposal of plant and equipment	–	54	–	1	–	55
Write-back of allowance for impairment loss on doubtful third parties trade and other receivables	81	–	–	50	–	131
Allowance for impairment loss on doubtful third parties trade and other receivables	(162)	(7)	(38)	–	–	(207)
Write-back of allowance for inventory obsolescence	83	–	–	–	–	83
Interest income	–	–	–	126	–	126
Depreciation of plant and equipment	(61)	(301)	(6)	(27)	–	(395)
Amortisation of intangible asset	–	–	–	(6)	–	(6)
Share of results of associates	–	–	–	–	(879)	(879)
Impairment loss on available-for-sale financial asset	–	–	–	(34)	–	(34)
Segment profit/(loss)	2,295	414	(34)	(641)	(1,842)	192
Capital expenditure						
Plant and equipment	48	158	3	–	–	209
Assets and liabilities						
Segment assets	18,517	4,534	1,573	36,015	(25,315)	35,324
Available-for-sale financial assets	–	–	–	23,541	(4)	23,537
Investments in associates	–	–	–	488	–	488
						59,349
Segment liabilities	9,924	5,263	1,092	6,151	(9,670)	12,760
Current income tax payable	99	25	12	1	–	137
						12,897

27. **SEGMENT INFORMATION** (Continued)

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Eliminations $'000	Total $'000
2017 (restated)						
Revenue						
External revenue	22,458	6,257	4,440	–	–	33,155
Inter-segment revenue	822	969	11	–	(1,802)	–
	23,280	7,226	4,451	–	(1,802)	33,155
Results						
Fair value gain on derivative financial instruments	–	–	–	199	–	199
Gain on disposal of plant and equipment	–	–	–	6	–	6
Write-back of allowance for impairment loss on doubtful third parties trade and other receivables	4	5	259	6	–	274
Allowance for impairment loss on doubtful third parties trade and other receivables	(301)	(35)	(595)	–	–	(931)
Allowance for inventory obsolescence	(105)	–	–	–	–	(105)
Interest income	–	–	–	114	–	114
Depreciation of plant and equipment	(91)	(321)	(8)	(36)	–	(456)
Amortisation of intangible asset	–	–	–	(25)	–	(25)
Share of results of associates	–	–	–	–	(297)	(297)
Impairment loss on available-for-sale financial asset	–	–	–	(169)	–	(169)
Segment profit/(loss)	1,010	235	(410)	2,835	(3,154)	516
Capital expenditure						
Plant and equipment	55	957	11	–	–	1,023
Assets and liabilities						
Segment assets	13,245	3,639	1,674	42,139	(23,529)	37,168
Available-for-sale financial assets	–	–	–	596	(4)	592
Investments in associates	–	–	–	1,117	–	1,117
						38,877
Segment liabilities	10,457	5,292	1,879	5,139	(7,894)	14,873
Current income tax payable	335	94	66	–	–	495
						15,368

27. SEGMENT INFORMATION (Continued)

Geographical information

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

	Group	
	2018	**2017**
	$'000	**$'000**
Revenue from external customers		
Singapore	14,126	13,374
People's Republic of China	6,341	7,942
Indonesia	3,698	2,899
Malaysia	1,194	1,765
Germany	1,020	957
Denmark	594	744
Others	4,673	5,474
	31,646	33,155
Non-current assets		
Singapore	1,539	2,458
People's Republic of China	13	20
Others	74	108
	1,626	2,586

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

Major customers

During the financial year, revenue from two customers amounting to approximately $8,618,000 (2017: $5,511,000) under sale of goods segment, represents approximately 27% (2017: 17%) of total revenue.

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

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

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

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

28.1 Credit risk

Credit risk refers 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 has significant credit exposure for one (2017: one) third party trade receivables amounting to approximately $5,834,000 (2017: $1,036,000) as at the end of the reporting period. The Company has significant credit exposure arising from other receivables due from a subsidiary amounting to approximately $578,000 (2017: $568,000) as at 31 March 2018.

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

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

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

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

	Group	
	2018	**2017**
	$'000	**$'000**
Past due for 1 to 30 days	1,841	1,022
Past due for 31 to 60 days	581	375
Past due for 61 to 90 days	2,089	963
Past due for more than 90 days	1,111	676

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

The Company has undertaken to provide continued financial support to certain of its subsidiaries to enable them to operate as going concerns and to meet their obligations as and when they fall due for at least 12 months from the end of reporting period. As at year end, certain subsidiaries have deficiencies in shareholders' fund aggregating $2,411,000 (2017: $4,334,000).

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

28.2 Foreign currency risk

Foreign exchange risk management

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

The Group monitors its foreign currency exchange risk 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 risk (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	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
United States dollar	38,496	16,484	1,715	2,169
Euro	713	1,573	583	851
Chinese renminbi	76	236	448	774

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% (2017: 5%) change in United States dollar, Euro and Chinese renminbi against Singapore dollar. The sensitivity analysis assumes an instantaneous 5% (2017: 5%) change in the foreign currency exchange rates from the end of the reporting period, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in United States dollar, Euro and Chinese renminbi are included in the analysis. Consequentially, reported changes in the values of some of the financial instruments impacting the results of the sensitivity analysis are not matched with the offsetting changes in the values of certain excluded items that those instruments are designed to finance or hedge.

	Group Increase/(Decrease) Profit or Loss	
	2018 $'000	2017 $'000
United States dollar		
Strengthened against Singapore dollar	1,839	716
Weakened against Singapore dollar	(1,839)	(716)
Euro		
Strengthened against Singapore dollar	7	36
Weakened against Singapore dollar	(7)	(36)
Chinese renminbi		
Strengthened against Singapore dollar	(19)	(27)
Weakened against Singapore dollar	19	27

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

28.3 Liquidity risk

Liquidity risk refers to the risk in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risk is 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 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				
2018				
Financial liabilities				
Total undiscounted financial liabilities	4,569	–	–	4,569
2017				
Financial liabilities				
Total undiscounted financial liabilities	5,177	–	–	5,177

	Within one financial year $'000
Company	
2018	
Financial liabilities	
Total undiscounted financial liabilities	298
2017	
Financial liabilities	
Total undiscounted financial liabilities	274

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.

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

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

28.3 Liquidity risk (Continued)

Contractual maturity analysis (Continued)

	Within one financial year		Within two to five financial years	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Company				
Financial guarantees	638	745	1,061	782

As at 31 March 2018, the Company has provided corporate guarantees to banks for performance guarantees given to customers of a subsidiary amounting to approximately $1,699,000 (2017: $1,527,000). As at the end of the reporting period, the Company does not consider it probable that a claim will be made against the Company under the guarantees.

28.4 Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity securities. These securities are quoted on OTC Market in United States of America ("OTC Market") and Singapore Exchange Securities Trading Limited in Singapore and are classified as available-for-sale financial assets.

Sensitivity analysis for equity price risk

At the end of the reporting period, if the price of the shares held had been 2% (2017: 2%) higher/lower with all other variables held constant, the Group's other comprehensive income would have been approximately $466,000 (2017: $2,000) higher/lower, arising as a result of an increase/decrease in the fair value of equity securities classified as available-for-sale.

28.5 Capital management policies and objectives

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

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

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

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 March 2018 and 31 March 2017.

For the Financial Year Ended 31 March 2018

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

28.6 Fair value of financial assets and financial liabilities

The fair value 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 and whose carrying amounts are reasonable approximate at fair value

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

Fair value of financial instruments carried at fair value

The fair value of available-for-sale financial assets and derivative financial instruments are disclosed in Note 8 and Note 15 to the financial statements respectively.

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				
2018				
Assets				
Available-for-sale financial assets				
– Quoted equity securities	23,323	–	–	23,323
Derivative financial instruments	–	24	931	955
	23,323	24	931	24,278
2017 (restated)				
Assets				
Available-for-sale financial assets				
– Quoted equity securities	99	–	–	99
– Unquoted equity securities	–	–	279	279
Derivative financial instrument	–	–	1,618	1,618
	99	–	1,897	1,996

There have been no transfer between Level 1, Level 2 and Level 3 during 2018 and 2017, except as disclosed below.

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

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

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

Transfer out of Level 3

During 2018, the Group transferred an available-for-sale unquoted equity security from Level 3 to Level 1 of the fair value hierarchy. The carrying amount of the available-for-sale financial asset transferred was $23,258,000.

The equity security was transferred from Level 3 to Level 1 as it was listed on OTC Market in United States of America ("OTC Market") during the financial year (Note 8). Prior to the transfer, the fair value of the equity security was determined using valuation model incorporating significant non-market observable inputs. Since the transfer, the fair value of the equity security is determined based on closing market price quoted on OTC Market.

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

Financial Instrument	Valuation techniques used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Unquoted equity securities	Market approach based on Enterprise Value/ Earnings Before Interest Tax Depreciation and Amortisation ("EV/EBITDA") method	– Earnings multiple ranging 4.50 to 5.25 – (2017: Historical comparable EBITDA multiple 2.20 to 21.04; weighted average 14.50) – (2017: Marketability discount rate 33%)	Increased earnings multiple would increase fair value; decreased in earnings multiple would decrease fair value.
Put option	Binomial model method (2017: Market approach based on Earning Before Interest Tax Depreciation and Amortisation ("EBITDA") method)	– Expected volatility (ranging from 42.1% to 42.2%) – Drift rate (-0.5% to 0.1%) – (2017: Historical comparable EBITDA multiple (ranging 2.20 to 21.04; weighted average 14.50) – (2017: Marketability discount rate 33%)	Increased expected volatility and drift rate would increase and decrease fair value respectively; lower expected volatility and drift rate would decrease and increase fair value respectively.
Profit guarantee	Income approach based on discounted cash flows Black-Scholes option-pricing model	– Discount rate of 31% – Marketability discount rate 12% to 24%	Increased discount rate and marketibility discount rate would decrease fair value, lower discount rate and marketability discount rate would increase fair value.

29. RESTATEMENT ON COMPARATIVE FIGURES

For the financial year ended 31 March 2017 and 31 March 2016, the Group recognised the fair value change in the derivative financial instrument in relation to the put option arising from the Group's investment in e-Marine Co., Ltd ("e-Marine") as disclosed in Note 15 to the financial statements.

During the financial year, management noted the need to rectify the accounting for the fair value of the put option recognised as a derivative financial instrument. Consequently, adjustments were made to the derivative financial instrument and comparative figures have been restated accordingly.

29. RESTATEMENT ON COMPARATIVE FIGURES (Continued)

The following details comparative figures as at 31 March 2017 and 1 April 2016 which have been restated as a result of above restatement.

	As at 31 March 2017		
	Previously reported $'000	Effect of restatement $'000	As restated $'000
STATEMENT OF FINANCIAL POSITION			
Current assets			
Derivative financial instruments	464	1,154	1,618
Equity			
Retained earnings	4,651	1,154	5,805

	For the financial year ended 31 March 2017		
	Previously reported $'000	Effect of restatement $'000	As restated $'000
STATEMENT OF COMPREHENSIVE INCOME			
Other item of income			
Other income	1,516	(126)	1,390
Earnings per share			
– Basic and diluted	0.35 cents	(0.12 cents)	0.23 cents

	For the financial year ended 31 March 2017		
	Previously reported $'000	Effect of restatement $'000	As restated $'000
STATEMENT OF CASH FLOWS			
Operating activities			
Profit before income tax	642	(126)	516
Fair value gain on derivative financial instruments	325	(126)	199

	As at 1 April 2016		
	Previously reported $'000	Effect of restatement $'000	As restated $'000
STATEMENT OF FINANCIAL POSITION			
Current assets			
Derivative financial instruments	139	1,280	1,419
Equity			
Retained earnings	4,288	1,280	5,568

30. EVENTS SUBSEQUENT TO THE REPORTING DATE

In April 2018, the Group granted an additional convertible loan of $375,000 to Sense Infosys Pte. Ltd. for working capital purposes, with terms similar to convertible loan granted during the financial year as disclosed in Note 9 to the financial statements.

31. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 March 2018 were authorised for issue by the Board of Directors on 27 June 2018.

As at 13 June 2018

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

Size Of Shareholdings			No. of Shareholders	% of Holders	No. of Shares	% of Shares
1	–	99	0	0.00	0	0.00
100	–	1,000	140	30.17	137,300	0.13
1,001	–	10,000	130	28.02	828,000	0.79
10,001	–	1,000,000	189	40.73	13,528,500	12.88
1,000,001	&	ABOVE	5	1.08	90,506,200	86.20
TOTAL			464	100.00	105,000,000	100.00

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	% of Shares
FOO CHEW TUCK	81,300,000	77.43
TAN FUH GIH	3,970,000	3.78
SIRIUS VENTURE CAPITAL PTE LTD	2,650,000	2.52
PHILLIP SECURITIES PTE LTD	1,566,200	1.49
TAN LIAN HUAT	1,020,000	0.97
CHEW KENG SENG	1,000,000	0.95
NAH WEE KEE (LAN WEIQI)	736,000	0.70
PANG YOKE MIN	500,000	0.48
RAFFLES NOMINEES (PTE) LTD	470,500	0.45
UOB KAY HIAN PTE LTD	455,700	0.43
SEAH CHYE ANN (XIE CAI'AN)	339,400	0.32
DBS NOMINEES PTE LTD	330,700	0.31
LEE LAI HENG BRIAN	284,900	0.27
YEAP LAM YANG	250,000	0.24
LIM JIUN YIH	213,100	0.20
NG HUA CHONG OR SIA MOI	212,000	0.20
SEAH LEE LIM LLP	200,000	0.19
TANG BEE YIAN	195,000	0.19
CGS-CIMB SECURITIES (S'PORE) PTE LTD	188,000	0.18
CITIBANK NOMINEES S'PORE PTE LTD	181,000	0.17
TOTAL	96,062,500	91.47

Substantial Shareholder	Direct Interest	Deemed Interest
FOO CHEW TUCK	81,300,000	–

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 13 June 2018, approximately 20.05% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

NOTICE 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, 26 July 2018 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2018, the Statement of Directors and the Report of the Auditors thereon. **(Resolution 1)**

2. To declare and pay a first and final one-tier tax exempt dividend of 0.5 Singapore cent per share in respect of the financial year ended 31 March 2018. **(Resolution 2)**

3. To approve the Directors' fees of S$172,500 for the financial year ended 31 March 2018. (2017: S$172,500) **(Resolution 3)**

4. To re-elect Mrs Eileen Tay-Tan Bee Kiew, a Director retiring under Article 98 of the Constitution of the Company. **(Resolution 4)**
[See Explanatory Note 1]

5. To re-elect Mr Sin Hang Boon, a Director retiring under Article 98 of the Constitution of the Company. **(Resolution 5)**
[See Explanatory Note 1]

6. To re-appoint Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

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

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

[See Explanatory Note 2] (**Resolution 7)**

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

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

[See Explanatory Note 3] **(Resolution 8)**

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

"That:

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

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

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

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

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

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

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

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

(3) in this Resolution:

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

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

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

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

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

where:

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

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

(4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."
[See Explanatory Note 4] **(Resolution 9)**

10. **OTHER BUSINESS**

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

BY ORDER OF THE BOARD

Esabelle Saw Hong Gaik
Pan Mi Keay
Company Secretaries
11 July 2018

NOTES:

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

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

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

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

(3) A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act, Chapter 50.

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

EXPLANATORY NOTES

1. The Nominating Committee Guide (Second Edition 2017 produced by the Singapore Institute of Directors) (the "**NC Guide**") recommends that if an independent director who has served more than nine continuous years wishes to extend his appointment, the Board, as good practice, should require a separate resolution to be approved by shareholders.

Each of Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon was appointed to the Board on 15 September 2009 and would have served out their ninth year term in office on 15 September 2018. The NC has evaluated the participation of Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon at board and committee meetings and determined that each of them continues to possess independent thinking and the ability to exercise objective judgement on corporate matters independently. Taking into account the above, the Board has resolved that each of Mrs Eileen-Tay Tan Bee Kiew and Mr Sin Hang Boon continues to be considered as an independent director, notwithstanding that they will serve on the Board beyond nine years.

Mrs Eileen Tay-Tan Bee Kiew (Lead Independent Director) will, upon re-election as a Director of the Company, continue to serve as the Chairperson of the Audit and Risk Committee as well as a member of the Nominating Committee and the Remuneration Committee. She is considered independent for the purposes of Rule 704(7) of the Catalist Rules.

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

Detailed information on Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon can be found under the "Board of Directors" section of the Company's Annual Report 2018.

2. Ordinary Resolution 7, 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 8, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant to PSP, provided that the aggregate number of new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

4. Ordinary Resolution 9, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM is held or is required by law to be held, whichever is the earlier, to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution. Details of the proposed renewal of Share Buyback Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial effects on the Group, are set out in the Appendix to the Annual Report 2018.

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 the shareholders of the Company ("**Shareholders**") at the forthcoming Annual General Meeting of the Company to be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Thursday, 26 July 2018 at 11.00 a.m. ("**2018 AGM**") for the proposed renewal of share buyback mandate (the "**Share Buyback Mandate**") to authorise the Company's directors ("**Directors**") from time to time to purchase or acquire shares in the capital of the Company ("**Shares**") (whether by market purchases and/or off-market purchases on an equal access system) on the terms of the proposed Share Buyback Mandate, subject to the Constitution of the Company and the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").

1.2 Shareholders had at the last Annual General Meeting held on 26 July 2017 ("**2017 AGM**"), renewed the Share Buyback Mandate ("**2017 Mandate**") for the Directors to exercise all the powers of the Company to purchase or acquire up to 10% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company at the time of passing of the resolution on the terms of the 2017 Mandate.

1.3 The 2017 Mandate will expire on the date of the forthcoming 2018 AGM. If the proposed resolution for the renewal of the Share Buyback Mandate is approved at the 2018 AGM, the Share Buyback Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier.

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

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

2.1 Rationale

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

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

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

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

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

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

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

2.1 Rationale (Continued)

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

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

2.2 Authority and Limits on the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares under the Share Buyback Mandate, if renewed at the 2018 AGM, are substantially similar in terms to those previously approved by Shareholders at the 2017 AGM, and are summarised below:

2.2.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company (ascertained as at the date of the forthcoming 2018 AGM at which the renewal of the Share Buyback Mandate is approved), unless the share capital of the Company has been reduced in accordance with the applicable provisions of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), at any time during the period commencing from the date on which the ordinary resolution relating to the Share Buyback Mandate is passed and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier (the "**Relevant Period**"), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered. Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for purposes of computing the 10% limit.

2.2.2 Duration of Authority

Unless varied or revoked by the Company in a general meeting, purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the forthcoming 2018 AGM, at which the renewal of Share Buyback is approved, up to the earlier of:

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

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

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed at the next annual general meeting (after the 2018 AGM) or an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

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

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

2.2.3 Manner of Purchases or Acquisitions of Shares

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

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

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

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

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

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

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

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

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

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

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

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

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

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

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

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

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

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

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

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

2.2.4 <u>Maximum Purchase Price for the Shares</u>

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

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

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

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

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

For the above purposes:

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

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

2.3 Sources of funds

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

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

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

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

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

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.

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

2.6 Reporting requirements

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

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

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

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

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

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

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

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

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

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

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

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

2.7 Financial Effects

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

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

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

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

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

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

2.7 Financial Effects (Continued)

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

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

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

Purely for illustrative purposes only, the financial effects of the Share Buyback Mandate on the Group and the Company, based on the audited financial statements of the Group and the Company for the financial year ended 31 March 2018 and based on the assumptions set out below:

(a) based on 105,000,000 Shares in issue as at 31 March 2018 (excluding 1,000,000 Shares held in treasury) and assuming no further Shares are issued on or prior to the 2018 AGM, not more than 10,500,000 Shares (representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date of the 2018 AGM) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate;

(b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 10,500,000 Shares at the Maximum Price of S$0.146 (being the price equivalent to 105% of the Average Closing Price of the Shares for the 5 consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 10,500,000 Shares (excluding related expenses) is approximately S$1.5 million; and

(c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 10,500,000 Shares at the Maximum Price of S$0.166 (being the price equivalent to 120% of the Average Closing Price of the Shares for the 5 consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest practicable Date), the maximum amount of funds required for the purchase of the 10,500,000 Shares (excluding related expenses) is approximately S$1.7 million.

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

(i) such purchase or acquisition of Shares is financed solely by internal sources of funds available as at 31 March 2018;

(ii) the Share Buyback Mandate had been effective on 1 April 2017; and

(iii) the Company had purchased or acquired the maximum of 10,500,000 Shares (representing 10% of the total issued Shares (excluding the Shares held in treasury or subsidiary holdings) as at 31 March 2018),

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

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

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

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

2.7 Financial Effects (Continued)

on the audited financial statements of the Group and the Company for the financial year ended 31 March 2018 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 2018	**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	22,836	22,836	22,836	–	–	–
Accumulated profits	5,850	5,850	5,850	5,464	5,464	5,464
Treasury shares	(255)	(1,788)	(1,998)	(255)	(1,788)	(1,998)
Equity attributable to the owners of the parent	46,398	44,865	44,655	23,176	21,643	21,433
NTA[1]	46,452	44,919	44,709	23,176	21,643	21,433
Cash and cash equivalents	17,881	16,348	16,138	7,278	5,745	5,535
Current assets	34,128	32,595	32,385	7,995	6,462	6,252
Current liabilities	12,846	12,846	12,846	299	299	299
Working capital	21,282	19,749	19,539	7,696	6,163	5,953
Total Borrowings[2]	–	–	–	–	–	–
Profit for the financial year	67	67	67	375	375	375
Number of issued Shares ('000)	106,000	106,000	106,000	106,000	106,000	106,000
Treasury shares ('000)	1,000	11,500	11,500	1,000	11,500	11,500
Number net of treasury shares ('000)	105,000	94,500	94,500	105,000	94,500	94,500
<u>Financial Ratios</u>						
NTA per Share (cents)[3]	44.2	47.5	47.3	22.1	22.9	22.7
EPS (cents)[4]	0.1	0.1	0.1	0.4	0.4	0.4
Current ratio (times)[5]	2.7	2.5	2.5	26.7	21.6	20.9
Gearing ratio (times)[6]	0	0	0	0	0	0
Return on equity (%)[7]	0.1%	0.1%	0.2%	1.6%	1.7%	1.7%

Notes:

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

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

(3) NTA per Share is calculated based on NTA and 105,000,000 Shares (excluding treasury shares and subsidiary holdings) in issue as at 31 March 2018.

(4) For illustrative purpose, EPS is calculated based on 105,000,000 Shares (excluding treasury shares and subsidiary holdings) in issue as at 31 March 2018.

(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

As at 31 March 2018	Group Before Share Buyback (S$'000)	After Share Buyback assuming Market Purchase (S$'000)	After Share Buyback assuming Off-Market Purchase (S$'000)	Company Before Share Buyback (S$'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	22,836	21,303	21,093	–	(1,533)	(1,743)
Accumulated profits	5,850	5,850	5,850	5,464	5,464	5,464
Treasury shares	(255)	(255)	(255)	(255)	(255)	(255)
Equity attributable to the owners of the parent	46,398	44,865	44,655	23,176	21,643	21,433
NTA[(1)]	46,452	44,919	44,709	23,176	21,643	21,433
Cash and cash equivalents	17,881	16,348	16,138	7,278	5,745	5,535
Current assets	34,128	32,595	32,385	7,995	6,462	6,252
Current liabilities	12,846	12,846	12,846	299	299	299
Working capital	21,282	19,749	19,539	7,696	6,163	5,953
Total Borrowings[(2)]	–	–	–	–	–	–
Profit for the financial year	67	67	67	375	375	375
Number of issued Shares ('000)	105,000	94,500	94,500	105,000	94,500	94,500
Financial Ratios						
NTA per Share (cents)[(3)]	44.2	47.5	47.3	22.1	22.9	22.7
EPS (cents)[(4)]	0.1	0.1	0.1	0.4	0.4	0.4
Current ratio (times)[(5)]	2.7	2.5	2.5	26.7	21.6	20.9
Gearing ratio (times)[(6)]	0	0	0	0	0	0
Return on equity (%)[(7)]	0.1%	0.1%	0.2%	1.6%	1.7%	1.7%

Notes:

(1) NTA refers to total net assets less intangible assets.
(2) Total borrowings refer to the total of short term and long term borrowings, and finance lease obligations.
(3) NTA per Share is calculated based on NTA and 105,000,000 Shares (excluding treasury shares and subsidiary holdings) in issue as at 31 March 2018.
(4) For illustrative purpose, EPS is calculated based on 105,000,000 Shares (excluding treasury shares and subsidiary holdings) in issue as at 31 March 2018.
(5) Current ratio equals current assets divided by current liabilities.
(6) Gearing ratio equals total borrowings divided by Equity attributable to the owners of the parent.
(7) Return on equity equals profit for the financial year divided by Equity attributable to the owners of the parent.

Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for the financial year ended 31 March 2018 and the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at 31 March 2018, and is not necessarily representative of the future financial performance of the Company or the Group.

The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase or acquisition before execution. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

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

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

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 21,050,000 Shares, representing 20.05% of the total issued Shares (excluding treasury shares and subsidiary holdings), are in the hands of the public. In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that a sufficient float in the hands of the public will be maintained so that such purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the Catalist, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.9 Implications under the Take-over Code

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

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

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

2.9.2 <u>Persons acting in concert</u>

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;

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

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

(g) partners; and

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

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

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

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

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

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

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

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

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

Directors	Direct Interest		Deemed Interest		Total Interest	%[1]
	Shares	Options	Shares	Options[2]		
Foo Chew Tuck	81,300,000	–	–	–	81,300,000	77.43
Wong Hin Sun Eugene[2]	–	–	2,650,000	–	2,650,000	2.52
Sin Hang Boon @ Sin Han Bun	–	–	–	–	–	–
Eileen Tay–Tan Bee Kiew	–	–	–	–	–	–
Substantial Shareholders (other than Directors)	–	–	–	–	–	–
Other Shareholder						
Sirius Venture Capital Pte. Ltd. ("**Sirius Venture**")[2]	2,650,000	–	–	–	2,650,000	2.52

Notes:

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

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

4. SHARE BUYBACKS IN THE PREVIOUS 12 MONTHS

The Company did not purchase or acquire any Shares during the 12-month period immediately preceding the Latest Practicable Date.

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

5. TAX IMPLICATIONS

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

6. DIRECTORS' RECOMMENDATION

After having considered the rationale and the information relating to the Share Buyback Mandate, the Directors are of the opinion that the proposed renewal of Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution 9 as set out in the Notice of Annual General Meeting relating to the proposed renewal of the Share Buyback Mandate.

7. ANNUAL GENERAL MEETING

The 2018 AGM, notice of which is set out on pages 81 and 85 of the 2018 Annual Report of the Company, will be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Thursday, 26 July 2018 at 11.00 a.m. for the purpose of, *inter alia*, considering and, if thought fit, passing the ordinary resolution on the renewal of Share Purchase Mandate as set out in the Notice of the Annual General Meeting.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2018 AGM and wish to appoint a proxy to attend and vote at the 2018 AGM on their behalf must complete, sign and return the Proxy Form attached to the Annual Report 2018 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 2018 AGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2018 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 2018 AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the 2018 AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 194 Pandan Loop, #06-05 Pantech Business Hub, Singapore 128383, during normal business hours from the date of this Appendix up to and including the date of the 2018 AGM:

(a) the Constitution of the Company;

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

(c) the Annual Report of the Company for the financial year ended 31 March 2018.

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 and Chief Executive Officer

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

PROXY FORM

IMPORTANT
1. For investors who have used their CPF monies ("CPF Investors") and/or their SRS monies ("SRS Investors") to buy shares in the capital of Jason Marine Group Limited, this Annual Report 2018 is forwarded to them at the request of their CPF and/or SRS Approved Nominees (as the case may be) and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors and SRS Investors may attend and cast their votes at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees (as the case may be) to appoint the Chairman of the AGM to act as their proxy, in which case, the respective CPF Investors and/or SRS Investors shall be precluded from attending the AGM.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 July 2018.

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, 26 July 2018 at 11.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Annual General Meeting as indicated with an "X" in the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

Resolution No.	**Ordinary Resolutions**	**For**	**Against**
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 March 2018, the Statement of Directors and the Report of the Auditors thereon.		
2.	To declare and pay a first and final one-tier tax exempt dividend of 0.5 Singapore cent per share in respect of the financial year ended 31 March 2018.		
3.	Approval of Directors' fees of S$172,500 for the financial year ended 31 March 2018.		
4.	Re-election of Mrs Eileen Tay-Tan Bee Kiew as Director.		
5.	Re-election of Mr Sin Hang Boon as Director.		
6.	Re-appointment of Messrs BDO LLP as Auditors.		
7.	Authority to allot and issue shares in the capital of the Company and/or instruments pursuant to Section 161 of the Companies Act.		
8.	Authority to allot and issue shares under the Jason Performance Share Plan.		
9.	Renewal of the Company's share buyback mandate.		

Dated this ____________________ day of ____________ 2018

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

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

IMPORTANT: Please read notes overleaf

Notes:

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

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

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

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

3. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting in accordance with Section 179 of the Companies Act, Chapter 50.

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

5. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse the admission of any person or persons appointed under the instrument of proxy, to the Annual General Meeting.

6. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such member(s) are not shown to have shares entered against his/her/their name(s) in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

7. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his/her name appears on the Depository Register 72 hours before the time appointed for the Annual General Meeting.

Fold along this line

Affix
Postage
Stamp
Here

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

Fold along this line

SERVICE CENTRES

SINGAPORE

Jason Electronics (Pte) Ltd
194 Pandan Loop
#06-05 Pantech Business Hub
Singapore 128383
Tel: +65-6477 7700
Fax: +65-6872 1800
Email: service@jason.com.sg

INDONESIA

PT Jason Elektronika
Jl. Gunung Sahari Raya 2
Kompleks Marinatama Mangga Dua Blok A No. 3A
Jakarta Utara 14420
Indonesia
Tel: +62-21-640 4400 / 647 17582
Fax: +62-21-647 17612
Email: sales@jason.com.sg

PEOPLE'S REPUBLIC OF CHINA

Jason (Shanghai) Co., Ltd
16H New Shanghai City Building
33 He Nan Road (S)
Shanghai 200002
People's Republic of China
Tel: +86-21-6337 5966 / 67 / 68
Fax: +86-21-6337 5969
Email: chinasales@jason.com.sg

THAILAND

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

JASON MARINE GROUP LIMITED
Co. Reg. No. 200716601W

194 Pandan Loop #06-05
Pantech Business Hub
Singapore 128383

TEL: +65 6477 7700
FAX: +65 6872 1800
www.jason.com.sg