

**Jason**

JASON MARINE GROUP LIMITED



**STRATEGISE**



**FOCUS**



**SUSTAIN**

Annual Report  
**2023**

# JASON MARINE GROUP LIMITED

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In the face of global energy demand as well as transition to renewable solutions, the prospects for the offshore renewable energy market holds immense potential. However, headwinds persist in this evolving landscape, which poses challenges on the market environment.

Nonetheless, Jason Marine Group (“**Jason Marine**” or the “**Group**”) remains undeterred by the challenges, and continue to forge the path in becoming a global world class sustainable solution partner in marine electronics. Our unwavering dedication is guided by our core values of character, competence and commitment.

While we remain steadfast in our pursue for growth, we are vigilant to the threats that businesses face in today’s environment. Cybersecurity is a paramount focus for us, and we are continuously improving our measures to fortify our infrastructure. Equipping our employees with the necessary knowledge and skills is equally important to effectively mitigate the cyber risks. We believe that by staying proactive in this digital era, we will be able to enhance the trust of our customers and stakeholders in Jason Marine, further strengthening our competitive edge as a telecom system integrator for the global maritime industry.

Sustainability lies at the core of our business, especially in the area of climate risks. We have always placed a high level of importance on integrating sustainability into our business operations, and we continue to enhance our sustainability efforts through various initiatives. By embedding sustainable practices in our operations, we believe it can educate and raise more awareness to our employees as well as to other stakeholders. We firmly believe that even small individual contributions, when combined, can make a significant impact.

At Jason Marine, we are resolute in our commitment to navigating the challenges of the marine and offshore oil & gas industry. By prioritising cybersecurity and sustainability, we are confident in our ability to deliver innovative solutions that meet the needs of our customers while contributing to a better future for all.

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## CORPORATE PROFILE

Jason Marine Group Limited (“**Jason Marine**” or the “**Company**”) has earned its reputation as a distinguished marine telecom system integrator and an exceptional support services provider, catering to the dynamic marine and offshore oil & gas sectors.

The Company and its subsidiaries (the “**Group**”) have consistently exhibited an unwavering commitment to delivering value, prioritising safety, and efficiency. This dedication has propelled Jason Marine to the forefront of Singapore’s marine industry and fostered enduring partnerships with a diverse, global clientele.

Established in 1976 and anchored in Singapore, Jason Marine has strategically expanded its footprint to include China, Indonesia, Malaysia, Thailand and Europe. The Company offers an extensive portfolio of premium supplies sourced from eminent manufacturers while continually enriching its product line-up to exceed the sophisticated demands of its customers.

Leveraging its extensive expertise in marine communication, navigation, and automation systems, the Group is uniquely positioned to provide all-encompassing, one-stop solutions. These solutions encompass design, supply, integration, installation, testing, commissioning, and maintenance, ensuring a seamless customer experience. To further augment its communications business, Jason Marine also offers specialized certification services and a range of satellite airtime services.

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## VISION

To be a Global World Class Company  
in Marine Electronics

## MISSION

Enhancing the well-being of the  
marine community by providing  
unparalleled solutions and services  
on communications and navigational  
safety

## 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





# STRATEGISE FOR GROWTH

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We continue to expand our overseas presence, forge strategic partnerships and leverage on technology to enhance our services to our customers and stay ahead in a competitive market.

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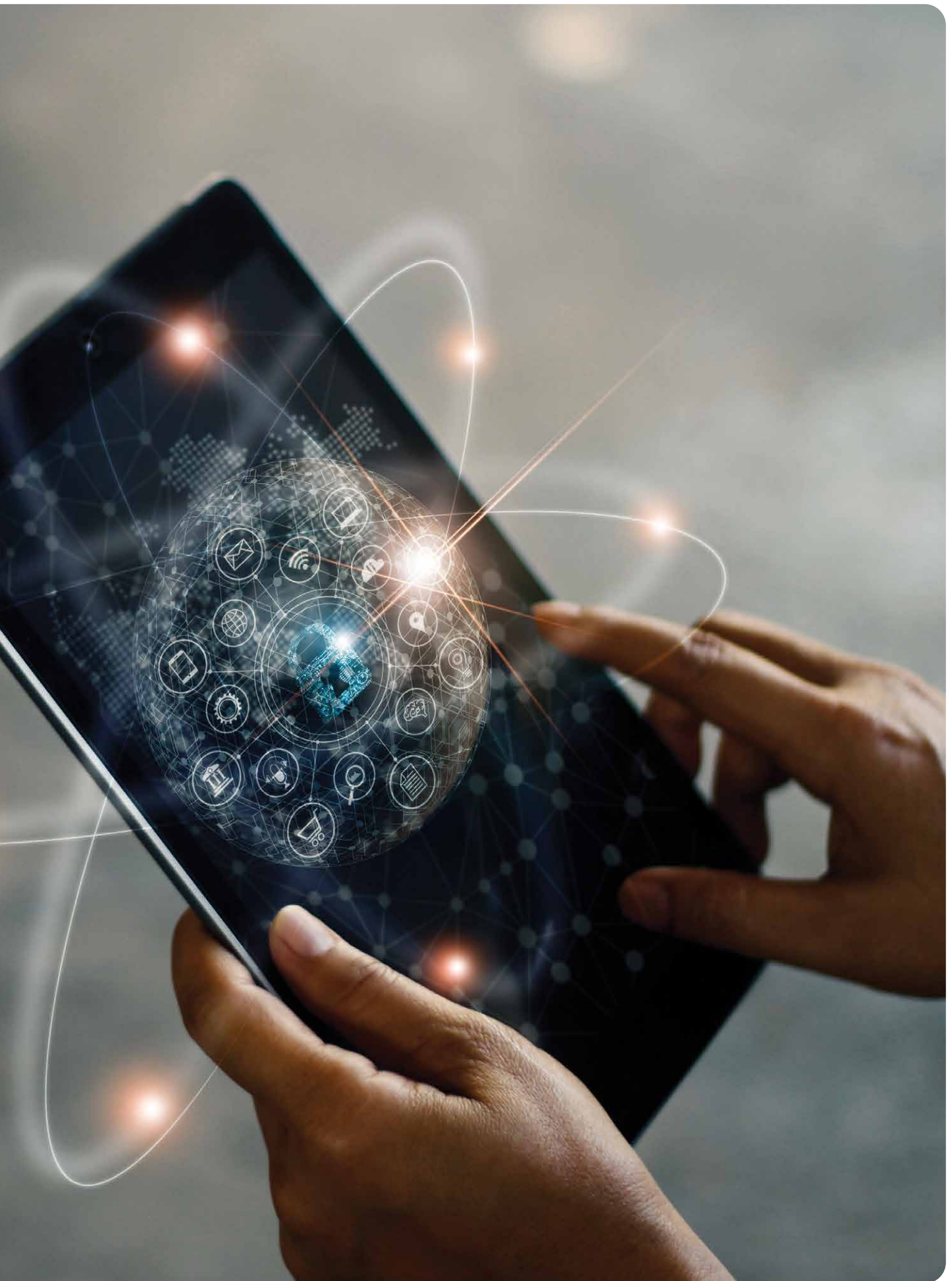
# FOCUS ON CYBER SECURITY

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Cyber threats are becoming more prevalent, especially in today's digital era. Our focus on cybersecurity allows us to better protect our data & assets, and to maintain the trust of our customers and stakeholders.

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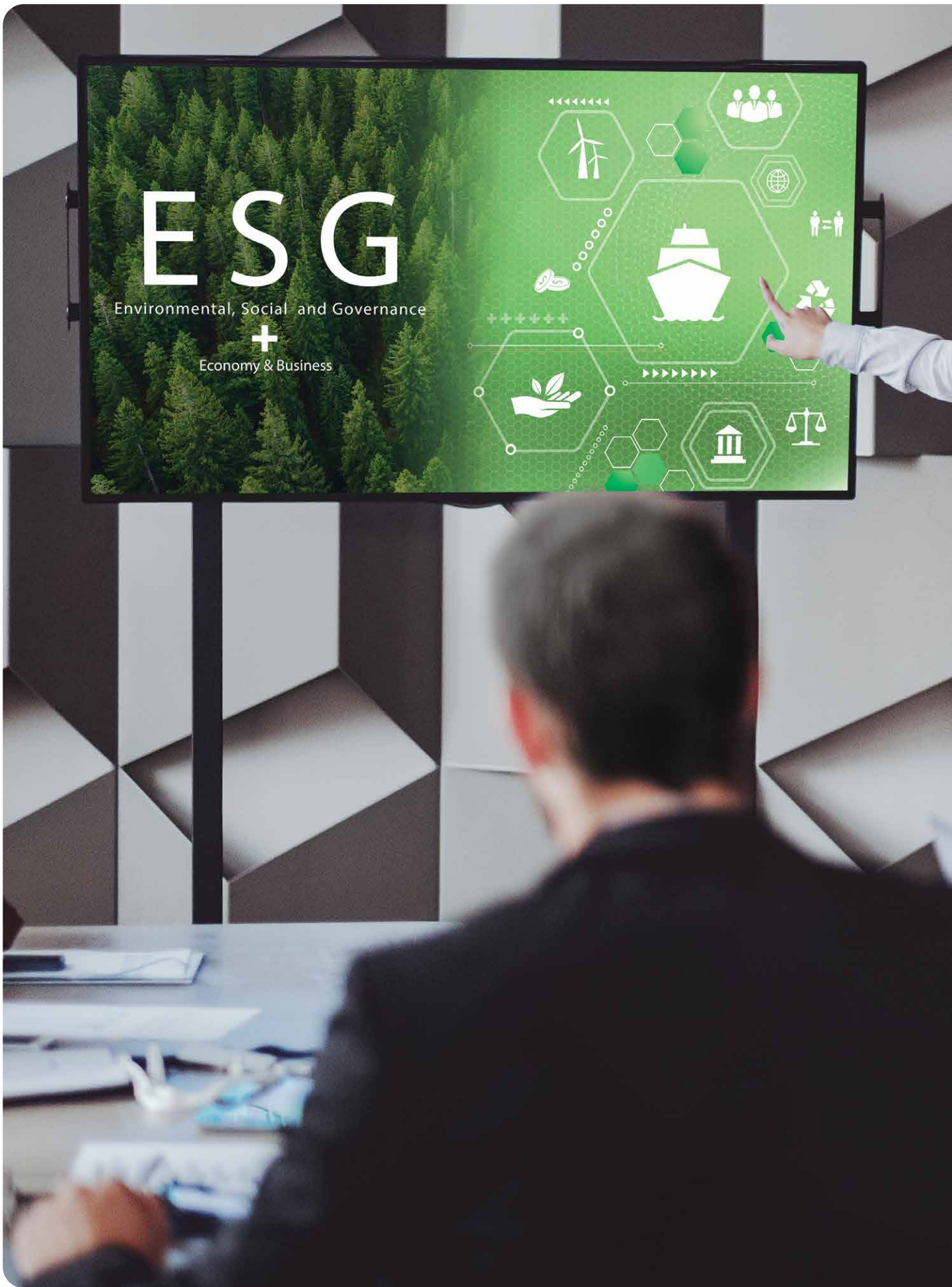


# ESG

Environmental, Social and Governance



Economy & Business





# SUSTAIN OUR FUTURE



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Sustainability is at the heart of our business, and we continue to enhance our sustainability efforts through various initiatives to safeguard our future.

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## CHAIRMAN'S STATEMENT



“

We will stay diligent and agile to seize opportunities and push ahead with our recovery strategy underpinned by three key pillars: Business growth, Cybersecurity and Sustainability

”

**MR FOO CHEW TUCK**

*Executive Chairman and Chief Executive Officer*

### DEAR VALUED SHAREHOLDERS,

The past few years have been challenging for many companies and industries. Owing to restrictions to contain the spread of the COVID-19 pandemic, business and expansion plans have been tougher to execute.

Nevertheless, Jason Marine has always stayed nimble and alert. Our approach has not only enabled the Group to survive, but to thrive amid the unprecedented impact caused by the COVID-19 pandemic. An example of this is the opening in 2021 of our latest office in Spain during the height of the pandemic.

Now as the shackles of COVID-19 come off, business and economic prospects are starting to shape up. COVID-19 is no longer a global health emergency, declared the World Health Organization in May this year. China finally opened its borders to international travel, allowing travel to and fro the world's second largest economy from March

onward this year. In Singapore, mask wearing – the last of the local restrictive measures – was finally removed. All these efforts bode well for the resumption of business and expansion plans.

Nevertheless, headwinds remain. Further fluctuation in crude oil prices and supply chain disruptions could have negative impact on the market environment. Inflation has stayed heightened despite the aggressive tightening of monetary policy by major central banks. Recessionary fears have increased on the expectation of subdued economic activities.

As such, the economic outlook is expected to be rocky ahead. According to the International Monetary Fund (“IMF”), global economic growth is forecast to fall to 2.8% in 2023, from 3.4% in 2022, before settling at 3.0% in 2024. Advanced economies are expected to see an especially pronounced growth slowdown to 1.3% in 2023, from 2.7% in 2022<sup>1</sup>.

<sup>1</sup> <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

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Although we are cognisant of the risks ahead, we are optimistic as we should. We believe opportunities abound not just in the good times, but also in challenging times as long as we remain diligent and agile in seizing them.

Jason Marine will continue to leverage its strengths and build on its core competencies. We will also be prudent in managing our cashflow to ensure that our liquidity position remains robust. At the same time, we will push ahead with our recovery strategy, underpinned by three key pillars: **business growth, cybersecurity and sustainability**.

### THREE KEY PILLARS

While Singapore – being a global maritime hub – continues to be an important market for us, we aim to further expand our overseas presence to achieve growth. This push towards internationalising our operations is mainly driven by our goal to diversify our revenue streams.

To that end, we will strengthen our existing network of overseas operations across our offices in Thailand, Indonesia, Malaysia, China and Europe. This includes touching ground with our customers in these markets to better understand their unique requirements, as well as working closely with our suppliers to curate customised solutions for our customers.

We are glad that the expansion of our operations in Europe – based out of newly opened office in Spain – continues to show good progress. The office – which was established in September 2021 despite the restrictions of COVID-19 – has expanded to more than half a dozen experienced engineers and staff. The team has so far received positive feedback from both new and existing customers.

We aim to continue providing our excellent provision repair/maintenance services to customers in the region. With the pandemic in the rear mirror, the Spain office will be used as a springboard to launch our expansion into other parts of Europe and Northern Africa.

We are also exploring and identifying other markets and regions around the world where we can secure new customers, who require the latest cutting edge marine electronic equipment and marine communication integration solutions. This will enable us to realise our vision of transforming into a global marine communication equipment and service provider.

Apart from expanding geographically, we are expanding our customer base beyond our traditional profile of oil and gas customers. Given the rapid growth in renewable energy, we are providing marine communication equipment and installation services for vessels that operate in offshore windfarms, such as wind turbine installation vessels.

We believe the prospects for the offshore renewable energy market are bright. According to World Forum Offshore Wind citing projections by BloombergNEF, offshore wind installations are set to reach 18.4GW in 2023, which will be a record. Mainland China will account for over half of this total. Six markets will add over 1GW in 2023, including Taiwan, which will install over 2GW of new capacity for the first time, according to World Forum Offshore Wind<sup>2</sup>.

In the long term, global offshore wind installations are on track to grow 10-fold by 2035, reaching 519 gigawatts (GW), according to World Forum Offshore Wind<sup>3</sup>. With more offshore wind installations in the pipeline, demand for marine communication equipment and installation services is set to rise. We intend to devote more resources into this space.

Meanwhile, enhancing our cybersecurity is equally important. During the year, we equipped our employees with the knowledge to respond to cyber threats as a first line of defence, installed cybersecurity hardware and software, and secured our data. We also implemented access control and secure configuration, updated our software, and backed up essential data.

These initiatives have earned us the Cyber Essentials mark, which recognises our efforts to upgrade our cybersecurity measures needed to safeguard our systems and operations from common cyber-attacks. With this certification, our customers are confident that Jason Marine can serve its customers with excellence and integrity.



## CHAIRMAN'S STATEMENT

Additionally, we have implemented "Diligent Boards," a board management software which enhances our Board governance by improving security of Board documents, streamline Board activities, as well as facilitating efficient communication between management and the Board of Directors.

Sustainability is also an important thrust of our strategy. To this end, we have enlarged our sustainability committee to include the middle management from different departments. This allows our staff to participate more and take greater ownership through the contribution of their ideas and suggestions to improve our sustainability.

During the year, we have embarked on various efforts to reduce our impact on the environment. For instance, we use energy efficient equipment and machinery to reduce our usage of electricity. To reduce our waste generation, we minimise the usage of paper through digitising our processes and reduce single-use plastics, such as bottled water, across our operations.

From a social aspect, the Group has committed to giving back to society by participating in two community projects. Under the "Adopt-a-Family" programme, we extended support to two families by providing for their grocery needs. We also joined the Adopt-a-Precinct programme to provide financial aid to children from less privileged families.

### FY2023 FINANCIAL REVIEW

For the financial year ended 31 March 2023 ("FY2023"), Jason Marine recorded net attributable profit of S\$140,000, down 41.7% from S\$240,000 in the previous corresponding year ("FY2022"). This was despite the Group having registered gross profit of S\$10.0 million in FY2023, up 9.4% from S\$9.1 million in FY2022.

Total revenue declined 1.9% to approximately S\$30.3 million in FY2023, from approximately S\$30.9 million in FY2022. The decline can be attributed to lower sales of goods and airtime revenue, offset by the increase in rendering of services revenue.

The Group's balance sheet remained robust with prudent capital management practices. Its net cash and cash equivalents stood at S\$11.3 million as at 31 March 2023, compared to S\$14.7 million as at 31 March 2022.

### PROPOSED DIVIDEND

To reward shareholders for their loyal support of the Group, the Board has recommended a final dividend of 0.75 cents per share, subject to shareholder approval at the Annual General Meeting on 25 July 2023. Including an interim dividend of 0.25 cents, the total dividend payout will be S\$1,050,000 (FY2022: S\$1,050,000).

### APPRECIATION

On behalf of the Board, I would like to convey my heartfelt gratitude to our staff for their diligence, perseverance and strong cooperation. Your partnership with us and the management has allowed the Group to emerge from the pandemic on a surer footing.

I would also like to extend my deepest appreciation to our shareholders and business partners for their unwavering trust and faith. Your support will spur us on to scale new heights as we execute our growth strategy, enhance cybersecurity and improve sustainability, topped by our desire to deliver value to all stakeholders.

### FOO CHEW TUCK

*Executive Chairman and Chief Executive Officer*  
28 June 2023

## GEOGRAPHIC REACH

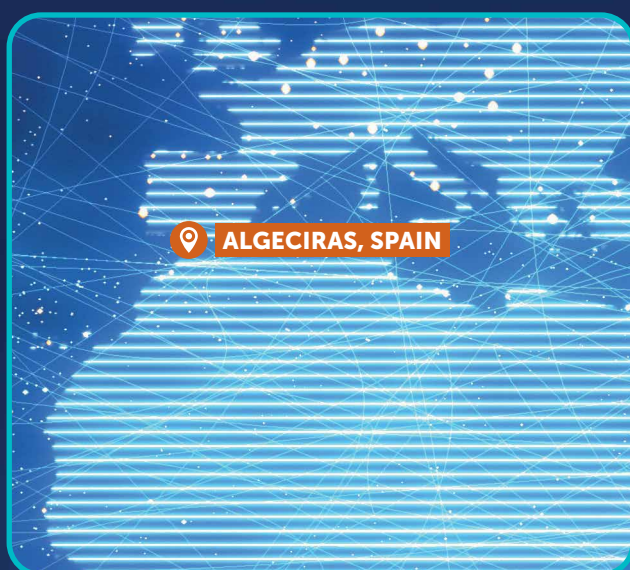
### DIVERSE CLIENTS BUT ONE TEAM

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 Asia and Europe. This allows us to respond quickly to our customers (vessel owners, operators and managers) in this part of the world.



## BOARD OF DIRECTORS



### MR FOO CHEW TUCK

*Executive Chairman and Chief Executive Officer*

Since its inception in 1976, Jason Marine's growth and aspirations have been shaped by our founder, Mr Foo Chew Tuck ("**Mr Foo**"), 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.

Mr Foo has cultivated strong bonds within Jason Marine, where his example and emphasis on character, competence and commitment has nurtured a resilient work ethic culture in the Company. This has also inspired the management to strive for operational excellence and adapt to opportunities and emerging industry trends. Consequently, the well-being at Jason Marine takes precedence and employees are encouraged to enhance personal growth and enrich their lives through continuous learning, skill-building and experiential opportunities. This commitment to individual development has fostered a community with high standards of work ethics, paving the way for a promising future for the Company.

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 and industry, Mr Foo is a full member of the Singapore Institute of Directors (SID). He earned his bachelor's degree in science from Oklahoma City University in 1988 and a master's 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.

### OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS

#### PRESENT:

- Jason Asia Pte Ltd
- Jason Electronics (Pte) Ltd
- Jason Energy Pte Ltd
- Jason Venture Pte Ltd
- Kodan Singapore Pte Ltd
- Marine Innovation Pte Ltd
- Jason Elektronik (M) Sdn Bhd
- Bay Plaza Sdn Bhd
- Unity Consultancy Pte Ltd
- Unity Holdings Pte Ltd
- Jalo Jalo Pte Ltd
- Jason Harvest Pte Ltd
- JE Holdings Pte Ltd
- Tuckson Projects Pte Ltd
- Pei Chun Public School Ltd

#### PAST (LAST 5 YEARS)

- iPromar (Pte) Ltd
- Cosco Shipping Electronics (Guangzhou) Co Ltd
- CBMC International





### MR EUGENE WONG HIN SUN

*Deputy Non-Executive Chairman*

Mr Eugene Wong Hin Sun (“**Mr Wong**”), who served as a Non-Independent, Non-Executive Director of the Group since his appointment to the Board on 15 September 2009, has been redesignated as the Deputy Non-Executive Chairman with effect from 1 June 2022.

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 the non-executive chairman of Tangram Asia Capital LLP, non-executive deputy chairman of NTUC Learninghub Pte Ltd and non-executive vice-chairman of Japan Foods Holding Ltd. He is also the lead independent director of Alliance Healthcare Group Limited and APAC Realty Limited, and non-executive director of 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 obtained a master of business administration from the Imperial College of Science, Technology and Medicine at the University of London in 1998. In 2011, Mr Wong completed the Owners President Management Program from the Harvard Business School. He has been qualified as a Chartered Financial Analyst (CFA) since 2001 and a Chartered Director (CDir) in 2014. He is a Fellow of the UK Institute of Directors (IoD), Australia Institute of Company Directors (AICD) and Singapore Institute of Directors (SID).

### OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS

#### PRESENT:

- Japan Food Holdings Ltd
- APAC Realty Limited
- Alliance Healthcare Group Ltd
- Digital Mission Ventures Pte Ltd
- Gardens by the Bay
- Sirius Venture Capital Pte Ltd
- Sirius SME Growth Partners I Ltd
- Sirius Ocean Pte Ltd
- Tangram Asia Capital LLP
- Singapore Cruise Centre Pte Ltd
- Mekhala Pte Ltd
- Aerospring Gardens Pte Ltd
- NTUC Learninghub Pte Ltd
- NTUC Learninghub Co-operative Ltd
- Young Men’s Christian Association of Singapore
- YMCA Shine
- SAF Yacht Club
- China and North Asia Business Group (CNABG)
- China-Singapore Business Council (CSBC)

#### PAST (LAST 5 YEARS)

- Cargo Community Network Pte Ltd
- Dining Collective Pte Ltd
- Neo Group Ltd
- SCC Travel Services Pte Ltd
- CrimsonLogic Pte Ltd
- Gets Global Pte Ltd
- Hargol Foodtech Ltd
- Agfunder Asia Pte Ltd
- Agfunder Grow Asia Pte Ltd
- Agfunder Rocket Seeder Pte Ltd
- Grow Accelerator Pte Ltd
- Enterprise Singapore

## BOARD OF DIRECTORS



### OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS

#### PRESENT:

- NIL

#### PAST (LAST 5 YEARS)

- Sunningdale Tech Ltd
- Singapore Kitchen Equipment Ltd

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### MRS EILEEN TAY-TAN BEE KIEW

*Lead Independent Director*

Mrs Eileen Tay-Tan Bee Kiew ("**Mrs Tay**") is the Lead Independent Non-Executive Director of the Group, having been appointed to the Board on 15 September 2009. She has more than 40 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.

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 (ISCA), CPA Australia, as well as a Licentiate of Trinity College London.

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#### OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS

##### PRESENT:

- Idea Services Pte Ltd
- Yahava Koffee Works (Singapore) Private Limited

##### PAST (LAST 5 YEARS)

- Cooinda Asia Pte Ltd

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#### MR SIN HANG BOON

*Independent Director*

Mr Sin Hang Boon @ Sin Han Bun (“**Mr Sin**”) 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, Mr Sin 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.

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## BOARD OF DIRECTORS



### MR COLIN LOW TOCK CHEONG

*Independent Director*

Mr Colin Low Tock Cheong (“**Mr Low**”), is the Chairman of the Remuneration Committee and an Independent Non-Executive Director of the Group, having been appointed to the Board on 27 July 2021. He has investment, management and advisory experience working with global MNCs (GE) across a wide spectrum of industries, including infrastructure energy and renewables, maritime transportation, oil & gas, aviation, healthcare, industrials, capital & consumer finance, and private equity sectors.

Mr Low is currently the Chairman of the Audit and Risk Management Committee and the global independent director of AET Tankers Pte Ltd, a maritime petroleum tanker leasing and energy logistics group. In January 2022, the Diligent Institute, a global corporate governance research arm and think tank of Diligent Corporation, which is the largest SaaS software company in the Governance, Risk and Compliance space<sup>1</sup> appointed Mr Low as a member of the Advisory Board. Mr Low was also certified in April 2022 by the Diligent Institute (NY, USA) on the Climate Change Leadership program, the world’s first structured board program to enable leaders to oversee climate change risks and strategies.

He graduated from Southern Illinois University Carbondale, USA, with a Bachelor of Science in Management (Honours), a Bachelor of Science in Marketing (Honours), as well as a Master of Business Administration. He is a Lifetime Fellow of the Singapore Institute of Directors, Fellow of the Hong Kong Institute of Directors, and a Certified International Director of INSEAD University. In May 2023, Mr. Low was certified by the Diligent Institute (NY, USA) for Cyber Risk & Strategy for board directors.

### OTHER PRINCIPAL COMMITMENTS INCLUDING DIRECTORSHIPS

#### PRESENT:

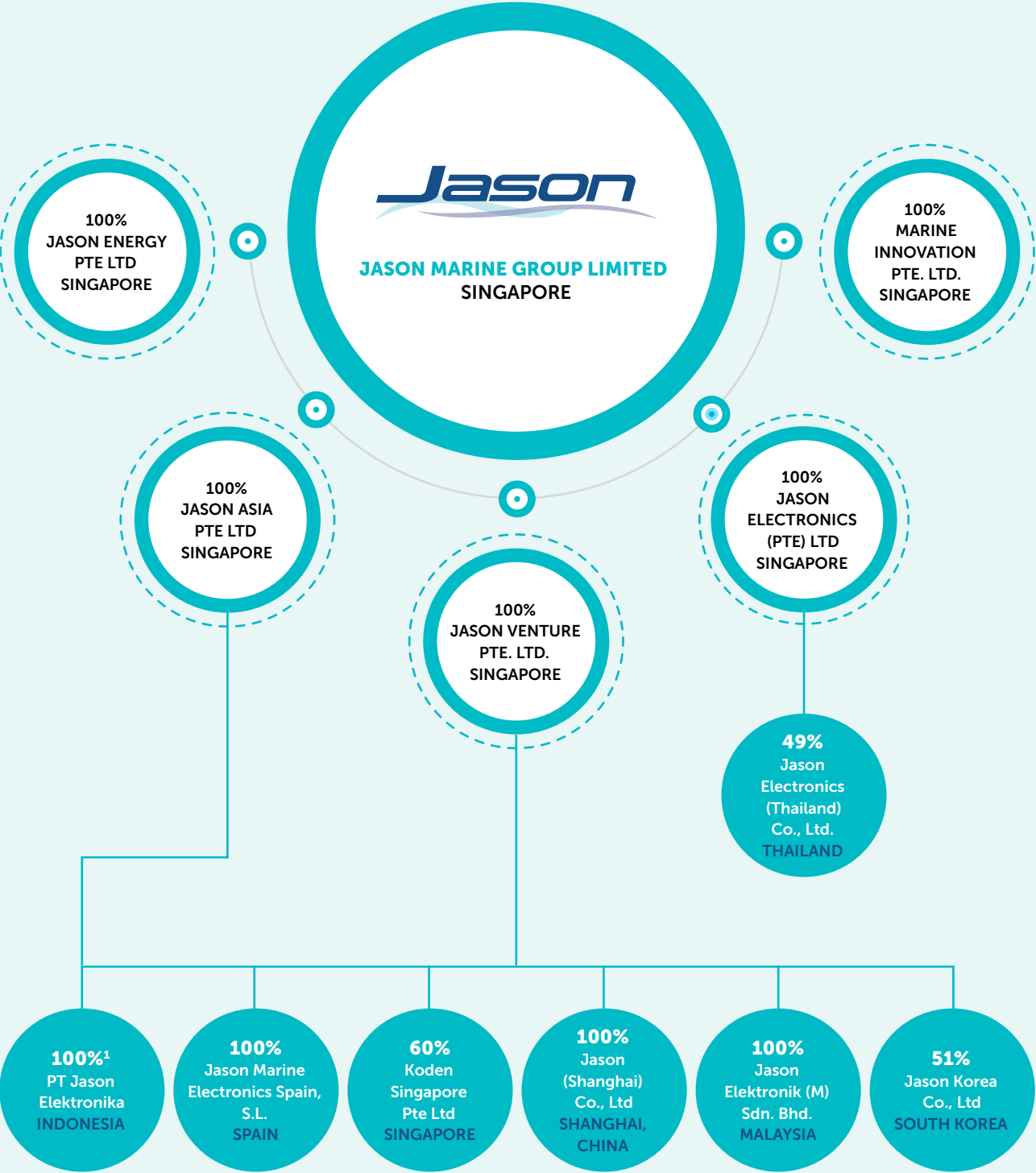
- AET Pte Ltd
- The Diligent Institute (NY, USA)

#### PAST (LAST 5 YEARS)

- Singapore Investment Development Corporation Pte Ltd
- Kacific Broadband Satellites Limited
- Intraco Limited
- BLG Capital Advisors Asia Pte Ltd
- Cancer Treatment Centers of America (USA)
- INSEAD University

<sup>1</sup> <https://www.diligentinstitute.com/about/>

# CORPORATE STRUCTURE



Note:

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

## MANAGEMENT TEAM



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### 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 12 of the Annual Report.

### MR DERRICK CHAN KWOK YUAN

*Financial Controller*

Mr Derrick Chan Kwok Yuan (“**Mr Chan**”) joined the Group in September 2018 and was appointed to the position of Financial Controller on 26 November 2018. He is responsible for overseeing all accounting and financial matters of the Group.

He has more than 10 years of experience in accounting and finance, and was the finance manager of other SGX-ST Catalist listed companies such as Pan Asian Holdings Limited and Healthway Medical Corporation Limited.

Mr Chan graduated from the University of London in 2011 with a Bachelor of Accounting and Finance (First Class Honours) and is a Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants (ISCA).

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**MR SHAUN TEO**  
*Head of Energy*

Mr Shaun Teo (“**Mr Teo**”) joined the Group in July 2000 and was appointed to the position of Head of Energy on 29 April 2019. As the Head of Energy, he is responsible for driving the overall business strategy, operations and marketing activities of the Group’s Energy Segment globally. He sets the growth strategy and spearheads focused initiatives to expand the Energy Segment’s profitability and resources, as well as develop new markets. He also oversees recruitment and performance coaching.

He is an industry veteran with more than two decades of experience in the marine and offshore oil & gas industries and has held several key positions within the Group.

Mr Teo graduated from the University of Manchester Institute Science and Technology (UMIST) in 2000 with a Bachelor of Engineering (Honours) in Electrical Engineering and Electronics, and earned his Executive Master of Business Administration (EMBA) degree from Nanyang Technological University in 2015. He obtained the Excellence in Leadership award from The Wharton School, University of Pennsylvania in 2014. Mr Teo has also completed the Advanced Management Program from the UC Berkeley – Nanyang, and the “Leading High Impact Teams” course from the Berkeley Executive Coaching Institute in 2014. He is also qualified as a business continuity certified planner from the Business Continuity Management Institute in 2009 and obtained his Executive Diploma in Directorship under the SID-SMU Directorship Programme in 2019.

**MR KEITH LIM**  
*Head of Marine*

Mr Keith Lim (“**Mr Lim**”) joined the Group in April 2008 and was appointed to the position of Head of Marine on 29 April 2019. As Head of Marine, Mr Lim is responsible for the overall business strategy, operations and marketing activities of the Group’s Marine Segment. He is also the country manager for the Group’s Jakarta branch office of PT Jason Elektronika.

Starting as an engineer in the production line, Mr Lim moved on to sales in various industries before entering the marine sector more than a decade ago. During this time, he helped to develop a number of important partners and a key team of professionals for the Group. In spite of his many work responsibilities, Mr Lim believes in giving back to the society and making time to volunteer in various charity activities.

Mr Lim has a Master of Business Administration from the University of Hull and is an active member of the Lions Club of Singapore Central (Charity Club) and Club-100 @ North West CDC.

Mr Lim is a director of Koden Singapore, PT Jason Elektronika and Jason Electronics (Thailand) Co. Ltd..



## FINANCIAL & OPERATIONS REVIEW



Career fair organised by e2i

The financial year ended 31 March 2023 (“FY2023”) marked the period when the remaining measures to curb the spread of the COVID-19 pandemic were lifted completely. This augurs well for the resumption of our business and expansion plans as shipping activity improves in a big way. But as the relaxation of these restrictions occurred only towards the tail end of the year, the positive effects on our performance were not fully felt.

For FY2023, the Group’s total revenue fell approximately S\$0.6 million or 1.9% to S\$30.3 million in FY2023, from S\$30.9 million in the previous financial year (“FY2022”). The decline was due to lower contributions from the sales of goods and airtime segments of S\$1.5 million and S\$0.3 million, respectively. This, however, was partially offset by the higher contribution from the services segment.

Still, the Group’s gross profit rose approximately S\$0.9 million or 9.4% to S\$10.0 million in FY2023, from S\$9.1 million in FY2022. The higher gross profit came on the back of lower cost of sales of S\$20.3 million in FY2023, down 6.7% from S\$21.8 million in FY2022.

In tandem, the overall gross profit margin widened to 33.0% in FY2023, from 29.6% in FY2022. The improved gross profit margin was mainly due to higher percentage of overall sales contributed from rendering of service segment, as well as better execution of projects under the sales of goods segment.

The Group’s other items of income, including interest income, fell approximately S\$0.3 million or 32.4% to S\$0.5 million in FY2023, from S\$0.8 million in FY2022. The decline was due to lower government grant arising

from the Jobs Support Scheme, as well as a decrease in write-back of trade payables of S\$0.2 million. These were offset by an increase in interest income of S\$0.1 million.

Under expenses, most of the items were higher in FY2023 compared to FY2022. The Group’s distribution costs increased approximately S\$0.4 million or 6.9% to S\$5.5 million from S\$5.1 million. These were mainly due to the increase in manpower cost for sales, marketing and support staff of S\$0.2 million, transport and travelling expenses of S\$0.1 million, as well as entertainment expenses of S\$0.1 million.

The Group’s general and administrative expenses also rose approximately S\$0.3 million or 7.0% to approximately S\$4.2 million from S\$3.9 million. This was mainly due to an increase in manpower cost for general and administrative staff of S\$0.1 million as well as an increase in amortisation, depreciation and repair and maintenance expenses of S\$0.1 million.

In addition, the Group’s other expenses fell S\$0.1 million or 20.8% to S\$0.5 million from S\$0.6 million. This was due to a decrease in allowance for inventory obsolescence of S\$0.4 million, offset by an increase in foreign exchange loss of S\$0.3 million. The Group’s income tax expense rose S\$62,000 or 144.2% to S\$105,000 from S\$43,000.

As a result of the foregoing, profit after income tax attributable to owners of the parent decreased by approximately S\$100,000 or 41.7% from approximately S\$240,000 in FY2022 to approximately S\$140,000 in FY2023.

## SEGMENT REVENUE AND PROFIT

### SALE OF GOODS

The sale of goods segment consist of direct equipment sales and project-based sales, which relates to the supply of equipment as well as design, supply, integration and installation of a comprehensive range of radio and satellite communication, navigation and marine automation systems.

Revenue declined marginally to S\$19.4 million mainly due to delay in the final investment decision (FID) as well as awarding of projects. However, this was partially offset by an increase in revenue from the distribution business. As a result, this segment turned around with a profit of S\$0.3 million as compared to a loss of S\$0.6 million previously.

### RENDERING OF SERVICES

The Group's growing range of services cover equipment leasing and the provision of maintenance and support services including repair works, trouble-shooting, commissioning, radio survey and annual performance tests.

Revenue for this segment increased marginally to S\$9.1 million due to a rebounding shipping sector as well as an increase in service jobs due to having more equipment and spares available in our inventory. Segment profit rose 5.9% to S\$1.5 million from S\$1.4 million in FY2022.

### AIRTIME SERVICES

Airtime revenue relates to the provision of airtime for satellite communication systems.

Demand for airtime packages continued to soften during the year resulting in a drop in revenue to S\$1.8 million and a loss of S\$0.1 million. We are working to enhance our airtime business to offer more products and services to our customers.

## HIGHLIGHTS OF FINANCIAL POSITION AND CASH FLOW

As at 31 March 2023, the Group's capital and reserves amounted to approximately S\$22.4 million comprising mainly share capital of approximately S\$18.0 million, retained earnings of approximately S\$5.2 million, offset by Treasury shares held of approximately S\$0.3 million and other reserves of approximately S\$0.5 million.

Shareholders' funds continued to be well-supported by the Group's strong net cash position which stood at S\$11.3 million as at 31 March 2023, as a result of the Group's prudent capital management practices.

### OPERATING ACTIVITIES

In FY2023, net cash generated from operating activities before working capital changes was approximately S\$1.4 million. Net cash used in working capital amounted to approximately S\$2.7 million, mainly due to (i) an increase in trade and other receivables of approximately S\$2.1 million, (ii) an increase in inventories of approximately S\$1.4 million, (iii) a decrease in trade and other payables of approximately S\$0.8 million and (iv) a decrease in contract liabilities of approximately S\$0.6 million. These were offset by a decrease in contract assets of approximately S\$1.9 million, as well as a decrease in prepayments of



Marine Innovation Gala Dinner

## FINANCIAL & OPERATIONS REVIEW

approximately S\$0.2 million. After payment of income tax expenses of approximately S\$0.1 million, offset by interest received of approximately S\$0.2 million, the net cash used in operating activities amounted to approximately S\$1.3 million in FY2023.

### INVESTING ACTIVITIES

Net cash used in investing activities FY2023 was approximately S\$0.2 million, due to the purchase of plant and equipment and intangible asset of approximately S\$0.3 million and S\$0.2 million respectively, offset by proceeds from disposal of financial assets at FVOCI and dividend received of approximately S\$0.3 million.

### FINANCING ACTIVITIES

Net cash used in financing activities in FY2023 was approximately S\$2.8 million, due to dividend paid of approximately S\$1.3 million, repayment of bank borrowings of approximately S\$1.0 million, repayment of lease liabilities of approximately S\$0.4 million, as well as interest paid of approximately S\$0.1 million during the current reporting period.

## OPERATIONS HIGHLIGHTS

We have been actively expanding our overseas operations to achieve sustainable growth and diversify our revenue streams, while still recognising the importance of the Singapore market. Our strategy to internationalise our operations has led us to strengthen our existing network of offices in Thailand, Indonesia, Malaysia, China and Europe. By doing so, we can effectively cater to a broader customer base and offer customised solutions tailored to their needs.

Our decision to establish an office in Spain in 2021 is proving to be the right move. Initially starting with just one staff member, we have expanded our team to include more than half a dozen experienced engineers and support staff. The office in Algeciras, located in a bustling container and transshipment cargo port city, focuses primarily on providing repair and maintenance services to ship management companies and ship owners. This foothold in Spain not only enhances our presence in Europe but also enables us to expand our business further in the region. Additionally, it allows us to provide faster and more efficient services to both existing and new customers.

We have made significant investments in our distribution arm, Jason Asia Pte Ltd, by injecting new capital into the company. This expansion has empowered our

distribution business, resulting in a remarkable growth of approximately 36.6% from S\$8.9 million in FY2022 to S\$12.1 million in FY2023. The distribution business synergises with our existing operations, enabling us to purchase larger quantities of stocks and reduce our cost of goods per unit. This, in turn, benefits other segments of our business, such as rendering of service segment, as we can undertake more jobs with readily available equipment and spares.

On our digitalisation efforts we have made significant investments in technology to improve productivity and enhance the support services we offer to our customers. Our new cloud-hosted Enterprise Resource Planning ("ERP") system has proven successful, enabling seamless information sharing across different departments within the Group. This real-time communication is particularly crucial as we expand our network of service centers from Asia to Europe.

Investing in our people remains a priority, and we continuously provide training and skill upgrading opportunities through various external specialised courses, technical and product training, as well as in-house training programs. During the year, our management team collaborated with NTUC to develop an operational and technology roadmap, allowing us to define our current business position and organise important information for future plans. This strategic approach will enable us to plan for the mid to long-term growth of our business.

## OUTLOOK

Looking ahead, we acknowledge the potential challenges posed by factors such as volatility in global oil prices, rising interest rates, and supply chain disruptions. However, we remain optimistic about the operating environment for our offshore energy business. The increased demand for energy and the ongoing transition to greener solutions present opportunities for growth. Therefore, we will continue to expand our overseas presence, explore new related markets, and further develop our service network. At the same time, we will exercise prudence in managing operational costs.

To summarise, our focus on international expansion, revenue diversification, digitalisation, and talent development positions us for continued success in the dynamic market landscape. We are committed to delivering value to our customers, seizing opportunities in the renewable energy segment, and ensuring the long-term sustainability of our business.

## SERVICE CENTRES

### SINGAPORE

#### JASON ELECTRONICS (PTE) LTD

194 Pandan Loop  
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Singapore 128383  
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Fax : +65-6872 1800  
Email : service@jason.com.sg

### PEOPLE'S REPUBLIC OF CHINA

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33 He Nan Road (S)  
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People's Republic of China  
Tel : +86-21-6337 5966 / 67 / 68  
Fax : +86-21-6337 5969  
Email : chinasales@jason.com.sg

### SPAIN

#### JASON MARINE ELECTRONICS SPAIN, S.L.

Juan Perez Arriete S/N, Edificio Nexus  
Oficina B1.1 11024  
Algeciras (Cádiz), Spain  
Tel : +34-856 034 035  
HP : +34-680 957 750  
Email : aleksandar@jasoneurope.com,  
service@jason.com.sg

### INDONESIA

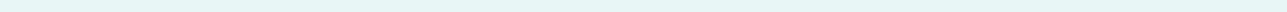
#### PT JASON ELEKTRONIKA

Jl. Gunung Sahari Raya No. 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

### 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





## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**FOO CHEW TUCK**

*(Executive Chairman and Chief Executive Officer)*

**WONG HIN SUN EUGENE**

*(Deputy Non-Executive Chairman)*

**EILEEN TAY-TAN BEE KIEW**

*(Lead Independent Director)*

**SIN HANG BOON @ SIN HAN BUN**

*(Independent Director)*

**COLIN LOW TOCK CHEONG**

*(Independent Director)*

### AUDIT AND RISK COMMITTEE

**EILEEN TAY-TAN BEE KIEW**

*(Chairperson)*

**COLIN LOW TOCK CHEONG**

**SIN HANG BOON @ SIN HAN BUN**

**WONG HIN SUN EUGENE**

### NOMINATING COMMITTEE

**SIN HANG BOON @ SIN HAN BUN**

*(Chairman)*

**COLIN LOW TOCK CHEONG**

**EILEEN TAY-TAN BEE KIEW**

**WONG HIN SUN EUGENE**

### REMUNERATION COMMITTEE

**COLIN LOW TOCK CHEONG**

*(Chairman)*

**EILEEN TAY-TAN BEE KIEW**

**SIN HANG BOON @ SIN HAN BUN**

**WONG HIN SUN EUGENE**

### COMPANY SECRETARIES

**WONG SIEN TING**

**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](http://www.jason.com.sg)  
Email: [jmg@jason.com.sg](mailto:jmg@jason.com.sg)

### SHARE REGISTRAR

B.A.C.S. Private Limited  
77 Robinson Road  
#06-03 Robinson 77  
Singapore 068896

### INDEPENDENT AUDITORS

BDO LLP  
Public Accountants and Chartered Accountants  
600 North Bridge Road  
#23-01 Parkview Square  
Singapore 188778  
Partner-in-charge: Adrian Lee  
(Appointed since financial year ended 31 March 2019)

### PRINCIPAL BANKERS

CIMB Bank Berhad, Singapore Branch  
United Overseas Bank Limited  
The Hongkong and Shanghai Banking Corporation  
Limited, Singapore Office

### SPONSOR

SAC Capital Private Limited  
1 Robinson Road  
#21-00 AIA Tower  
Singapore 048542

# SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT

## FY2023 BOARD STATEMENT ON SUSTAINABILITY

Our key material environmental, social and governance issues have been identified and reviewed by the Executive Chairman and CEO. Jason Marine's Board of Directors ("**Board**") oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group's strategic direction and policies. Sustainability is a part of Jason Marine's wider strategy to create long-term value for all its stakeholders. We were an early adopter of sustainability and have been embedding ESG into our operations since 2010. We have always placed a high level of importance on integrating sustainability into our business operations.

To reinforce our capabilities in driving sustainability strategy, our Board has undergone ESG-related training in FY2023. These training sessions enable us to strengthen the company's value creation through ESG practices.

In the 2022 Global Risk Report<sup>1</sup> by the World Economic Forum, climate action failure and extreme weather has been cited as the top risks that are likely to occur over the next 10 years. The Board and Executive Chairman are cognisant of the importance of developing climate resilience across our business in order to ensure long-term operability and value creation.

The Board supports the Paris Agreement's target of limiting the rise in global temperatures to 1.5 degrees Celsius, and how we can contribute to the development of a low-carbon society. We have improved our Greenhouse Gas (GHG) emissions inventory by including value chain emissions to better understand our contributions and have set mid-term targets to FY2025 of reducing our electricity consumption by 35% from FY2016. Through our offerings of marine solutions, we work alongside customers on their green projects such as offshore wind farms, and will continue to deploy solutions in supporting the transition to a low-carbon society.

We have also been integrating sustainability risks into our business operations for many years, and we recognise the importance of ensuring that potential climate related risks and opportunities across our supply chain are identified and managed accordingly. We are in the process of integrating the Taskforce for Climate Financial Disclosures ("**TCFD**") into our business operations, and will disclose them in FY2024.

The diagram below shows stages of Jason Marine's Value Chain and the key activities in each stage. Our material issues apply through the value chain. For more information, please refer to <https://www.jason.com.sg/sustainability>.

### BOARD OF DIRECTORS

Jason Marine Group Ltd

### JASON MARINE'S VALUE CHAIN



#### 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.

1 World Economic Forum Global Risks Report 2022, <https://www.weforum.org/reports/global-risks-report-2022/>



## SUSTAINABILITY REPORT

## GROUP 3-YEAR SUSTAINABILITY PERFORMANCE SUMMARY

JASON MARINE'S MATERIAL ISSUES (Priority Level 1)		PERFORMANCE INDICATOR	FY2021	FY2022	FY2023
<b>Business Ethics, Anti-corruption and Compliance</b>	No. of non-compliance with laws and regulations		0	0	0
	No. of reported incidents of corruption		0	0	0
<b>Occupational Health and Safety</b>	No. of injuries		0	2	1
	Recordable work-related injury rate (per 1,000,000 hours worked)		0	8.72	3.88
	Lost day rate (per 1,000,000 hours worked)		0	183	11.63
<b>People Development, Labour Relations and Standards</b>	Turnover rate		13.8%	22.8%	13.5%
	Average training hours per employee		15.2	13.0	20.6
<b>Diversity and Inclusion</b>	Female board members		1	1	1
<b>Product Responsibility</b>	No. of complaints on product safety		0	0	0
<b>Sustainable Procurement</b>	% of key suppliers with sustainability policies		38%	44%	45%
<b>Carbon Management</b>	Energy consumed (kWh)		192,380	181,038	183,514
	Scope 1 & 2 Greenhouse Gas emission (tCO <sub>2</sub> e)		93.2	87.8	89.0
	Scope 3 Greenhouse Gas emission (tCO <sub>2</sub> e)		Not collected		139.1



Bowling tournament organised by ASMI



SUSTAINABILITY REPORT

## SUSTAINABILITY TARGETS AND PERFORMANCE

JASON MARINE'S MATERIAL ISSUES	TARGETS FOR FY2024 AND BEYOND	FY 2023 PERFORMANCE
<b>Business Ethics, Anti-corruption and Compliance</b>	<ul style="list-style-type: none"> <li>Maintain zero incidents of corruption</li> <li>100% of all staff to be trained on the Group's Anti-bribery and corruption policy</li> </ul>	<ul style="list-style-type: none"> <li>Met</li> <li>Met</li> </ul>
<b>Occupational Health and Safety</b>	<ul style="list-style-type: none"> <li>Zero fatalities and zero major injuries</li> </ul>	<ul style="list-style-type: none"> <li>Met</li> </ul>
<b>People Development, Labour Relations and Standards</b>	<ul style="list-style-type: none"> <li>Obtain an annual average of 20 hours of training per employee.</li> <li>1% of total payroll as investment for workforce competencies and talent development</li> </ul>	<ul style="list-style-type: none"> <li>Met</li> <li>0.5% of total payroll as investment for workforce competencies and talent development</li> </ul>
<b>Diversity and Inclusion</b>	<ul style="list-style-type: none"> <li>To have female representation on the Board</li> </ul>	<ul style="list-style-type: none"> <li>Met</li> </ul>
<b>Product Responsibility</b>	<ul style="list-style-type: none"> <li>Zero complaints on product safety.</li> <li>By 2030, have due diligence on 100% of key products for compliance with safety and environmental performance standard</li> </ul>	<ul style="list-style-type: none"> <li>Met</li> <li>In process of collecting due diligence data</li> </ul>
<b>Community Engagement</b>	<ul style="list-style-type: none"> <li>Achieve average of 2 volunteer hours annually</li> </ul>	<ul style="list-style-type: none"> <li>Achieved average of 1.6 volunteer hours</li> </ul>
<b>Sustainable Procurement</b>	<ul style="list-style-type: none"> <li>By FY2025, to achieve at least 75% of our key suppliers having sustainability policies in place</li> </ul>	<ul style="list-style-type: none"> <li>45% of key suppliers had a sustainability policy in place</li> </ul>
<b>Carbon Management</b>	<ul style="list-style-type: none"> <li>By FY2025, reduce our energy consumption by 35% in Singapore, from base year FY2016</li> </ul>	<ul style="list-style-type: none"> <li>On track</li> </ul>
<b>Waste Disposal Management</b>	<ul style="list-style-type: none"> <li>To maintain 100% of electronic waste from inventory and office equipment is sent for recycling</li> </ul>	<ul style="list-style-type: none"> <li>Met</li> </ul>



SUSTAINABILITY REPORT

# OUR MATERIAL ISSUES FOR SUSTAINABILITY

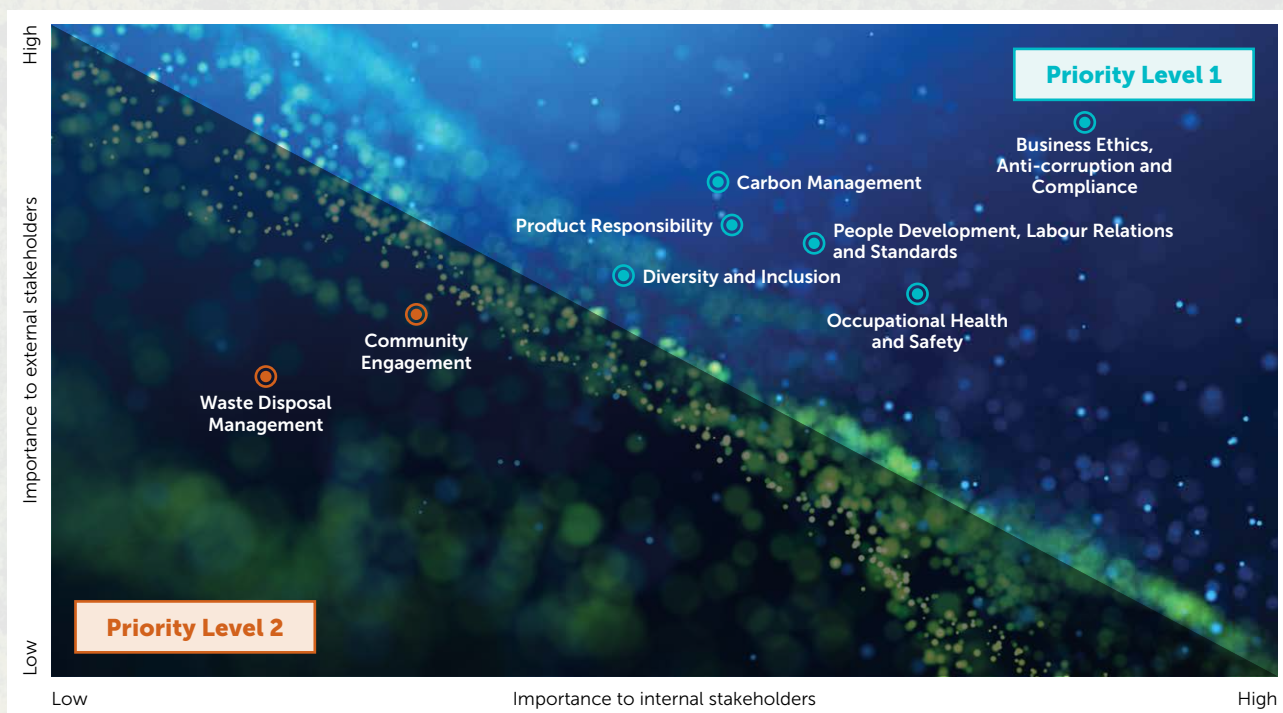
## FOCUSING ON ISSUES THAT MATTER TO OUR STAKEHOLDERS

Since 2016, we have been taking a materiality approach to our sustainability strategy. We focus on the issues that matter most, driving performance improvements across each of these key ESG issues through short- and long-term targets. These targets reflect our commitment to continuously improve our sustainability performance and create value for our stakeholders.

To ensure that our material issues remain current in light of changing sustainability circumstances, we embarked on a thorough materiality assessment exercise with our internal and external stakeholders to gather their feedback on the ESG factors most important to us and that have the greatest impact on them. Supported

by an independent third party, we also analysed both quantitative and qualitative research to gain a holistic overview of stakeholder expectations. This enabled us to refresh the materiality matrix below, which reflects the issues of greatest importance to our stakeholders. Our approach to materiality is based on the Global Reporting Initiative Standards ("GRI").

In view of the high relevance of climate action, we have refined Energy Efficiency to Carbon Management to clearly capture the importance of managing carbon emissions and climate risks as a responsible corporate citizen. This, along with the changing societal and regulatory expectations of the Diversity within companies, have led us to reprioritize Carbon Management and Diversity and Inclusion as Priority Level 1 issues. The material topics are categorised according to priority level as such:





SUSTAINABILITY REPORT

# OUR MATERIAL ISSUES FOR SUSTAINABILITY

## STAKEHOLDER ENGAGEMENT

We regularly engage our stakeholders through a variety of channels to better understand their needs to build positive and lasting relationships. They are crucial in our efforts to advance our sustainability progress and would be impacted by our business operations. Through our regular engagement initiatives, these provide a platform for dialogue and allow stakeholders to raise concerns. In FY2023, there were no critical concerns raised to the Board. The following table outlines our methods of engaging with stakeholders and their respective concerns.

STAKEHOLDER	ISSUES AND CONCERNS	ENGAGEMENT PLATFORMS
<b>Employees and Management</b>	<ul style="list-style-type: none"> <li>• Corporate direction and strategy</li> <li>• Competitive remuneration and benefits</li> <li>• Career development and training opportunities</li> <li>• Labour and human rights</li> <li>• Workplace health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Induction programme for new hires</li> <li>• Compensation and Benefits benchmarking</li> <li>• Regular training and development Programmes</li> <li>• Annual performance appraisals</li> <li>• Regular e-News communications and meetings</li> <li>• Recreational and wellness activities</li> <li>• Townhall meetings twice a year</li> <li>• Maintaining workplace health and safety</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Quality and safety of products and services</li> <li>• Timely supply of products and services</li> <li>• Compliance with ethical and responsible ESG standards</li> <li>• Protection of confidential Information</li> </ul>	<ul style="list-style-type: none"> <li>• Regular communications, exhibitions and teleconferences</li> <li>• Customer’s feedback</li> </ul>
<b>Business Partners &amp; Suppliers</b>	<ul style="list-style-type: none"> <li>• Fair and competitive business conduct</li> <li>• Compliance with regulations</li> <li>• Protection of confidential information</li> </ul>	<ul style="list-style-type: none"> <li>• Regular communications, exhibitions and teleconferences</li> <li>• Site visits</li> <li>• Meetings and assessments</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Responsible operations</li> <li>• Support in community development and activities</li> <li>• Creation of employment opportunities</li> <li>• Compassion and care for the less privileged in society</li> </ul>	<ul style="list-style-type: none"> <li>• Social and community events and activities</li> <li>• Partnerships and sponsorships for events and programmes</li> <li>• Giving back to the community through donations</li> </ul>
<b>Investors &amp; Shareholders</b>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Business strategy and outlook</li> <li>• Sustainable shareholder returns</li> <li>• Good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meetings</li> <li>• Annual and Sustainability reports</li> <li>• Website, announcements, management presentations, press release, webcasts of half-year and full-year results briefings</li> </ul>
<b>Government &amp; Regulators</b>	<ul style="list-style-type: none"> <li>• Responsible operations</li> <li>• Fair and competitive business conduct</li> <li>• Compliance with ethical and responsible ESG standards</li> <li>• Protection of confidential Information</li> <li>• Good corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Regular communications, meetings, and teleconferences</li> <li>• Partnerships and participation in national initiatives</li> </ul>











## SUSTAINABILITY REPORT

## OUR MATERIAL ISSUES FOR SUSTAINABILITY

## CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS

Jason Marine supports the United Nations' Sustainable Development Goals ("SDGs"). We have mapped the SDGs to our material issues and identified eight SDGs that we can meaningfully contribute to:

UN SDG	TARGET	MATERIAL TOPIC	HOW WE SUPPORT THE UN SDG
 3 GOOD HEALTH AND WELL-BEING	3.8	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Provide employees with medical plans, life insurance and accident insurance.</li> <li>Ensure a safe working environment using safety management standards.</li> </ul>
 4 QUALITY EDUCATION	4.3, 4.4 & 4.5	<ul style="list-style-type: none"> <li>People Development, Labour Relations and Standards</li> </ul>	<ul style="list-style-type: none"> <li>Invest in training and development opportunities to improve employees' knowledge and skills.</li> <li>Developed a target of investment for talent development.</li> </ul>
 5 GENDER EQUALITY	5.1 & 5.5	<ul style="list-style-type: none"> <li>Diversity and Inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Adopt a zero-tolerance stance towards any form of discrimination at the workplace</li> <li>Signatory of the Tripartite Alliance for Fair and Progressive Employment Practices ("TAFEP"), which provides guidelines to implement fair and merit-based employment practices.</li> <li>Adopted Board Diversity Policy</li> </ul>
 7 AFFORDABLE AND CLEAN ENERGY	7.3	<ul style="list-style-type: none"> <li>Carbon Management</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging energy efficient appliances and opportunities to reduce energy usage.</li> <li>Developed an energy reduction target by FY2025.</li> </ul>
 8 DECENT WORK AND ECONOMIC GROWTH	8.5 & 8.8	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>People Development, Labour Relations and Standards</li> </ul>	<ul style="list-style-type: none"> <li>Safety committee ensures safe working environment by conducting safety risk assessments at all levels.</li> <li>Joined the Shipbuilding and Marine Engineering Employees' Union (SMEEU) and formed a Company Training Committee ("CTC") to collaborate on raising the skill competencies and training needs of our workforce.</li> </ul>
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.5	<ul style="list-style-type: none"> <li>Waste Disposal Management</li> </ul>	<ul style="list-style-type: none"> <li>Policy to collect and recycle all electronic waste.</li> <li>Recycling of electronic waste from customers to prevent ocean dumping.</li> </ul>
 14 LIFE BELOW WATER	14.3	<ul style="list-style-type: none"> <li>Carbon Management</li> </ul>	<ul style="list-style-type: none"> <li>Reducing energy and emissions across our operations.</li> <li>Recycling of electronic waste from customers to prevent ocean dumping.</li> </ul>
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.3	<ul style="list-style-type: none"> <li>Business Ethics, Anti-corruption and Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of strong ethics and compliance mechanisms, including Code of Conduct and whistleblowing mechanisms</li> <li>Developed Jason Ethics Day to train and refresh employees on corporate governance concepts.</li> </ul>



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SUSTAINABILITY REPORT

## ABOUT THIS SUSTAINABILITY REPORT

We are pleased to present Jason Marine's seventh annual Sustainability Report for FY2023. The report is structured around the material issues and we have detailed the Company's policies, practices, performance and targets for Priority level 1 issues.

The scope of policies and data covered in this report pertains to all Jason Marine's operations, unless otherwise stated.

This report has been prepared in accordance with the Global Reporting Initiative 2021 Standards ("**GRI Standards**"), 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. In line with SGX's requirements to phase in climate reporting based TCFD framework on a 'comply or explain'

basis, we are committed to doing our part in combating climate change and is in the process of integrating TCFD recommendations to our business. We aim to further disclose our alignment to TCFD in future sustainability reports.

We have not sought independent assurance on our sustainability reporting, however we have internal controls and sign off procedures for data disclosed. In line with the recent updates to sustainability reporting disclosures by the SGX, Jason Marine has engaged PricewaterhouseCoopers Risk Services Pte Ltd to conduct an internal audit review of the Group's Sustainability Reporting process.

We value your opinion on how we can improve our sustainability performance and this report. We welcome any suggestions and feedback at [csr@jason.com.sg](mailto:csr@jason.com.sg).

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## SUSTAINABILITY GOVERNANCE

At Jason Marine, we believe that good governance is the foundation to delivering sustainable value for all stakeholders. Our policies - underpinned by our values: "Character, Competence, Commitment" - provide the framework for managing economic, environmental, social and governance ("**ESG**") issues in a responsible manner, enabling long-term value creation.

In FY2023, we have appointed Mr Derrick Chan, our financial controller, as the key person to drive sustainability initiatives across the group. We have also enlarged the Sustainability Committee to include line managers across different departments, such as finance, human resources, health and safety, and procurement, to develop and embed sustainable practices in our daily work. Mr Foo Chew Tuck, our Executive Chairman and CEO, will continue to lead the Board in overseeing the committee's sustainability strategies and Jason Marine's sustainability journey.



## SUSTAINABILITY REPORT

## BUSINESS ETHICS, ANTI-CORRUPTION AND COMPLIANCE

Corruption, non-compliance and violation of human rights represent significant risk to Jason Marine's business and reputation, and we adopt a zero-tolerance stance towards corruption. This is communicated during meetings to all our employees, major suppliers and business partners, with any form of corruption being escalated to the Executive Chairman and CEO.

In our hiring processes, we look out for possible conflicts of interest. Our Code of Conduct sets out Jason Marine's expectations of employee conduct, the consequences of violation of the code, and grievance procedures. It is made available on our intranet for all employees across the Jason Marine Group. Reminders and updates on business ethics are regularly communicated to the regional heads of our different business units.

As a business with global operations, we ensure we operate in compliance with all applicable rules and regulations. We keep ourselves up to date with changing laws, both locally and internationally. 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 industry means that data privacy and cybersecurity 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 authorised persons such as managers or Senior Management on a needs' basis.

Jason Marine's goal is to maintain zero incidents of corruption and we annually review policies on whistle blowing, anti-corruption and business gifts. In FY2021, we rolled out an anti-bribery and corruption policy, as well as updated our Code of Conduct. We had trained all employees on these new policies. On 8 December 2022, we held our inaugural Jason Ethics Day, an internal event. Through interactive activities and games, we reinforced anti-bribery and corruption concepts and training to our employees. Moving forward, every 8 December of the year will be dedicated to Jason Ethics Day, which will support embedding strong corporate governance throughout our organisation. All key suppliers have also signed agreement to these policies, enabling us to influence our wider supply chain on our strong stance towards anti-bribery and anti-corruption.



Jason Ethics Day 2022

**FOR FY2023, THERE WERE NO SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS. THERE HAVE ALSO BEEN NO REPORTED INCIDENTS OF CORRUPTION DURING THE REPORTING PERIOD.**



## SUSTAINABILITY REPORT

# OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our workforce is of utmost importance to us. A safe working environment is not just a fundamental right; employee wellbeing has positive impacts on productivity, enabling us to deliver the best to our customers.

Our Safety and Health Policy, which focuses on prevention and compliance, is publicly available on our website and applies to all employees and contractors. We follow the Ministry of Manpower (“**MOM**”)’s Workplace Safety and Health Guidelines to manage the safety and health of our employees in shipyards and ships. Our Risk Assessment teams conduct safety risk assessments at all levels for our Singapore operations. We also ensure the safety of visitors to our assembly and integration workshops by conducting safety and evacuation briefings for them.

Our Safety Committee oversees 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.

All of our operations in Singapore have safety management systems in place, which are certified to legal requirements and recognised management standards, bizSAFE STAR and ISO 45001:2018 respectively. All employees in Singapore are covered under our safety management systems, which are audited both internally, by trained internal auditors, and externally, by DNV GL.

All staff undergo health and safety training according to their job requirements, covering aspects such as risk assessment, fire safety and first aid. In FY2023, we adopted an online training platform where staff can access internal training videos in their own time. Moving forward, we intend to utilise this platform as a tool to further train staff on occupational health and safety. Beyond the online training platform, both workshop-based and field staff are sent for relevant risk management training sessions throughout the year and are made familiar with the latest safety frameworks, as well as provided with the relevant personal protective equipment (“**PPE**”). High-risk site

engineers undergo specific programmes, where they are trained to work safely at heights and in confined spaces. Employees nominated as First-Aiders are given CPR+AED training. To promote overall health and wellbeing, we also regularly conduct health talks and activities for all our employees.

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 PPE at work. All engineers are required to go through audiometric tests when they first join the company, and subsequent undergo follow-up tests annually to monitor their hearing and detect any symptoms of NID.

In the event of a workplace accident, we conduct investigations to determine the root cause and update our risk assessment procedures to prevent similar accidents in the future. Results of the investigation and the revised risk assessment procedures are also disseminated to all field staff to ensure all staff are aware of and learn from the incident. All staff are able to report work-related hazards or hazardous situations through our incident reporting channel and whistle blowing channel.

We are pleased to report we had no fatal injuries in our operations during the reporting period. Our dedicated efforts on workplace safety resulted in improved safety performance. Through the implementation of comprehensive safety protocols, training programs, and ongoing employee engagement initiatives, we successfully reduced the number of workplace injuries and enhanced safety awareness across the company. 1 non-fatal work-related injury was recorded in FY2023 and we will continue to stress the importance of workplace safety and aim for an injury-free work year. Following the incident, an investigation was conducted by our internal risk assessment team to determine the causes and identify preventive measures that can be put in place. A briefing was conducted to all the relevant employees on the changes to the risk assessment and lessons learnt from the incident.

We intend to gradually extend the Risk Assessment and Safety Policies to our overseas operations by FY2024. In FY2023, safety briefings were conducted for all our new hires. This is in line with our goal which was to ensure that all new hires are briefed on safety issues during orientation.



## SUSTAINABILITY REPORT

## OCCUPATIONAL HEALTH AND SAFETY

In FY2023, our employees worked a total of 258,061 man hours.

SAFETY PERFORMANCE	EMPLOYEES	CONTRACTORS
Recordable work-related injury rate per million man hours <sup>2</sup>	FY2023: 3.88	FY2023: 0
	FY2022: 8.72	FY2022: 0
	FY2021: 0	FY2021: 0
Lost day rate per million man hours <sup>3</sup>	FY2023: 11.63	FY2023: 0
	FY2022: 191.2	FY2022: 0
	FY2021: 0	FY2021: 0
Number of Injuries	FY2023: 1	FY2023: 0
	FY2022: 2	FY2022: 0
	FY2021: 0	FY2021: 0



SBFF-ITE Mentorship Programme 2022

- 2 Formula for rate of recordable work-related injury per million-man hours is given by: (number of recordable work-related injuries / number of man hours worked) x 1,000,000.
- 3 Formula for lost day rate per million-man hours is given by: (number of lost days / numbers of man hours worked) x 1,000,000. Lost days are defined as days that could not be worked as a consequence of a worker or workers being unable to perform their usual work because of an occupational accident or disease. Lost days are based on calendar days of medical leave.

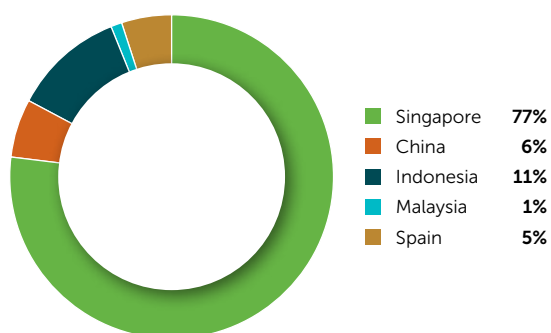


SUSTAINABILITY REPORT

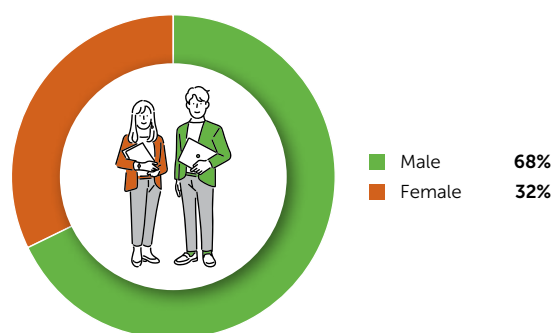
PEOPLE DEVELOPMENT, LABOUR RELATIONS AND STANDARDS

DIVERSITY AND INCLUSION

**Global Employee Profile**  
No. employees as at 31 Mar 2023: 133



**Employee Gender Diversity**



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. In FY2023, there were no reported incidents of discrimination. Jason Marine has been a signatory of the Tripartite Alliance for Fair and Progressive Employment Practices (“TAFEP”) for more than 8 years. We endorse TAFEP’s guidelines to implement fair and merit-based employment practices, and continue to ensure equal pay for work of equal value for all employees. For our progressive employment practices, Jason Marine was conferred a Human Capital Partner (“HCPartner”) status by TAFEP in September 2017. In FY2021, we renewed our HCPartner status, which is valid till 31st December 2023.

We are committed to diversity and equal opportunities as we believe that diversity introduces alternative views in achieving our strategic objectives. In FY2023, we have adopted a formal Board Diversity Policy, which promotes diversity in various dimensions such as age, gender, industry expertise and other relevant factors, to enhance decision making and strategic development.

As part of our talent attraction and retention efforts, we reach out to the younger generation by offering internship programmes and sponsorships to polytechnic students, 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, such as flexible working hours and telecommuting.

As at 31 March 2023, our global workforce is at 133 employees. All our employees hold permanent contracts and work full-time, and we seldom rely on workers who are not employees.

Data on new hires and turnover, as well as training hours, with considerations for diversity such as gender and age are reviewed by our Management regularly. In FY2023, our Group’s total turnover rate (voluntary and non-voluntary) was 13.5%. Total turnover rate for our Singapore operations was 12.7%, compared to national resignation rate in 2022 of 17.3%<sup>4</sup>.

4 Source: Labour Market Survey 2022, Manpower Research & Statistics Department, Ministry of Manpower.



## SUSTAINABILITY REPORT

## PEOPLE DEVELOPMENT, LABOUR RELATIONS AND STANDARDS

## GROUP NEW HIRES AND TURNOVER IN FY2023 BY GENDER, AGE GROUP AND REGION

	BY GENDER		
	MALE	FEMALE	TOTAL*
Rate of new hire	15.0%	6.0%	21.1%
Rate of turnover (total)	6.8%	6.8%	13.5%
Rate of turnover (voluntary)	5.3%	6.0%	11.3%

	BY AGE GROUP			TOTAL*
	< 30 YEARS	30-50 YEARS	>50 YEARS	
Rate of new hire	5.3%	10.5%	5.3%	21.1%
Rate of turnover (total)	1.5%	9.0%	3.0%	13.5%
Rate of turnover (voluntary)	0.8%	7.5%	3.0%	11.3%

	BY REGION				
	SINGAPORE	CHINA	INDONESIA	MALAYSIA	SPAIN
Rate of new hire	20.6%	0.0%	14.3%	50%	57.1%
Rate of turnover (total)	14.7%	12.5%	14.3%	0.0%	0.0%
Rate of turnover (voluntary)	12.7%	12.5%	7.1%	0.0%	0.0%

Jason Marine adheres to the TAFEP guidelines on re-employment of older employees. Although the current statutory retirement age is 63, eligible employees will be offered a re-employment contract on a yearly renewable basis, up to age 68.

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.

**EMPLOYEE ENGAGEMENT**

We engage our employees through hybrid townhall meetings twice a year, as well as celebratory gatherings during festive seasons. This hybrid townhall approach enables overseas colleagues to dial in and our Q&A sessions at these events serve as a platform for staff to provide their feedback and raise queries. Compared to our employee engagement survey that we used to conduct in previous years, we discovered that our

townhall meetings and festive gatherings have resulted in greater engagement with employees and yield better responses. We continue to look for ways to improve our levels of engagement with employees.

**PEOPLE DEVELOPMENT**

At Jason Marine, we believe that our people play a vital role in our success, and we are committed to developing them to realise their potential. 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. Our target is to conduct an average of 20 hours of training per employee by 2024. In FY2023, we obtained this target by having an average of 20.6 training hours per employee.

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

\* Figures may not add up due to rounding.



SUSTAINABILITY REPORT

PEOPLE DEVELOPMENT, LABOUR RELATIONS AND STANDARDS

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.

Employees are also trained on using online platforms for internal and external communication, enabling us to conduct virtual meetings and share documents with ease. This was particularly useful during the COVID-19 pandemic, and we intend to continue utilising these tools moving forward. Employees are encouraged to leverage on e-learning platforms to enhance their personal and professional development, and we support this through our recent adoption of an online training platform for staff to upload and view training videos.

In FY2023, we joined the Shipbuilding and Marine Engineering Employees’ Union (SMEEU) and formed a Company Training Committee (“CTC”) to collaborate on raising the skill competencies and training needs of our workforce. Our employees also attended the Operation & Technology Roadmap, a 5 half day training programme by NTUC/SMEEU to help us develop an operation and

technology roadmap. This programme enabled us to understand how to grow and transform our employees and company by capitalising on the right drivers, products and technologies. Beyond the programme, we also conducted in-house training and sharing sessions on topics such as code of conduct, ethics, as well as technical skills to emphasise the company’s core values and enhance employee competencies. Beyond in-house training, we also sponsored staff in pursuing of external trainings to improve their skills and knowledge.

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

We aim to evaluate the effectiveness of our training programs and ensure that our staff’s training needs are met. In FY2023, 0.5% of our total payroll expense was invested for workforce competencies and talent development. Our goal is to have 1% of our total payroll expense be invested in such talent development annually.

GROUP-LEVEL AVERAGE NO. OF TRAINING HOURS PER EMPLOYEE

	GROUP AVERAGE	BY GENDER		BY EMPLOYEE CATEGORY		
		MALE	FEMALE	EXECUTIVES	NON-EXECUTIVE	SENIOR MANAGEMENT
FY2023	20.6	27.1	7.1	13.1	19.7	54.0
FY2022	13.0	15.9	7.9	8.0	10.2	59.1
FY2021	15.2	16.1	13.6	16.3	12.5	46.4



SUSTAINABILITY REPORT

PRODUCT RESPONSIBILITY

PRODUCT RESPONSIBILITY



**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 our 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 minimise operators' exposure to radiation – both during the installation process and also during the use of the platforms on board the ships.

Jason Marine's solutions enable our customers to operate safely onboard. We provide navigational, communication, search and rescue solutions and pride ourselves in on-time maintenance of our customers' equipment before their vessels leave the port.

We ensure that we supply our customers with products that are safe, identifying potential impacts that may arise from the use of our equipment and systems, and putting measures to prevent any negative effects in place. We review manufacturers' test reports to ensure that products are compliant to the relevant standards including Restriction of Hazardous Substances ("RoHS"), Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH"), EN60945 for Maritime Navigation and Radiocommunication Equipment and Systems, and the International Electrotechnical Commission.

Our engineers are trained by equipment manufacturers on safe handling of 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 impact of our products and services, and zero complaints regarding the safety of our products.

We target to maintain zero complaints on product safety. By 2030, we aim to have due diligence conducted on 100% of major materials and products for compliance with safety and environmental performance standards.

PRODUCT RESPONSIBILITY PERFORMANCE INDICATOR	FY2021	FY2022	FY2023
No. of customer complaints on product safety or environmental performance	0	0	0



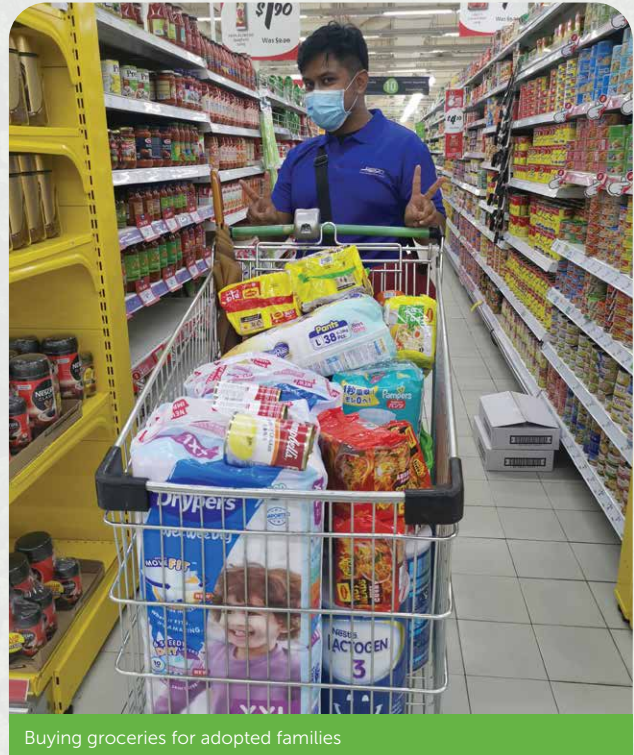
## SUSTAINABILITY REPORT COMMUNITY ENGAGEMENT

At Jason Marine, we aim to be our society's preferred corporate citizen. The nature of our operations means that the main community we are in contact with is the maritime community at the shipyards and vessels where we operate. Through our stringent safety standards and responsible use of products as discussed in previous chapters, we ensure that negative impact to the maritime community is minimal. We target to organise one event annually to raise awareness on safety at sea for casual mariners.

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. Building on Jason Marine's efforts and contributions in the Adopt-a-Precinct ("AAP") scheme of South West Community Development Council since 2012, and our collaboration with the People's Association ("PA") in the "Adopt-a-Family" programme since 2021, we have expanded our support in these engagements.

In FY2023, we enhanced our community efforts in Telok Blangah community (under AAP) by collaborating with Lions Club Singapore Central to provide more aid and activities. We donated Popular, NTUC and Bata vouchers amounting to S\$100 each for 50 children, allowing them to purchase necessities such as study materials, groceries and shoes. During the event, we also provided free eye checkups and spectacles for the children, as well as fun activities and treats.

We continued our support of the two families under the "Adopt-a-Family" program, by helping them with their financial needs. We provided over S\$5,000 worth of vouchers for necessities and have also planned various



Buying groceries for adopted families

upcoming activities such as excursions to Bollywood Veggie Farm and Hay Dairies Farm, to engage the families and their young children in a fun and educational manner.

Our goal is to continue to support the community and adopted families and encourage a culture of service to the community among our employees, with a target of achieving 2 volunteer hours annually per employee in FY2024 and beyond. In FY2023, we recorded 1.6 volunteer hours per employee.



Telok Blangah Edu-aid community event



Eye checkup station

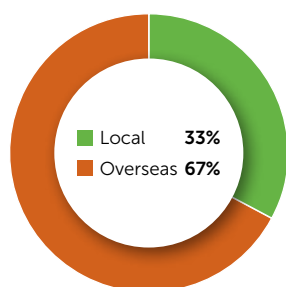


SUSTAINABILITY REPORT  
**SUSTAINABLE PROCUREMENT**

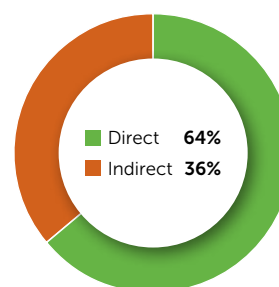
**DEMOGRAPHIC DISTRIBUTION OF PRODUCTS AND SERVICES PROCURED**



**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 partners who provide 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 that we procure from suppliers with sound sustainability practices. This is because sustainability issues can arise through our supply chain, such as in the manufacturing stage, human rights issues and forced or child labour practices have potential negative impacts, along with the use of contentious materials such as rare earth metals in our equipment. Jason Marine can positively influence our supply chain through our supplier selection process, which is done by considering ESG factors when selecting suppliers, such as ISO14001 certification, whether the supplier has a commitment to safeguard human rights and anti-bribery policies. In FY2023, 45% of our key suppliers had sustainability policies in place. Examples of

such policies would include procurement from safe and reliable sources with no human rights infringements, use of green products and commitments to reduce waste, emissions and other environmental impacts. We aim to purchase directly from global suppliers to ensure better support and value to end users. A large proportion of our systems and equipment are sourced from Asia, USA and Scandinavia. In FY2023, 67% of our products and services were purchased locally (i.e., from Singapore).

All key suppliers have implemented or agreed to business ethics and anti-bribery policies aligned with Jason Marine's policies. We have clear documentation procedures for our vendor pre-qualification process and also conducted continuous evaluation of our vendors' performance.

Read more about our latest partners at <https://www.jason.com.sg/partners>.



## SUSTAINABILITY REPORT

# SAFEGUARDING THE ENVIRONMENT

Responsible business is also about being ethical in the way we treat the environment. Companies have the responsibility 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.

Jason Marine aims 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 aim to recycle and reuse equipment that can still be used, where feasible, and do not currently use any hazardous chemical or materials in our operations.

Jason Marine's business model and solutions empower our customers to reduce waste and energy use while optimising efficiency. They include:

### MAINTENANCE SERVICES FOR ELECTRONIC EQUIPMENT ONBOARD

Jason Marine is committed to taking care of our customers' total equipment lifecycle. Our comprehensive warranty coverage on our systems includes repairs and replacements of faulty parts. By prolonging product lifespans, we enable our customers to use resources more efficiently and reduce waste. We also collect used lithium batteries and help our customers to dispose of them safely.

### SHIP HEALTH MONITORING SOFTWARE

A real-time, on-board diagnostic and prognostic technology that provides early warning alerts when equipment problems start to occur, avoiding expensive repairs and failures. Beyond its maintenance benefits, our ship health monitoring software will also help keep operating expenses for energy consumption to a minimum by ensuring that your equipment is operating at top health and efficiency.

We continue to meet our goal of having zero waste disposed at sea. Minimal waste is generated during offshore assignments and any waste generated, including equipment at their end of life, is treated and disposed of appropriately onshore. We have established a policy to collect and recycle all electronic waste, regardless of where they may occur by having dedicated electronic waste collection points in our offices. We also offer refurbishment of electronics to customers, in contrast to selling new equipment, reducing the carbon emissions involved in producing new electronics. We work alongside customers on their green projects, such as windfarm and liquid natural gas vessels, by providing them the necessary equipment and solutions, supporting them in the transition towards a low carbon world. For FY2024 and beyond, we intend to increase our recycling efforts by supporting customers in recycling defective parts from service jobs on vessels, which would reduce the likelihood of disposal at sea.

Reducing material inputs and waste also reduces operational costs, and we have done so by reusing discarded paper boxes as packaging material, hence reducing waste. As part of our goal to reduce paper usage through digitisation, we have gone electronic with most of our billing processes, eliminating requirements for hardcopy customers' statements, payment vouchers and other supporting documents to reduce paper consumption and cost. In FY2023, we recycled 1,790 kg of paper.

Due to the mobile nature of our operations, a significant portion of our energy and greenhouse gas emissions are consumed and generated during the transport of equipment and business travel. To mitigate the environmental impact and reduce the costs of transportation, we have implemented several measures. As sea freight is our preferred choice for transportation of goods, we minimise travelling by consolidating shipment of goods and Return-To-Vendor ("RTV") items and ensuring effectiveness of each travel assignment. As much as possible, video conferences instead of face-to-face meetings are conducted.



## SUSTAINABILITY REPORT

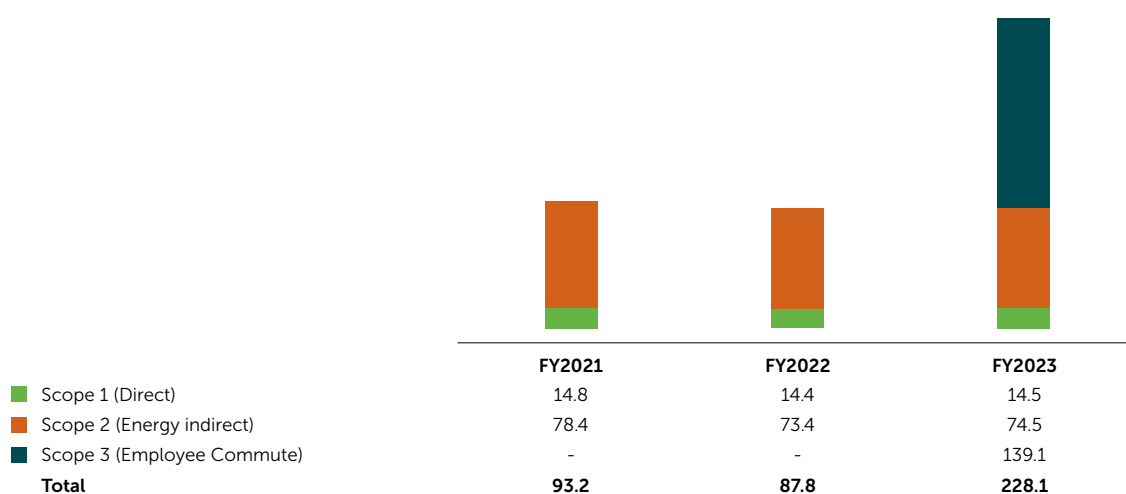
## SAFEGUARDING THE ENVIRONMENT

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 the negative impacts of electronic waste. We also aim to reduce the use of plastic products by replacing plastic bottles with paper cups instead and aim to raise awareness on waste reduction through training and monthly cross-departmental inspections. By regularly engaging our staff on environmental issues, we hope to be environmentally conscious in whatever we do.

Our electricity consumption increased in FY2023 compared to FY2022 due to the return to office arrangements as the COVID-19 pandemic eases. We are currently replacing our appliances with energy efficient alternatives and will continue to explore opportunities and other technologies to improve operational efficiency and reduce environmental impact. We also aim to improve our data collection and measurement for energy usage, to better manage and reduce our energy consumption across the organisation.

In FY2023, we expanded the scope of our Greenhouse Gas ("GHG") emission<sup>5</sup> inventory to include Scope 3 Employee Commute and we intend to expand our data collection to include our overseas operations in future. In FY2023, our total GHG emissions was 228.1 tCO<sub>2</sub>e. Scope 1 (direct), Scope 2 (energy indirect) and Scope 3 (employee commute) emissions were 14.5 tCO<sub>2</sub>e, 74.5 tCO<sub>2</sub>e and 139.1 tCO<sub>2</sub>e respectively.

REGION: SINGAPORE	FY2021	FY2022	FY2023
Electricity consumption (kWh)	192,380	181,038	183,514
Petrol (litres)	2,468	1,889	2,173
Diesel (litres)	3,410	3,759	3,558

Total Emissions (tCO<sub>2</sub>e)<sup>6</sup>

5 GHG conversion is based on the Greenhouse Gas Protocol. Emission factors for electricity generation are sourced from the Energy Market Authority (EMA), 2023. Greenhouse Gas Protocol Emission Factors from Cross Sector Tools, March 2017 were used for diesel and petrol conversions. Gases included in the calculations are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.

6 Restated emissions for FY2021 from 93.4 tCO<sub>2</sub>e due to update of EMA emission factor, and FY2022 from 83.9 tCO<sub>2</sub>e due to previous exclusion of petrol emissions.



## SUSTAINABILITY REPORT

# PRODUCTIVITY AND DIGITALISATION



Youth forum event with ASMI



Youth forum event with ASMI

Along with sustainability, technology is a major disruptor of traditional markets in this digital age. Jason Marine recognises that digital transformation is critical for us to achieve and maintain productivity and profitability, particularly during challenging times.

In FY2023, the Group completed the implementation of a Group-wide Enterprise Resource Planning (“ERP”) system. The system integrates the functions within our organisation, enabling coordination across functions and countries, allowing us to better manage day-to-day business activities such as accounting, procurement, project management, risk management and compliance, and supply chain operations. By streamlining the end-to-end workflow for all core functions, this provides visibility of the company’s operations and enables us to improve productivity and efficiency in meeting our customers’ needs. Beyond enhancing productivity, this also aligns with the Group’s in-house green strategy by reducing unnecessary paper waste.

The Group also adopted a cloud-based Board management platform to digitalise our Board management processes. Being a secure online platform, with encrypted communications and controlled security access, it allows users to receive, comment, approve and vote on resolutions, hence improving the security and efficiency of managing Board matters.

With the increasing prevalence and complexity of cyber-attacks, the Group has implemented cybersecurity measures and cyber hygiene measures to mitigate such risks, obtaining a Cybersecurity Essential mark certification from the Cyber Security Agency of Singapore (CSA) in FY2023. We are currently working towards obtaining the Cybersecurity Trust mark, and ISO 2701 in future.



## SUSTAINABILITY REPORT

# GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE
<b>GENERAL DISCLOSURES</b>		
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Corporate Profile pg 1 Geographic Reach pg 11
	2-2 Entities included in the organization's sustainability reporting	Corporate Structure pg 17
	2-3 Reporting period, frequency and contact point	About this Sustainability Report pg 32
	2-4 Restatements of information	Safeguarding the Environment pg 43
	2-5 External assurance	About this Sustainability Report pg 32
	2-6 Activities, value chain and other business relationships	AR – Corporate Profile pg 1 Our Material Issues for Sustainability pg 29 Jason Marine's Value Chain pg 26 Sustainable Procurement pg 41 There were no significant changes to the organisation and its supply chain in FY2023.
	2-7 Employees	People Development, Labour Relations and Standards pg 36-38
	2-8 Workers who are not employees	Due to the nature of our business, we do not employ them.
	2-9 Governance structure and composition	Corporate Governance and Financial Report pg 7-9
	2-10 Nomination and selection of the highest governance body	Corporate Governance and Financial Report pg 10
	2-11 Chair of the highest governance body	Corporate Governance and Financial Report pg 9
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance pg 32
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance pg 32
	2-14 Role of the highest governance body in sustainability reporting	Board Statement on Sustainability pg 26
	2-15 Conflicts of interest	Business Ethics, Anti-corruption and Compliance pg 33
	2-16 Communication of critical concerns	Stakeholder Engagement pg 30
	2-17 Collective knowledge of the highest governance body	Board Statement on Sustainability pg 26
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance and Financial Report pg 12
	2-19 Remuneration policies	Corporate Governance and Financial Report pg 13
	2-20 Process to determine remuneration	Corporate Governance and Financial Report pg 13
	2-21 Annual total compensation ratio	We do not disclose against this metric due to confidentiality constraints.



## SUSTAINABILITY REPORT

# GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE
<b>GRI 2: General Disclosures 2021</b>	2-22 Statement on sustainable development strategy	Board Statement on Sustainability pg 26 Our Material Issues for Sustainability pg 29
	2-23 Policy commitments	Disclosed in appropriate sections of this report
	2-24 Embedding policy commitments	Disclosed in appropriate sections of this report
	2-25 Processes to remediate negative impacts	Business Ethics, Anti-corruption and Compliance pg 33
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics, Anti-corruption and Compliance pg 33
	2-27 Compliance with laws and regulations	Business Ethics, Anti-corruption and Compliance pg 33
	2-28 Membership associations	<a href="https://www.jason.com.sg/sustainability">https://www.jason.com.sg/sustainability</a>
	2-29 Approach to stakeholder engagement	Stakeholder Engagement pg 30
	2-30 Collective bargaining agreements	People Development, Labour Relations and Standards pg 36-38
<b>MATERIAL TOPICS</b>		
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Our Material Issues for Sustainability pg 29
	3-2 List of material topics	Our Material Issues for Sustainability pg 29
<b>BUSINESS ETHICS, ANTI-CORRUPTION AND COMPLIANCE</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Our Material Issues for Sustainability pg 29 Business Ethics, Anti-corruption and Compliance pg 33 <a href="https://www.jason.com.sg/sustainability">https://www.jason.com.sg/sustainability</a>
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Business Ethics, Anti-corruption and Compliance pg 33
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics, Anti-corruption and Compliance pg 33
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics, Anti-corruption and Compliance pg 33
<b>GRI 206: Anticompetitive Behaviour 2016</b>	206-1 Legal actions for anticompetitive behaviour, antitrust, and monopoly practices	Business Ethics, Anti-corruption and Compliance pg 33 There have been zero legal actions against the organisation during the reporting period
<b>OCCUPATIONAL HEALTH AND SAFETY</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Our Material Issues for Sustainability pg 29 Occupational Health and Safety pg 34-35 <a href="https://www.jason.com.sg/sustainability">https://www.jason.com.sg/sustainability</a>



## SUSTAINABILITY REPORT

# GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Occupational Health and Safety pg 34-35
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety pg 34-35
	403-3 Occupational health services	Occupational Health and Safety pg 34-35
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety pg 34-35
	403-5 Worker training on occupational health and safety	Occupational Health and Safety pg 34-35
	403-6 Promotion of worker health	Occupational Health and Safety pg 34-35
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety pg 34-35
	403-9 Work-related injuries	Occupational Health and Safety pg 34-35
<b>EMPLOYMENT</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Our Material Issues for Sustainability pg 29 People Development, Labour Relations and Standards pg 36-38 <a href="https://www.jason.com.sg/sustainability">https://www.jason.com.sg/sustainability</a>
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	People Development, Labour Relations and Standards pg 36-38
<b>LABOUR/MANAGEMENT RELATIONS</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Our Material Issues for Sustainability pg 29 People Development, Labour Relations and Standards pg 36-38 <a href="https://www.jason.com.sg/sustainability">https://www.jason.com.sg/sustainability</a>
<b>GRI 402: Labour/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	People Development, Labour Relations and Standards pg 36-38
<b>TRAINING AND EDUCATION</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Our Material Issues for Sustainability pg 29 People Development, Labour Relations and Standards pg 36-38 <a href="https://www.jason.com.sg/sustainability">https://www.jason.com.sg/sustainability</a>
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	People Development, Labour Relations and Standards pg 36-38
	404-2 Programs for upgrading employee skills and transition assistance programs	People Development, Labour Relations and Standards pg 36-38
	404-3 Percentage of employees receiving regular performance and career development reviews	People Development, Labour Relations and Standards pg 36-38



**SUSTAINABILITY REPORT**  
**GRI CONTENT INDEX**

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>PAGE REFERENCE</b>
<b>NON-DISCRIMINATION</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Our Material Issues for Sustainability pg 29 People Development, Labour Relations and Standards pg 36-38 <a href="https://www.jason.com.sg/sustainability">https://www.jason.com.sg/sustainability</a>
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	People Development, Labour Relations and Standards pg 36-38
<b>CUSTOMER HEALTH AND SAFETY</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Our Material Issues for Sustainability pg 29 Product Responsibility pg 39 <a href="https://www.jason.com.sg/sustainability">https://www.jason.com.sg/sustainability</a>
<b>GRI 416: Customer Health and Safety 2016</b>	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Responsibility pg 39
<b>PROCUREMENT PRACTICES</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Our Material Issues for Sustainability pg 29 Sustainable Procurement pg 41 <a href="https://www.jason.com.sg/sustainability">https://www.jason.com.sg/sustainability</a>
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Sustainable Procurement pg 41
<b>ENERGY</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Our Material Issues for Sustainability pg 29 Safeguarding the Environment pg 42-43 <a href="https://www.jason.com.sg/sustainability">https://www.jason.com.sg/sustainability</a>
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Safeguarding the Environment pg 42-43
<b>EMISSIONS</b>		
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Our Material Issues for Sustainability pg 29 Safeguarding the Environment pg 42-43 <a href="https://www.jason.com.sg/sustainability">https://www.jason.com.sg/sustainability</a>
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Safeguarding the Environment pg 42-43
	305-2 Energy indirect (Scope 2) GHG emissions	Safeguarding the Environment pg 42-43



**Jason**

JASON MARINE GROUP LIMITED



**STRATEGISE**



**FOCUS**



**SUSTAIN**

Corporate Governance  
and Financial Report

**2023**

# JASON MARINE GROUP LIMITED

# CONTENTS

In the face of global energy demand as well as transition to renewable solutions, the prospects for the offshore renewable energy market holds immense potential. However, headwinds persist in this evolving landscape, which poses challenges on the market environment.

Nonetheless, Jason Marine Group (“**Jason Marine**” or the “**Group**”) remains undeterred by the challenges, and continue to forge the path in becoming a global world class sustainable solution partner in marine electronics. Our unwavering dedication is guided by our core values of character, competence and commitment.

While we remain steadfast in our pursue for growth, we are vigilant to the threats that businesses face in today’s environment. Cybersecurity is a paramount focus for us, and we are continuously improving our measures to fortify our infrastructure. Equipping our employees with the necessary knowledge and skills is equally important to effectively mitigate the cyber risks. We believe that by staying proactive in this digital era, we will be able to enhance the trust of our customers and stakeholders in Jason Marine, further strengthening our competitive edge as a telecom system integrator for the global maritime industry.

Sustainability lies at the core of our business, especially in the area of climate risks. We have always placed a high level of importance on integrating sustainability into our business operations, and we continue to enhance our sustainability efforts through various initiatives. By embedding sustainable practices in our operations, we believe it can educate and raise more awareness to our employees as well as to other stakeholders. We firmly believe that even small individual contributions, when combined, can make a significant impact.

At Jason Marine, we are resolute in our commitment to navigating the challenges of the marine and offshore oil & gas industry. By prioritising cybersecurity and sustainability, we are confident in our ability to deliver innovative solutions that meet the needs of our customers while contributing to a better future for all.

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## CORPORATE PROFILE

Jason Marine Group Limited (“**Jason Marine**” or the “**Company**”) has earned its reputation as a distinguished marine telecom system integrator and an exceptional support services provider, catering to the dynamic marine and offshore oil & gas sectors.

The Company and its subsidiaries (the “**Group**”) have consistently exhibited an unwavering commitment to delivering value, prioritising safety, and efficiency. This dedication has propelled Jason Marine to the forefront of Singapore’s marine industry and fostered enduring partnerships with a diverse, global clientele.

Established in 1976 and anchored in Singapore, Jason Marine has strategically expanded its footprint to include China, Indonesia, Malaysia, Thailand and Europe. The Company offers an extensive portfolio of premium supplies sourced from eminent manufacturers while continually enriching its product line-up to exceed the sophisticated demands of its customers.

Leveraging its extensive expertise in marine communication, navigation, and automation systems, the Group is uniquely positioned to provide all-encompassing, one-stop solutions. These solutions encompass design, supply, integration, installation, testing, commissioning, and maintenance, ensuring a seamless customer experience. To further augment its communications business, Jason Marine also offers specialized certification services and a range of satellite airtime services.

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## VISION

To be a Global World Class Company  
in Marine Electronics

## MISSION

Enhancing the well-being of the  
marine community by providing  
unparalleled solutions and services  
on communications and navigational  
safety

## VALUES

### CHARACTER

- > Integrity and honesty
- > Positive attitude
- > Excellent teamwork

### COMPETENCE

- > Excellent quality work
- > Deliver expected results
- > Innovation and creativity

### COMMITMENT

- > Passion and drive
- > Walk the extra mile
- > Seek opportunities

## FINANCIAL HIGHLIGHTS

<b>RESULTS OF OPERATIONS</b>	<b>FY2023 (S\$'000)</b>	<b>FY2022 (S\$'000)</b>	<b>FY2021 (S\$'000)</b>	<b>FY2020 (S\$'000)</b>	<b>FY2019 (S\$'000)</b>
Revenue	30,332	30,924	30,149	30,204	29,002
Gross profit	10,005	9,148	8,524	7,693	10,178
Profit before income tax	250	276	331	2,237	612
Profit attributable to owners of the parent	140	240	312	2,195	191
Earnings per share (cents)*	0.13	0.23	0.30	2.09	0.18

\* For comparative purpose, earnings per share of the Group for the financial years shown were computed based on the weighted average number of ordinary shares in issue (excluding treasury shares) of 105,000,000 for FY2023.

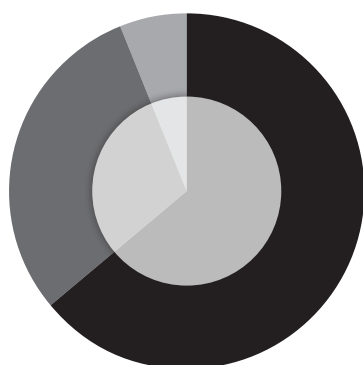
<b>FINANCIAL POSITION</b>	<b>AS AT 31 MARCH</b>				
	<b>FY2023 (S\$'000)</b>	<b>FY2022 (S\$'000)</b>	<b>FY2021 (S\$'000)</b>	<b>FY2020 (S\$'000)</b>	<b>FY2019 (S\$'000)</b>
Non-current assets	1,518	1,982	1,731	2,093	4,742
Current assets	31,652	34,816	30,323	30,609	31,203
Current liabilities	8,380	9,802	7,778	7,623	9,484
Non-current liabilities	2,308	3,399	60	65	3
Equity	22,482	23,597	24,216	25,014	26,458
Net asset value per share (cents)#	21.41	22.47	23.06	23.82	25.20

# 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 2023.



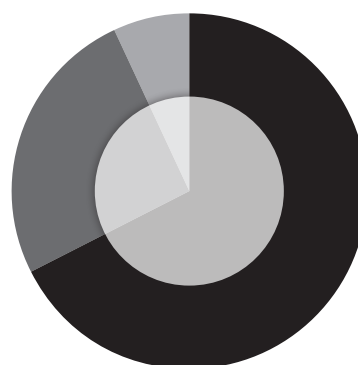
# SEGMENT REVENUE

## REVENUE BY BUSINESS SEGMENT



**FY2023**  
**S\$30.3M**

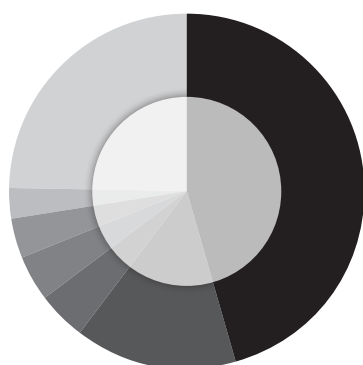
FY2023	(S\$'000)	(%)
● Sale of goods	19,408	64.0%
● Rendering of services	9,112	30.0%
● Airtime revenue	1,812	6.0%
<b>Total:</b>	<b>30,332</b>	<b>100.0%</b>



**FY2022**  
**S\$30.9M**

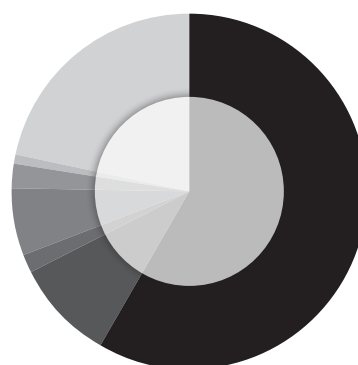
FY2022	(S\$'000)	(%)
● Sale of goods	20,873	67.5%
● Rendering of services	7,957	25.7%
● Airtime revenue	2,094	6.8%
<b>Total:</b>	<b>30,924</b>	<b>100.0%</b>

## REVENUE BY GEOGRAPHICAL SEGMENT



**FY2023**  
**S\$30.3M**

FY2023	(S\$'000)	(%)
● Singapore	13,831	45.6%
● Indonesia	4,506	14.9%
● Cyprus	1,330	4.4%
● People's Republic of China	1,266	4.2%
● Malaysia	1,059	3.5%
● Denmark	816	2.7%
● Others	7,524	24.7%
<b>Total:</b>	<b>30,332</b>	<b>100.0%</b>



**FY2022**  
**S\$30.9M**

FY2022	(S\$'000)	(%)
● Singapore	18,070	58.4%
● Indonesia	2,884	9.3%
● Cyprus	512	1.7%
● People's Republic of China	1,841	6.0%
● Malaysia	706	2.3%
● Denmark	257	0.8%
● Others	6,654	21.5%
<b>Total:</b>	<b>30,924</b>	<b>100.0%</b>

# CORPORATE GOVERNANCE REPORT

The board of directors (the "**Board**") and the management of Jason Marine Group Limited (the "**Company**") are 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 shareholders' value.

The Group has substantively complied with the recommendations of the revised Code of Corporate Governance 2018 ("**Code**"), issued on 6 August 2018, through effective self-regulatory corporate practices to protect and enhance the interests of its Shareholders.

This report describes the Company's corporate governance processes and activities in respect of the financial year ended 31 March 2023 ("**FY2023**") with specific reference made to the principles and provisions of the Code, as required under the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Company is also guided by the voluntary Practice Guidance which was issued to complement the Code and which sets out best practice standards for companies. Where there are deviations from the Code, appropriate explanations have been provided in the relevant parts of this corporate governance report.

## PRINCIPLE 1: THE BOARD'S CONDUCT OF AFFAIRS

The primary function of the Board is to protect Shareholders' interests and enhance long-term Shareholders' 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's 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 that impacts economy, 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. Where any Director faces conflict of interest, such Director shall recuse himself from discussions and decisions involving the issue of conflict.

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, 6, 7, 8 and 10 of this report.



# CORPORATE GOVERNANCE 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 FY2023 is tabulated below:

	Board	General Meeting	Audit and Risk Committee	Nominating Committee	Remuneration Committee
<b>Total number of meetings held</b>	3	1	3	1	1
<b>Number of meetings attended by respective directors</b>					
<b>Executive Chairman and Chief Executive Officer</b>					
Mr Foo Chew Tuck	3	1	N/A	N/A	N/A
<b>Deputy Non-Executive Chairman</b>					
Mr Wong Hin Sun, Eugene	3	1	3	1	1
<b>Independent Directors</b>					
Mr Sin Hang Boon	3	1	3	1	1
Mrs Eileen Tay-Tan Bee Kiew	3	1	3	1	1
Mr Colin Low Tock Cheong	3	1	3	1	1

N/A denotes "not applicable"

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

- (i) annual budgets;
- (ii) half-year and full-year results announcements and the release thereof;
- (iii) annual reports and accounts for presentation at annual general meetings ("AGMs");
- (iv) annual corporate strategies;
- (v) new commitments to loans and lines of credit from banks and financial institutions;
- (vi) major increase or decrease in a subsidiary company's capital;
- (vii) issuance of shares;
- (viii) investment and divestment, or entry into new businesses;
- (ix) convening of Shareholders' meetings;
- (x) declaration of interim dividends and proposal of final dividends; and
- (xi) appointments to the Board and the various Board committees.

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

# CORPORATE GOVERNANCE REPORT

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 as required by Rule 406(3)(a) of the Catalist Rules 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.

In addition, with effect from 1 January 2022, all Directors are required to undergo training on sustainability matters. In this connection, all the Board members have completed the mandated sustainability training course as required by the enhanced SGX sustainability reporting rules.

## **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, including requirements of the Companies Act, Securities and Future Act and the Catalist Rules, 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.



# CORPORATE GOVERNANCE REPORT

## PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

During FY2023, the Board comprises five (5) Directors, out of whom three (3) are Independent Directors, one (1) is a Deputy Non-Executive Chairman and the other one (1) is an Executive Chairman and Chief Executive Director (“CEO”). Mr Wong Hin Sun, Eugene was re-designated to Deputy Non-Executive Chairman from Non-Independent Non-Executive Director with effect from 1 June 2022.

Under Provision 2.2 of the Code, independent directors should make up a majority of the Board where the Chairman is not independent. The Company has complied with Provision 2.2 during FY2023 as the Board currently comprises five (5) members of which three (3) are Independent Directors. Although the Executive Chairman is not independent, the majority of the Board is made up of Independent Non-Executive Directors.

As set out under the Code, an independent director is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent business judgement in 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 provision 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 Chairman is considered non-independent.

During FY2023, each of the Company’s Independent Directors, namely Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon, has served on the Board beyond nine years from the date of their first appointment on 15 September 2009. The Board, having reviewed the performance of these Directors and further taking into account the deliberations of the NC, is of the view that both of Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon are able to continue to exercise independent and objective judgement. Apart from having served for a period of more than nine years on the Board, both Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon do not have any relationships or circumstances which may affect their judgement and ability to discharge their duties and responsibilities as independent directors.

However, on 11 January 2023, Singapore Exchange Regulation (SGX RegCo) announced the change of Listing Rules to limit to nine years the tenure of independent directors serving on the boards of listed companies and to remove with immediate effect the two-tier vote mechanism for listed companies to retain long-serving independent directors who have served for more than nine years. A transition period is given to find new independent directors, as such, existing independent directors whose tenure exceeds the nine-year limit can continue to serve as independent directors until the listed companies’ AGM held for the financial year ending on or after 31 December 2023.

In view of the above revised Listing Rules, Mr Sin Hang Boon will be retiring as a Director of the Company upon the conclusion of the forthcoming AGM. The NC has recommended and the Board has concurred that Mr Shabbir s/o Hakimuddin Hassanbhai be appointed as a new Independent Director of the Company to replace Mr Sin Hang Boon, who is retiring after the conclusion of the forthcoming AGM. Mr Shabbir s/o Hakimuddin Hassanbhai’s appointment as a new Independent Director is subject to the approval of Shareholders at the forthcoming AGM. Please refer to page 25 to 32 of the Annual Report for the detailed information of Mr Shabbir s/o Hakimuddin Hassanbhai.

Taking into account of the above, and also having weighed the relative benefit of the Board’s refreshment against the stability of the Board, the Board is of the view that Mrs Eileen Tay-Tan Bee Kiew should continue to be deemed independent notwithstanding having been on the Board for more than nine years. She will be stepping down from the Board by next AGM, i.e. 2024 AGM of the Company in respect of the financial year ending 31 March 2024. The Company will commence its search process for suitable independent director candidate to replace Mrs Eileen Tay-Tan Bee Kiew in due course.

## CORPORATE GOVERNANCE REPORT

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. 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:–

Accounting or finance	3	60%
Business management	5	100%
Legal or corporate governance	4	80%
Relevant industry knowledge or experience	2	40%
Strategic planning experience	5	100%
Customer based experience or knowledge	2	40%
<b>Gender</b>	<b>Number of Directors</b>	<b>Proportion of Board</b>
Male	4	80%
Female	1	20%

The Group recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the achievement of its strategic objectives and sustainable development. As required under the Rule 710A of the Catalist Rules and the Code, the Company has adopted a board diversity policy (the "**Board Diversity Policy**") with the NC responsible to review and monitor its implementation. It addresses the balance of a variety of skill sets, background, gender, age, experience and any other relevant aspects of diversity, to enhance and strengthen the quality of the Board's composition, and to enable balanced and well-considered decisions to be made in the interest of the Group.

All Board appointments will be based on merit and measured against objective criteria with due regard for the benefits of diversity on Board. The NC will review the Board Diversity Policy, as appropriate, to ensure its effectiveness, and discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

In recognition of the importance and value of gender diversity in the composition of the Board, the Company will strive to ensure that:–

- (i) Any search for candidates for appointments to the Board will include a requirement to present female candidates;
- (ii) The Board appoints at least one female Director to the NC; and
- (iii) There is female representation on the Board.

Currently, the Board has one female director, representing 20% of the total Board membership. Mrs Eileen Tay-Tan Bee Kiew has been member of the Board since 15 September 2009.

The Non-Executive Directors (including the Independent Directors) provide constructive advice on the Group's strategic and business plans. They constructively challenge and help develop proposals on strategy for the Group. They also review the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance of the Group. The Company has complied with the Provision 2.3 of the Code as a majority of the Board members are Non-Executive Directors.



# CORPORATE GOVERNANCE REPORT

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 both the Executive Chairman 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 daily management and operations as well as overseeing the Group's strategies and growth.

Under Provision 3.1 of the Code, the Chairman and the CEO are to be separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. As Mr Foo Chew Tuck is both the Executive Chairman and CEO of the Company, the Company has not complied with Provision 3.1 during FY2023. 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 majority 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.

Mr Wong Hin Sun, Eugene is the Deputy Non-Executive Chairman of the Company and supports Mr Foo Chew Tuck in his Chairman role. The Board is of the view that with the three Board Committees chaired by the Independent Directors, there are adequate safeguards in place to prevent an uneven concentration of power and authority in a single individual.

The Board has established and set out in writing the division of responsibilities between the roles of Chairman and the roles of CEO notwithstanding that these roles are assumed by the same person.

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.

# CORPORATE GOVERNANCE REPORT

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 Lead Independent Director in accordance with the provisions set out in the Code. As Lead Independent Director, she will be available to Shareholders if they have concerns and for which contact through the normal channels of the Chairman, the CEO or the Financial Controller has failed to resolve their concerns or is inappropriate. Whenever warranted, the Independent Directors will meet without the presence of the other Directors and will provide feedback to the Chairman after such meetings.

The responsibilities of the CEO are set out in a service agreement entered into between the Company and the CEO. The CEO is responsible for the development and expansion of the Group's business and is responsible for the Group's entire operations, strategic planning, major decision-making, as well as developing the business and vision of the Group.

## PRINCIPLE 4: BOARD MEMBERSHIP

The appointment of new Directors to the Board is recommended by the NC which comprises four Directors, namely, Mr Sin Hang Boon (who is chairman of the NC), Mrs Eileen Tay-Tan Bee Kiew, Mr Colin Low Tock Cheong and Mr Wong Hin Sun, Eugene. As Mrs Eileen Tay-Tan Bee Kiew, Mr Sin Hang Boon and Mr Colin Low Tock Cheong are Independent Directors, the NC comprises a majority of independent directors. Mrs Eileen Tay-Tan Bee Kiew who is Lead Independent Director is also a member of the NC.

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;



# CORPORATE GOVERNANCE REPORT

- (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 (3) 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 provisions 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 FY2023, 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 FY2023, all the Directors have been able to and have adequately carried out their duties as Directors 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, including listed company directorships and principal commitments, is disclosed under the section on "Board of Directors" in this Annual Report. The dates of first appointment and last re-election of each of the Directors are set out below:

Name of Director	Position in the Board	Date of first appointment	Date of last re-election
Mr Foo Chew Tuck	Executive Chairman and CEO	9 September 2007	27 July 2021
Mr Wong Hin Sun, Eugene	Deputy Non-Executive Chairman	15 September 2009	27 July 2021
Mr Sin Hang Boon	Independent Director	15 September 2009	26 July 2022
Mrs Eileen Tay-Tan Bee Kiew	Lead Independent Director	15 September 2009	26 July 2022
Mr Colin Low Tock Cheong	Independent Director	27 July 2021	N/A

N/A denotes "not applicable"

The NC has recommended and the Board has agreed for the following Directors to stand for re-election and/or appointment at the forthcoming AGM of the Company to be convened on 25 July 2023:

- (i) Pursuant to Article 98 of the Company's Constitution
  - Mr Foo Chew Tuck
  - Mr Wong Hin Sun, Eugene

# CORPORATE GOVERNANCE REPORT

(ii) Pursuant to Article 84 of the Company's Constitution

- Mr Shabbir s/o Hakimuddin Hassanbhai

(iii) To note the retirement of Mr Sin Hang Boon as a Director of the Company upon the conclusion of the forthcoming AGM.

During FY2023, the Independent Directors, Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon have served on the Board beyond nine years from the respective date of their first appointment on 15 September 2009. The Board has subjected the independence of Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon to a robust 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. Apart from having served for a period of more than nine years on the Board, both Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon do not have any relationships or circumstances which may affect their judgement and ability to discharge their duties and responsibilities as independent directors. 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 have served on the Board beyond nine years.

The detailed information of the above Directors seeking re-election as required under Appendix 7F of the Catalist Rules can be found on pages 25 to 32.

## 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 FY2023. 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.



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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 FY2023.

## PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The members of the RC comprise entirely Non-Executive Directors, namely Mr Colin Low Tock Cheong (who is chairman of the RC), Mr Sin Hang Boon, Mrs Eileen Tay-Tan Bee Kiew and Mr Wong Hin Sun, Eugene. Mr Colin Low Tock Cheong, 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 as well as termination terms;
- (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 the Executive Chairman'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 Chairman 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 the Executive Chairman and each 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 FY2023.

# CORPORATE GOVERNANCE REPORT

## PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

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

The Executive Chairman 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 (3) years from the date of admission of the Company to the Catalist (being 21 October 2009) and thereafter, his employment is renewed every two years 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 Chairman 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 and Deputy Non-Executive Chairman are 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.

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 Group is entitled to reclaim, in full or in part, incentive components of remuneration from the Executive Chairman and key management personnel in exceptional circumstances of intentional misstatement of financial statements, or wilful misconduct of the Executive Chairman and key management personnel, directly or indirectly, resulting in financial loss to the Company.

## PRINCIPLE 8: DISCLOSURE ON REMUNERATION

The Company adopts an overall remuneration policy for employees, comprising a fixed component in the form of a base salary, and a variable component in the form of a bonus that is linked to the performance of the Group, the individual, the industry and the economy. In reviewing its remuneration policy, the Company generally takes into account compensation and employment conditions within the industry and in comparable companies.

Under Provision 8.1 of the Code, the Company should disclose in its annual report the names, amounts and breakdown of remuneration of (a) each individual director and the CEO and (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel. 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 Chairman and CEO. Accordingly, the Company has not fully complied with Provision 8.1 during FY2023.



# CORPORATE GOVERNANCE REPORT

A breakdown showing the level and mix of the remuneration of the Directors in respect of FY2023 is as follows:

	Fees %	Salary and CPF <sup>^</sup> %	Bonus %	Other benefits %	Total %
<b>S\$250,000 to S\$499,000</b>					
Mr Foo Chew Tuck	–	87	7	6	100
<b>Below S\$250,000</b>					
Mrs Eileen Tay-Tan Bee Kiew	100	–	–	–	100
Mr Sin Hang Boon	100	–	–	–	100
Mr Wong Hin Sun, Eugene	100	–	–	–	100
Mr Colin Low Tock Cheong	100	–	–	–	100

<sup>^</sup> CPF denotes Central Provident Fund.

In respect of FY2023, 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\$55,000
Mr Wong Hin Sun, Eugene*	S\$62,493
Mr Colin Low Tock Cheong	S\$55,000

\* Redesignated as Deputy Non-Executive Chairman with effect from 1 June 2022.

Apart from the Executive Chairman, the Group's key management team includes Mr Shaun Teo Koon Sing, Mr Keith Lim Chee Keong and Mr Derrick Chan Kwok Yuan. 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 FY2023 is as follows:

Name of Key Management	Salary and CPF <sup>^</sup> %	Bonus %	Other benefits %	Total %
<b>S\$250,000 to S\$499,000</b>				
Mr Keith Lim Chee Keong	75	16	9	100
Mr Shaun Teo Koon Sing	80	11	9	100
<b>Below S\$250,000</b>				
Mr Derrick Chan Kwok Yuan	90	8	2	100

<sup>^</sup> CPF denotes Central Provident Fund.

Total remuneration (including CPF, bonus and other benefits) paid to the top 3 key management personnel named above for FY2023 was approximately S\$848,000.

The Executive Chairman and key management personnel are not entitled to any benefits upon termination, retirement or post-employment. During FY2023, the Group did not have any employees who are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 during the year.

# CORPORATE GOVERNANCE REPORT

The variable bonus or incentive portion of the remuneration packages of the Executive Chairman 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 FY2023, the performance related income have been made to the extent that certain KPIs have been met by the Executive Chairman and key management personnel.

## PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

### 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](http://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.

### 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. While the Board oversees the management in the design, implementation and monitoring of the risk management and internal control systems, the Audit Committee has been expanded and renamed as the Audit and Risk Committee (“ARC”) to strengthen the Group’s risk management process and framework. Having considered the Group’s business operations as well as its existing risk management and internal control systems, the Board is of the view that a separate risk committee is not required for the time being.

The ARC and the Board review on an annual basis the adequacy and effectiveness of the Group’s internal financial controls, operational compliance and information technology 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 FY2023, the Company’s appointed internal auditor, PricewaterhouseCoopers Risk Services Pte Ltd, has conducted internal audit review based on an agreed scope of review. In respect of FY2023, 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 FY2023 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 adequate and effective.



# CORPORATE GOVERNANCE REPORT

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 as well as sanctions-related risks, and risk management systems were adequate and effective for FY2023.

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.

International bodies and national governments have imposed sanctions on certain activities or transactions with targeted jurisdictions, entities and persons, with the primary aim of achieving foreign policy or national security goals. The Board confirmed there has been no material change in its risk of being subject to any sanctions law. The Board and ARC will be responsible for (a) monitoring the issuer's risk of becoming subject to, or violating, any sanctions law; and (b) ensuring timely and accurate disclosures to SGX-ST and other relevant authorities.

## Internal Audit

The Company has appointed a professional services firm, PricewaterhouseCoopers Risk Services Pte Ltd ("**PwC**" or "**Internal auditors**") to carry out internal audit reviews. 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 internal audit function 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, to carry out their work in accordance with the approved internal audit plans.

In the opinion of the Board, PricewaterhouseCoopers Risk Services Pte Ltd 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 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 Risk Services Pte Ltd, the ARC has reviewed and is satisfied with the independence, adequacy and effectiveness of the internal control function.

## PRINCIPLE 10: AUDIT AND RISK COMMITTEE

The ARC comprises four Non-Executive Directors, namely Mrs Eileen Tay-Tan Bee Kiew (who is chairperson of the ARC), Mr Sin Hang Boon, Mr Colin Low Tock Cheong 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 accounting or related financial management expertise or experience. The Board considers them as having sufficient financial management knowledge and experience to discharge their responsibility in the ARC.

## CORPORATE GOVERNANCE REPORT

The ARC does not comprise any former partners or directors of the Company's existing auditing firm or auditing corporation.

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;
- (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;
- (ix) reviewing the assurance from the Executive Chairman and CEO and the Financial Controller on the financial records and financial statements; and
- (x) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.



# CORPORATE GOVERNANCE REPORT

During FY2023, 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 meets with the internal auditors and external auditors without the presence of the Company's management at least annually.

In respect of FY2023, 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 FY2023, 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 was S\$119,900. The ARC confirms that it has undertaken a review and during FY2023, 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.

## Whistle-blowing Policy

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 and is also available on the Company's website at [www.jason.com.sg/whistleblowing-policy](http://www.jason.com.sg/whistleblowing-policy). The Group's whistle-blowing policy (the "**Policy**") allows employees to raise concerns and offers reassurance that their identity is kept confidential and they will be protected from reprisals, victimisation, detrimental or unfair treatment for whistle blowing in good faith.

The Board, with the support of the ARC, maintain oversight of any major issue arising from the Policy and/or other enquiries into the conduct of the whistle-blowing process. The Policy is aligned with the requirements pursuant to the amended Rule 1204 (18A) and (18B) of the Catalist Rules (effective from 1 January 2022). No whistle-blowing concerns were reported for FY2023 and until the date of this Annual Report.

Details of the activities of the ARC are also provided under Principle 9 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.

# CORPORATE GOVERNANCE REPORT

## PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

### 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 the 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.

### Conduct of General 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. The attendance of directors at general meetings is disclosed in the table found on page 5.

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. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting.

Under Provision 11.5 of the Code, the Company should publish the minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes of the last AGM held on 26 July 2022 were published by the Company on SGXNET and its corporate website on 26 August 2022. The Company also will be publishing the minutes of the forthcoming AGM on SGXNET and on its corporate website within a month of the date of the AGM.

The Board is of the view that its position is consistent with the intent of Principle 11 of the Code as shareholders have a right to attend general meetings either in person or by proxy, where they may exercise their right to speak and vote and have the opportunity to communicate their views on various matters affecting the Company. Further, shareholders, including those who did not attend the relevant general meeting, have a statutory right to be furnished copies of minutes of general meetings in accordance with Section 189 of the Companies Act. The Board is therefore of the view that, consistent with the intent of Principle 11 of the Code, as between themselves, Shareholders are treated fairly and equitably by the Company.



# CORPORATE GOVERNANCE REPORT

Pursuant to Rule 730A(2) of the Catalist Rules, all resolutions proposed at the AGMs and at any adjournment thereof shall be put to the vote by way of poll. All shareholders are entitled to vote in accordance with the established voting rules and procedures at the AGM. Each share is entitled to one vote. A party is appointed as scrutineers for the AGM voting process, which is independent of the party appointed, to undertake the polling process. The detailed results setting out the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET after the AGM. At present, the Company does not conduct voting by poll via electronic polling method as Shareholders' turn-out at the AGMs has been manageable.

The Company's Constitution permits voting in absentia only by appointment of proxy. However, as the authentication of shareholders' identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

The Company has adopted a dividend policy, as announced on SGXNET since May 2015. Subject to the Group's business requirements and other relevant considerations and barring unforeseen circumstances, the Board has stated that it shall recommend and distribute not less than 25% of the Group's audited consolidated net profits attributable to shareholders as dividends annually. The amount of dividends will depend on the Group's operating results, financial conditions such as cash position and retained earnings, other cash requirements including capital expenditure, restrictions on payment of dividends imposed on the Group by financing arrangements (if any) and other factors deemed relevant by the Directors, including but not limited to circumstances arising from COVID-19 pandemic. The foregoing statements are merely statements of the Board's intention and do not constitute legally binding obligations on the part of the Company in respect of payment of dividend and which will be subject to modification at the Directors' sole and absolute discretion.

In respect of FY2023, the Company had declared an interim dividend (one-tier tax-exempt) of 0.25 Singapore cent per ordinary share which was paid on 13 December 2022. In addition, the Board is recommending a final dividend of 0.75 Singapore cent per ordinary share for FY2023 subject to the approval of Shareholders at the forthcoming AGM.

## **PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS**

The Company does not make price-sensitive and/or trade-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](http://www.jason.com.sg)). 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 has an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Shareholders. The Company endeavours to organise briefings when necessary with media and analysts, and participates in investor seminars where there are opportunities 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. Shareholders may also contact the Company through its general email [jmg@jason.com.sg](mailto:jmg@jason.com.sg) with questions and through which the Company may respond to such questions.

# CORPORATE GOVERNANCE REPORT

## PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Group has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations as provided in the Group's 2023 Sustainability Report, the Company has regularly engaged its stakeholders through various channels to ensure that the business interests of the Group are aligned with those stakeholders, to understand and address the concerns so as to improve services and products standards, as well as to sustain business operations for long-term growth. The Company takes a pragmatic approach in managing stakeholders' expectations to support its long-term strategy. Pertinent information and news are regularly conveyed to the stakeholders through SGXNET and social media page such as Facebook.

Additionally, the Company maintains a corporate website at <https://www.jason.com.sg> to communicate and engage with stakeholders through the contact information of the Company which can be found on the website.

## SUSTAINABILITY COMMITTEE

The Sustainability Committee ("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.

In FY2023, the Group's Financial Controller, Mr Derrick Chan was appointed as the key person to drive sustainability initiatives across the Group. The Group has also enlarged the SC to include line managers across different departments, such as finance, human resources, health and safety, and procurement, to develop and embed sustainable practices in the Group's daily work. Mr Foo Chew Tuck, Executive Chairman and CEO, will continue to lead the board in overseeing the committee's sustainability strategies and the Group's sustainability journey.

## 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 and/or trade-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. In addition, the officers of the Company are expected to observe the insider trading laws at all times even when dealing in securities within the permitted trading periods.

## CONTINUING SPONSOR

No fees relating to non-sponsorship activities or services were paid to SAC Capital Private Limited during FY2023.



# CORPORATE GOVERNANCE REPORT

## INTERESTED PERSON TRANSACTIONS

Details of the interested person transactions for FY2023 presented in the format as required under Rule 907 of the Catalyst Rules is tabled below:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during FY2023 (excluding transactions less than S\$100,000 and transactions 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)	
<u>Mr Foo Chew Tuck</u>				
<u>(Executive Chairman and CEO)</u>				
Lease of office premises from:				
(i)	JE Holdings Pte Ltd	(1)	181	—
(ii)	Unity Consultancy Pte Ltd	(1)	13	—
(iii)	Jason Harvest Pte Ltd	(1)	46	—
Total:			240	—

**Note:**

(1) JE Holdings Pte Ltd, Unity Consultancy Pte Ltd and Jason Harvest Pte Ltd are controlled by Mr Foo Chew Tuck, the Group's Executive Chairman and CEO.

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

Save as disclosed above, there are no material contracts or loans entered into by the Group involving the interests of the CEO, any Director or Controlling Shareholder of the Company, either still subsisting at the end of FY2023 or if not subsisting, were entered into since the end of the previous financial year.

# CORPORATE GOVERNANCE REPORT

## RISK MANAGEMENT

### Inherent industry risk

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

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

### Dependence on key management personnel

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

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

### Project execution risk

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



# CORPORATE GOVERNANCE REPORT

## ADDITIONAL REQUIREMENTS UNDER RULE 720(5) OF THE CATALIST RULES

Information relating to the Directors seeking the re-elections and the appointment at the forthcoming AGM of the Company to be convened on 25 July 2023 is as follows:

Name of Director	Foo Chew Tuck	Wong Hin Sun, Eugene	Shabbir S/O Hakimuddin Hassanbhai
Date of Appointment	9 September 2007	15 September 2009	Not applicable
Date of last re-appointment	27 July 2021	27 July 2021	Not applicable
Age	72	55	77
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company, having considered among others, the recommendation of the NC and the qualifications, work experience and competencies of Mr Foo Chew Tuck, is of the view that he is suitable for re-election as the Executive Chairman and CEO of the Company.	The Board of Directors of the Company, having considered among others, the recommendation of the NC and the qualifications, work experience and competencies of Mr Wong Hin Sun, Eugene, is of the view that he is suitable for re-election as the Deputy Non-Executive Chairman, a member of the Audit and Risk Committee, a member of the Nominating Committee, a member of the Remuneration Committee of the Company.	The Board of Directors of the Company, having considered among others, the recommendation of the NC and the qualifications, work experience and competencies of Mr Shabbir S/O Hakimuddin Hassanbhai, is of the view that he is suitable for appointment as the Independent Director, a member of the Audit and Risk Committee, a member of the Nominating Committee, a member of the Remuneration Committee of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>Executive Chairman and CEO</li> </ul>	<ul style="list-style-type: none"> <li>Deputy Non-Executive Chairman</li> <li>Member of the Audit and Risk Committee</li> <li>Member of the Nominating Committee</li> <li>Member of the Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>Independent Director</li> <li>Member of the Audit and Risk Committee</li> <li>Member of the Nominating Committee</li> <li>Member of the Remuneration Committee</li> </ul>

## CORPORATE GOVERNANCE REPORT

Name of Director	Foo Chew Tuck	Wong Hin Sun, Eugene	Shabbir S/O Hakimuddin Hassanbhai
Professional qualifications	<ul style="list-style-type: none"> <li>• Diploma in Marketing, The Chartered Institute of Marketing, UK</li> <li>• Bachelor of Science, Oklahoma City University</li> <li>• Master of Business Administration, Oklahoma City University</li> <li>• Member of the Singapore Institute of Directors</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor of Business Administration (first-class honours), National University of Singapore</li> <li>• Master of Business Administration, Imperial College of Science, Technology and Medicine, University of London</li> <li>• Owners President Management Program, Harvard Business School</li> <li>• Chartered Financial Analyst</li> <li>• Chartered Director</li> <li>• Fellow of the Australian Institute of Company Directors</li> <li>• Fellow of the UK institute of Directors</li> <li>• Fellow of the Singapore Institute of Directors</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Association of Chartered Certified Accountants (ACCA)</li> <li>• Fellow of the Chartered Management Institute</li> </ul>
Working experience and occupation(s) during the past 10 years	<p>2009-2018, Executive Chairman, Jason Marine Group Ltd</p> <p>2018-Present, Executive Chairman and CEO, Jason Marine Group Ltd</p>	<p>Mr Wong Hin Sun, Eugene founded Sirius Venture Capital Pte. Ltd., a venture capital investment company, and has been its managing director since its incorporation in 2002.</p>	<p>1970-Present, Executive Director, Indo Straits Trading Co (Pte) Ltd</p> <p>1989-Present, Executive Director, Al Badawi General Trading LLC</p>
Shareholding interest in the listed issuer and its subsidiaries	<p>Direct Interest in 81,300,000 ordinary shares, representing 77.43% of the issued and paid up share capital of the Company.</p>	<p>Direct Interest in 369,100 ordinary shares, representing 0.35% of the issued and paid up share capital of the Company.</p> <p>Deemed Interest in 2,650,000 ordinary shares, representing 2.52% of the issued and paid-up share capital of the Company held by Sirius Venture Capital Pte. Ltd.</p>	<p>Nil</p>



# CORPORATE GOVERNANCE REPORT

Name of Director	Foo Chew Tuck	Wong Hin Sun, Eugene	Shabbir S/O Hakimuddin Hassanbhai
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Foo Chew Tuck is himself a Controlling Shareholder of the Company.	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes
Other Principal Commitments Including Directorships	<u>Past</u> <ul style="list-style-type: none"> <li>• iPromar (Pte) Ltd</li> <li>• Cosco Shipping Electronics (Guangzhou) Co Ltd</li> <li>• CBMC International</li> </ul>	<u>Past</u> <ul style="list-style-type: none"> <li>• Neo Group Ltd</li> <li>• SCC Travel Services Pte Ltd</li> <li>• CrimsonLogic Pte Ltd</li> <li>• Enterprise Singapore</li> <li>• Cargo Community Network Pte Ltd</li> <li>• Gets Global Pte Ltd</li> <li>• Hargol Foodtech Ltd</li> <li>• Agfunder Asia Pte Ltd</li> <li>• Agfunder Grow Asia Pte Ltd</li> <li>• Agfunder Rocket Seeder Pte Ltd</li> <li>• Grow Accelerator Pte Ltd</li> <li>• Dining Collective Pte Ltd</li> </ul>	<u>Past</u> <ul style="list-style-type: none"> <li>• Intraco Limited</li> <li>• Dynamic Colours Limited</li> <li>• Gateway Distriparks Ltd</li> <li>• Snowman Logistics Limited</li> </ul>

# CORPORATE GOVERNANCE REPORT

Name of Director	Foo Chew Tuck	Wong Hin Sun, Eugene	Shabbir S/O Hakimuddin Hassanbhai
Other Principal Commitments Including Directorships (Continued)	<p><u>Present</u></p> <ul style="list-style-type: none"> <li>• Jason Asia Pte Ltd</li> <li>• Jason Electronics (Pte) Ltd</li> <li>• Jason Energy Pte Ltd</li> <li>• Jason Venture Pte Ltd</li> <li>• Kodan Singapore Pte Ltd</li> <li>• Marine Innovation Pte Ltd</li> <li>• Jason Elektronik (M) Sdn Bhd</li> <li>• Bay Plaza Sdn Bhd</li> <li>• Unity Consultancy Pte Ltd</li> <li>• Unity Holdings Pte Ltd</li> <li>• Jalo Jalo Pte Ltd</li> <li>• Jason Harvest Pte Ltd</li> <li>• JE Holdings Pte Ltd</li> <li>• Tuckson Projects Pte Ltd</li> <li>• Pei Chun Public School Ltd</li> </ul>	<p><u>Present</u></p> <ul style="list-style-type: none"> <li>• Japan Food Holdings Ltd</li> <li>• APAC Realty Limited</li> <li>• SAF Yacht Club</li> <li>• Alliance Healthcare Group Ltd</li> <li>• Sirius Venture Capital Pte Ltd</li> <li>• Sirius SME Growth Partners I Limited</li> <li>• Sirius Ocean Pte Ltd</li> <li>• Singapore Cruise Centre Pte Ltd</li> <li>• Mekhala Pte Ltd</li> <li>• Aerospring Gardens Pte Ltd</li> <li>• Tangram Asia Capital LLP</li> <li>• Digital Mission Ventures Pte. Ltd.</li> <li>• NTUC Learninghub Pte Ltd</li> <li>• NTUC Learninghub Co-operative Limited</li> <li>• China and North Asia Business Group (CNABG)</li> <li>• China-Singapore Business Council (CSBC)</li> <li>• Young Men’s Christian Association of Singapore</li> <li>• YMCA Shine</li> <li>• Gardens by the Bay</li> </ul>	<p><u>Present</u></p> <ul style="list-style-type: none"> <li>• Indo Straits Trading Co (Pte) Ltd</li> <li>• Al Badawi General Trading LLC</li> <li>• Creative Arts &amp; Culture Ltd</li> <li>• ITE Education Services Pte Ltd</li> <li>• Collab Consultants Pte Ltd</li> <li>• Singapore Indian Education Trust</li> <li>• Singapore Indian Development Association (SINDA)</li> <li>• NTU-SBF Centre for African Studies</li> <li>• Singapore Turf Club</li> <li>• Andhra Pradesh – Singapore Business Council (APSBC)</li> </ul>



# CORPORATE GOVERNANCE REPORT

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

Name of Director	Foo Chew Tuck	Wong Hin Sun, Eugene	Shabbir S/O Hakimuddin Hassanbhai
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

## CORPORATE GOVERNANCE REPORT

Name of Director	Foo Chew Tuck	Wong Hin Sun, Eugene	Shabbir S/O Hakimuddin Hassanbhai
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No



# CORPORATE GOVERNANCE REPORT

Name of Director	Foo Chew Tuck	Wong Hin Sun, Eugene	Shabbir S/O Hakimuddin Hassanbhai
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: –			
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

# CORPORATE GOVERNANCE REPORT

## Information required

### Disclosure applicable to the appointment of Director only

Name of Director	Foo Chew Tuck	Wong Hin Sun, Eugene	Shabbir S/O Hakimuddin Hassanbhai
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable as this relates to the re-election of a director	Not applicable as this relates to the re-election of a director	Yes
If yes, please provide details of prior experience.			<ul style="list-style-type: none"> <li>– Former Independent Director of Intraco Limited (listed on SGX-ST)</li> <li>– Former Independent Director of Dynamic Colours Limited (listed on SGX-ST)</li> <li>– Former Independent Director of Gateway Distriparks Ltd (listed on BSE and NSE)</li> <li>– Former Independent Director of Snowman Logistics Limited (listed on BSE and NSE)</li> </ul>
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.			
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).			

"**principal commitments**" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

# DIRECTORS' STATEMENT

The Directors of Jason Marine Group Limited (the "**Company**") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 March 2023 and the statement of financial position of the Company as at 31 March 2023.

## 1. OPINION OF THE DIRECTORS

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position 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 2023, and of the financial performance, changes in equity and cash flows of the Group 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  
Colin Low Tock Cheong

## 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.



## DIRECTORS' STATEMENT

### 4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act 1967 (the "Act"), except as follows:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance at	Balance at	Balance at	Balance at
	1 April 2022	31 March 2023	1 April 2022	31 March 2023

#### Company

#### Number of ordinary shares

Foo Chew Tuck <sup>(1)</sup>	81,300,000	81,300,000	–	–
Wong Hin Sun Eugene <sup>(2)</sup>	–	369,100	2,650,000	2,650,000

(1) 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.

(2) Sirius Venture Capital Pte. Ltd. ("Sirius Venture") owns 2,650,000 shares in the Company and Mr Wong Hin Sun Eugene is the managing director of Sirius Venture. As at the beginning and end of the financial year, Mr Wong Hin Sun Eugene holds 100% of the issued share capital of Sirius Venture and accordingly, he is deemed to have an interest in the shares held by Sirius Venture.

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 2023 in the shares of the Company have not changed from those disclosed as at 31 March 2023.

### 5. SHARE OPTIONS

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

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

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

# DIRECTORS' STATEMENT

## 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  
Colin Low Tock Cheong

The Audit and Risk Committee performed the functions specified in Section 201B(5) of the Companies Act 1967 and the Singapore Code of Corporate Governance, including the following:

- (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;
- (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;
- (ix) reviewing the assurance from the Executive Chairman and CEO and the Financial Controller on the financial records and financial statements; and
- (x) reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

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

## DIRECTORS' STATEMENT

### 6. AUDIT AND RISK COMMITTEE (CONTINUED)

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 auditors 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 CATALIST RULES

The auditors of the subsidiary corporations and associates of the Company are disclosed in Notes 7 and 8 to the financial statements. In the opinion of the Board of Directors and Audit and Risk Committee, Rule 716 of the Catalist Rules has been complied with.

On behalf of the Board of Directors

**Foo Chew Tuck**  
Director

**Eileen Tay-Tan Bee Kiew**  
Director

Singapore  
28 June 2023



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JASON MARINE GROUP LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Jason Marine Group Limited (the "Company") and its subsidiaries (the "Group"), as set out on pages 41 to 104, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2023;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group 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 of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 2023, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group 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.

#### 1 Impairment assessment of investments in subsidiaries

As at 31 March 2023, the carrying amount of the Company's investments in subsidiaries amounted to \$17,060,000, representing 76% of the Company's total assets.

During the financial year ended 31 March 2023, the management carried out a review of the recoverable amounts of the investments in subsidiaries.

For certain subsidiaries, no impairment loss was recognised during the financial year as the recoverable amounts exceeded the cost of investments as at 31 March 2023.

For a subsidiary, an allowance for impairment loss of \$545,000 previously recognised was reversed during the financial year as the recoverable amount exceeded the cost of investment as at 31 March 2023.

Management determined the recoverable amounts based on the value-in-use calculations by estimating the expected discounted future cash flows to be derived from the investments in those subsidiaries.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JASON MARINE GROUP LIMITED

## Key Audit Matters (Continued)

### 1 Impairment assessment of investments in subsidiaries (Continued)

We focused this area as a key audit matter as significant management judgements and estimates are involved in the key assumptions used in estimating the expected discounted future cash flows, such as the revenue growth rates, gross profit margins, discount rates and terminal growth rates.

#### Related Disclosures

Refer to Notes 2.8, 3.2(i) and 7 to the accompanying financial statements.

#### Audit Response

Our procedures included, amongst others, the following:

- Discussed with management and evaluated the reasonableness of the key assumptions made by management in preparing the discounted cash flows, including perform analytical procedures and comparing the revenue growth rates and gross profit margins against historical performance and industry outlook, as appropriate;
- Performed sensitivity analysis of the key assumptions, including the revenue growth rates, gross profit margins, discount rate and terminal growth rates, used in the discounted cash flow forecasts; and
- Assessed the adequacy of the disclosures in the financial statements with respect to the impairment assessment of investments in subsidiaries.

## 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.

## 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 SFRS(I)s, 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.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JASON MARINE GROUP LIMITED

## Responsibilities of Management and Directors for the Financial Statements (Continued)

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.



# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF JASON MARINE GROUP LIMITED

## Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 Adrian Lee Yu-Min.

## BDO LLP

Public Accountants and  
Chartered Accountants

Singapore  
28 June 2023

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Non-current assets</b>					
Intangible asset	4	163	20	–	–
Plant and equipment	5	810	963	–	–
Right-of-use assets	6	435	560	101	94
Investments in subsidiaries	7	–	–	17,060	15,555
Investments in associates	8	96	69	–	–
Financial assets, at fair value through other comprehensive income	9	6	281	–	–
Trade and other receivables	10	2	81	–	–
Deferred tax assets	11	6	8	–	–
<b>Total non-current assets</b>		<b>1,518</b>	<b>1,982</b>	<b>17,161</b>	<b>15,649</b>
<b>Current assets</b>					
Inventories	12	4,590	3,312	–	–
Trade and other receivables	10	6,893	4,859	1,825	2,753
Contract assets	13	5,300	7,214	–	–
Derivative financial instruments	14	28	–	–	–
Prepayments		302	472	17	10
Income tax recoverable		4	2	–	–
Cash and cash equivalents	15	14,535	18,957	3,489	4,994
<b>Total current assets</b>		<b>31,652</b>	<b>34,816</b>	<b>5,331</b>	<b>7,757</b>
<b>Current liabilities</b>					
Trade and other payables	16	5,029	5,880	485	474
Contract liabilities	13	1,931	2,484	–	–
Income tax payable		26	32	14	–
Loans and borrowings	17	998	991	–	–
Lease liabilities	18	396	415	101	94
<b>Total current liabilities</b>		<b>8,380</b>	<b>9,802</b>	<b>600</b>	<b>568</b>
<b>Net current assets</b>		<b>23,272</b>	<b>25,014</b>	<b>4,731</b>	<b>7,189</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	11	3	3	–	–
Loans and borrowings	17	2,273	3,271	–	–
Lease liabilities	18	32	125	–	–
<b>Total non-current liabilities</b>		<b>2,308</b>	<b>3,399</b>	<b>–</b>	<b>–</b>
<b>Net assets</b>		<b>22,482</b>	<b>23,597</b>	<b>21,892</b>	<b>22,838</b>
<b>Equity</b>					
Share capital	19	17,967	17,967	17,967	17,967
Treasury shares	20	(255)	(255)	(255)	(255)
Fair value adjustment reserve	21	(382)	(311)	–	–
Foreign currency translation account	22	(123)	(206)	–	–
Retained earnings	23	5,206	6,345	4,180	5,126
<b>Equity attributable to owners of the parent</b>		<b>22,413</b>	<b>23,540</b>	<b>21,892</b>	<b>22,838</b>
Non-controlling interests		69	57	–	–
<b>Total equity</b>		<b>22,482</b>	<b>23,597</b>	<b>21,892</b>	<b>22,838</b>

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

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 \$'000	2022 \$'000
Revenue	24	30,332	30,924
Cost of sales		(20,327)	(21,776)
Gross profit		10,005	9,148
<i>Other item of income</i>			
Other income	25	535	792
<i>Other items of expense</i>			
Distribution costs		(5,468)	(5,114)
General and administrative expenses		(4,173)	(3,899)
Other expenses		(487)	(615)
Finance costs	26	(89)	(84)
(Allowance for)/Write-back of impairment loss on trade receivables, net	27	(100)	55
Share of results of associates, net of tax	8	27	(7)
<b>Profit before income tax</b>	27	250	276
Income tax expense	28	(105)	(43)
<b>Profit for the financial year</b>		145	233
<b>Other comprehensive income:</b>			
<i>Items that will or may be reclassified subsequently to profit or loss:</i>			
Foreign currency differences on translation of foreign operations		90	(85)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value changes on financial assets, at fair value through other comprehensive income		(37)	21
Other comprehensive income for the financial year, net of tax		53	(64)
Total comprehensive income for the financial year		198	169
<b>Profit attributable to:</b>			
Owners of the parent		140	240
Non-controlling interests		5	(7)
		145	233
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		186	171
Non-controlling interests		12	(2)
		198	169
<b>Earnings per share</b>			
– Basic and diluted (cents)	29	0.13	0.23



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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
<b>Group</b>								
Balance at 1 April 2022	17,967	(255)	(311)	(206)	6,345	23,540	57	23,597
<b>Profit for the financial year</b>	–	–	–	–	140	140	5	145
<b>Other comprehensive income for the financial year</b>								
Fair value changes on financial assets, at fair value through other comprehensive income	–	–	(37)	–	–	(37)	–	(37)
Foreign currency differences on translation of foreign operations	–	–	–	83	–	83	7	90
<b>Total comprehensive income for the financial year</b>	–	–	(37)	83	140	186	12	198
Transfer of fair value reserve upon derecognition of investment in financial assets, at fair value through other comprehensive income	9	–	–	(34)	–	34	–	–
<b>Distributions to owners of the parent</b>								
Dividend paid	30	–	–	–	–	(1,313)	–	(1,313)
Balance at 31 March 2023	17,967	(255)	(382)	(123)	5,206	22,413	69	22,482

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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
<b>Group</b>								
Balance at 1 April 2021	17,967	(255)	(332)	(116)	6,893	24,157	59	24,216
<b>Profit for the financial year</b>	-	-	-	-	240	240	(7)	233
<b>Other comprehensive income for the financial year</b>								
Fair value changes on financial assets, at fair value through other comprehensive income	-	-	21	-	-	21	-	21
Foreign currency differences on translation of foreign operations	-	-	-	(90)	-	(90)	5	(85)
<b>Total comprehensive income for the financial year</b>	-	-	21	(90)	240	171	(2)	169
<b>Distributions to owners of the parent</b>								
Dividend paid	30	-	-	-	(788)	(788)	-	(788)
Balance at 31 March 2022	17,967	(255)	(311)	(206)	6,345	23,540	57	23,597

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2023 \$'000	2022 \$'000
<b>Operating activities</b>		
Profit before income tax	250	276
Adjustments for:		
Allowance for inventory obsolescence	125	508
Amortisation of intangible asset	52	13
Bad debts written off	16	-
Depreciation of plant and equipment and right-of-use assets	812	772
Dividend income from investment in financial assets, at FVOCI	(26)	(37)
Fair value gain on derivative financial instrument	(28)	(37)
Gain on disposal of plant and equipment	(2)	(9)
Interest income	(163)	(45)
Interest expense	89	84
Inventory written off	-	106
Plant and equipment written off	2	1
Share of results of associates	(27)	7
Unrealised exchange loss/(gain)	238	(97)
Allowance for/(Write-back of) impairment loss on trade receivables, net	100	(55)
Write-back of trade payables	(5)	(156)
Operating cash flows before working capital changes	1,433	1,331
Working capital changes:		
Inventories	(1,350)	(1,181)
Trade and other receivables	(2,071)	(569)
Contract assets	1,914	576
Prepayments	170	(126)
Trade and other payables	(846)	1,470
Contract liabilities	(553)	(296)
Cash (used in)/generated from operations	(1,303)	1,205
Interest received	163	45
Income tax paid	(111)	(41)
<b>Net cash (used in)/from operating activities</b>	<b>(1,251)</b>	<b>1,209</b>
<b>Investing activities</b>		
Dividend received from investment in financial assets, at FVOCI	26	37
Proceeds from derecognition of financial assets, at FVOCI	238	-
Proceeds from disposal of plant and equipment	3	15
Purchase of intangible asset	(195)	-
Purchase of plant and equipment	(261)	(476)
<b>Net cash used in investing activities</b>	<b>(189)</b>	<b>(424)</b>
<b>Financing activities</b>		
Dividend paid	(1,313)	(788)
Drawdown of term loans	-	5,000
Repayment of term loans	(991)	(738)
Interest paid	(89)	(84)
Repayment of lease liabilities	(445)	(401)
<b>Net cash (used in)/from financing activities</b>	<b>(2,838)</b>	<b>2,989</b>
<b>Net change in cash and cash equivalents</b>	<b>(4,278)</b>	<b>3,774</b>
Cash and cash equivalents at beginning of financial year	18,957	15,173
Effects of foreign exchange rate changes on cash and cash equivalents	(144)	10
<b>Cash and cash equivalents at end of financial year</b>	<b>14,535</b>	<b>18,957</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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 activities of the Company are those of investment holding and the provision of management consultancy services for the business functions and affairs of its subsidiaries.

The principal activities of the subsidiaries are set out in Note 7 to the financial statements.

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

The statement of financial position of the Company and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2023 were authorised for issue in accordance with a Directors' resolution dated 28 June 2023.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") 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 ("S") 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 ("S'000") as indicated.

The preparation of financial statements in compliance with SFRS(I) requires management to make judgements, estimates and assumptions that affect the 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 the most significant effect on the financial statements are disclosed in Note 3 to the financial statements.

#### Changes in accounting policies

##### *New standards, amendments and interpretations effective from 1 April 2022*

The standards, amendments to standards, and interpretations that will apply for the first time by the Group are not expected to impact the Group as they are either not relevant to the Group's business activities or require accounting which is consistent with the Group's current accounting policies.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### Changes in accounting policies (Continued)

*SFRS(I) issued but not yet effective*

At the date of authorisation of these financial statements, the following SFRS(I) were issued but not yet effective, and have not been adopted early in these financial statements:

		Effective date (annual periods beginning on or after)
SFRS(I) 17	: Insurance Contracts	1 January 2023
Various	: Amendments to SFRS(I) 17	1 January 2023
SFRS(I) 1-1 and SFRS(I) Practice Statement 2 (Amendments)	: Disclosure of Accounting Policies	1 January 2023
SFRS(I) 1-8 (Amendments)	: Definition of Accounting Estimates	1 January 2023
SFRS(I) 1-12, SFRS(I) 1 (Amendments)	: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
SFRS(I) 17 (Amendments)	: Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information	1 January 2023
SFRS(I) 1-12 (Amendments)	: International Tax Reform—Pillar Two Model Rules	1 January 2023
SFRS(I) 1-1 (Amendments)	: Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 1-7, SFRS(I) 7 (Amendments)	: Supplier Finance Arrangements	1 January 2024
SFRS(I) 16	: Lease Liability in a Sale and Leaseback	1 January 2024
Various	: Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
SFRS(I) 10 and SFRS(I) 1-28 (Amendments)	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

Management anticipates that the adoption of the above SFRS(I), if applicable in future periods, will not have a material impact on the financial statements of the Group in the period of their initial adoption.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 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 SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

### 2.3 Business combinations

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 transferred also includes any contingent consideration measured at the fair value at the acquisition date. Subsequent changes in fair value of contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Business combinations (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 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.

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 and contingent liabilities assumed.

If, after reassessment, 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.

### 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 to five 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.

Fully amortised intangible assets are retained in the financial statements until they are no longer in use.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 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.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.7 Associates

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

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

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

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

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

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

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

### 2.8 Impairment of non-financial assets

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

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Impairment of non-financial assets (Continued)

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

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

### 2.9 Inventories

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

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

Net realisable value is the estimated selling price at which the inventories can be realised in the ordinary course of business less anticipated costs of 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 instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

#### Financial assets

The Group classifies its financial assets into one of the categories below, depending on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. The Group's accounting policy for each category is as follows:

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 Financial instruments (Continued)

#### Financial assets (Continued)

##### Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables which include amounts due from related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

At each of the reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is possible that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 Financial instruments (Continued)

#### Financial assets (Continued)

##### Amortised cost (Continued)

The Group's financial assets measured at amortised cost comprise trade and other receivables (excluding advances to suppliers and goods and services tax receivable) and cash and cash equivalents in the consolidated statement of financial position.

##### Financial assets at fair value through other comprehensive income ("FVOCI")

The Group has a number of equity securities investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. The Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal, any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investments, in which case the full or partial amount of the dividend is recorded against the associated investments carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value reserve.

##### Derivative financial instruments

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. 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.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

#### **Financial liabilities and equity instruments**

##### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 Financial instruments (Continued)

#### Financial liabilities and equity instruments (Continued)

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received net of direct issue costs. The Group classifies ordinary shares as equity instruments.

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 issue 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, 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 in the capital reserve of the Company.

##### Financial liabilities

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial guarantee contracts, loans commitment and/or contingent consideration in a business combination.

##### *Trade and other payables*

Trade and other payables (excluding advances from customers and goods and services tax 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.

##### *Loans and borrowings*

Interest-bearing bank loans are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (Note 2.15).

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of reporting period, in which case they are presented as non-current liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 Financial instruments (Continued)

#### Financial liabilities and equity instruments (Continued)

##### Financial liabilities (Continued)

##### *Financial guarantee contracts*

The Company has issued corporate guarantees to banks for performance guarantees given to customers of a subsidiary and for banking facilities of a subsidiary. These guarantees qualify as financial guarantees because the Company is required to reimburse the banks if the subsidiary breach any performance term or condition.

Financial guarantee contract liabilities are measured initially at their fair values, net of transaction costs. Financial guarantee contracts are subsequently measured at the higher of:

- a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- b) the amount of loss provisions determined in accordance with SFRS(I) 9.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

### 2.11 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.

### 2.12 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both. The Group's revenue is derived from fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

##### Sale of goods

Revenue from sale of goods which comprise equipment parts is recognised at point in time when goods are delivered to the customer and the performance obligation to deliver goods to the customer is fulfilled, based on the transaction price stated in the contract, net of any discounts given. Each good delivered to the customer is a single performance obligation.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Revenue recognition (Continued)

#### Sale of goods (Continued)

The Group entered into contracts with customers which comprise the sale and installation of marine satellite, communications and navigational systems. Revenue from sale and installation of marine satellite, communications and navigational systems is recognised over time by reference to management's estimates for similar contracts and the Group's progress towards complete satisfaction of each performance obligation. The stage of completion is measured using the input method by actual costs incurred to date to the estimated total contract costs. The Group progressively invoices the customer on progress claims, where the Group has right over payment over the value of goods transferred to the customer. In the event where the value of goods exceeds the rights of payments from the customer, a contract asset is recognised. Where the payments exceed the value of goods transferred, a contract liability is recognised.

Estimates of revenue or extent of progress toward completion are revised if circumstances changed. Any resulting increase or decrease in estimated revenue are reflected in the profit or loss in the period in which the circumstances give rise to the revision become known by management.

The costs of fulfilling contracts by the customer do not result into a recognition of contract assets if such costs falls within the scope of other SFRS(I)s. The Group will recognise these costs of fulfilling as contract asset only if:

- these costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- these costs generate or enhance resources that will be used in satisfying performance obligations in the future; and
- these costs are expected to be recovered.

#### Rendering of services

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. Each promise to deliver services to the customer relates to a single performance obligation, and therefore each transaction price negotiated relates to the performance obligation's standalone price.

The Group also entered into short-term service contracts of marine satellite equipment with certain customers. Revenue from lease of equipment is recognised over the period of the contract.

#### Airtime revenue

Airtime revenue relates to the provision of airtime services for satellite communication system. Revenue from subscription-based contracts for rendering of airtime services is recognised over the period of the contract. Revenue from pre-paid top up credits for rendering of airtime services is recognised at a point in time when the performance obligation is fulfilled.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Revenue recognition (Continued)

#### Interest income

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

#### Dividend income

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

### 2.13 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants related to asset are deducted against the carrying amount of the asset.

Government grants related to expenses are accounted for in the year where the related costs it intends to compensate is incurred and recognised in the profit or loss. Such government grants are presented under "Other income".

### 2.14 Leases

#### *As lessee*

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

#### Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Leases (Continued)

*As lessee (Continued)*

Initial measurement (Continued)

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group presents the right-of-use assets and lease liabilities separately from other assets and other liabilities in the consolidated statement of financial position.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset. The right-of-use assets are depreciated based on the following basis:

	Years
Office premises	1-2
Office equipment	5
Motor vehicles	2

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use may be impaired. The accounting policy on impairment is as described in Note 2.8 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Leases (Continued)

*As lessee (Continued)*

#### Subsequent measurement (Continued)

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities is recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use being adjusted by the same amount.
- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the negotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group have elected to account for the entire contract as a lease. The Group and the Company do not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Leases (Continued)

#### *As lessor*

When the Group is a lessor, it determines whether each lease entered is a finance or an operating lease at the lease inception date and reassessed only if there is a lease modification. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Whereas, it is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

For leases that classify as finance lease, the Group recognises a receivable at an amount equal to the net investment in the lease at the commencement date. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term. The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The finance income recognised is included and presented as part of "Other income". The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (Note 2.10).

### 2.15 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest method.

### 2.16 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.

### 2.17 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.17 Taxes (Continued)

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

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

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

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

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

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

### 2.18 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.18 Foreign currency transactions and translation (Continued)

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.

### 2.19 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.

### 2.20 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 to the financial statements, 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

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the consolidated financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

### 3.2 Key sources of estimation uncertainty

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

(i) Impairment of investments in subsidiaries

The Company follows the guidance of SFRS(I) 1-36 *Impairment of Assets* in determining whether investments in subsidiaries are impaired. This process requires significant judgements and assumptions. The Company evaluates, among other factors, the extent to which the recoverable amount of an investment in subsidiary is less than its carrying amount, and the financial health and near-term business outlook of the investment. Factors, such as industry and sector performance, operational and financing cash flows were used.

Investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and where applicable, cash-generating units ("CGU") have been determined based on value-in-use calculations. As at 31 March 2023, the carrying amounts of the Company's investment in subsidiaries are disclosed in Note 7 to the financial statements.

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

The Group determines expected credit losses on trade receivables and other receivables and contract assets from third parties by making individual assessment of expected credit loss for long overdue balances and using a provision matrix for remaining balances that is based on historical credit loss experience, past due status of the balances and adjusted with forward looking assumptions, as appropriate. Management takes into account historical provision trend and other relevant factors. Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. The carrying amounts of the Group's and the Company's trade and other receivables and contract assets as at 31 March 2023 are disclosed in Notes 10 and 13 to the financial statements, respectively.

(iii) 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 most recent committed sales prices and provide for excess and obsolete inventories based on historical, estimated future demand and related pricing. The carrying amount of the Group's inventories as at 31 March 2023 is disclosed in Note 12 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

### 3.2 Key sources of estimation uncertainty (Continued)

#### (iv) Revenue from contract with customers

Revenue from sale of marine satellite, communications and navigational systems are recognised over time by reference to contract costs incurred to date in proportion to total estimated contract costs of each contract to account for its contract revenue and the Group's progress towards complete satisfaction of each performance obligation.

In deriving an estimated contract cost for each contract, management has relied on the Group's expertise and also on past experience of actual costs for similar contracts. The estimated contract cost is regularly reviewed and revised, as appropriate. Where the actual contract cost is different from the original estimate, such difference will impact revenue in the period in which such estimate has been changed. The carrying amounts of contract assets and contract liabilities are disclosed in Note 13 to the financial statements.

## 4. INTANGIBLE ASSET

	Group	
	2023	2022
	\$'000	\$'000
<b>Computer software</b>		
<b>Cost</b>		
Balance at beginning of financial year	689	689
Additions	195	–
Balance at end of financial year	884	689
<b>Accumulated amortisation</b>		
Balance at beginning of financial year	669	656
Amortisation	52	13
Balance at end of financial year	721	669
<b>Carrying amount</b>		
Balance at end of financial year	163	20

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 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
<b>Group</b>								
<b>2023</b>								
<b>Cost</b>								
Balance at 1 April 2022	283	40	404	33	1,694	182	458	3,094
Additions	5	–	77	–	119	27	33	261
Written off	(9)	–	–	(10)	(48)	(20)	(13)	(100)
Disposals	(17)	–	–	–	–	–	–	(17)
Transferred to inventories	–	–	–	–	(75)	–	–	(75)
Currency translation differences	(1)	–	–	–	(4)	–	(3)	(8)
Balance at 31 March 2023	261	40	481	23	1,686	189	475	3,155
<b>Accumulated depreciation</b>								
Balance at 1 April 2022	211	29	321	26	971	171	402	2,131
Depreciation	21	4	57	2	222	11	37	354
Written off	(9)	–	–	(9)	(48)	(20)	(12)	(98)
Disposals	(16)	–	–	–	–	–	–	(16)
Transferred to inventories	–	–	–	–	(22)	–	–	(22)
Currency translation differences	(1)	–	–	–	(1)	–	(2)	(4)
Balance at 31 March 2023	206	33	378	19	1,122	162	425	2,345
<b>Carrying amount</b>								
Balance at 31 March 2023	55	7	103	4	564	27	50	810
<b>2022</b>								
<b>Cost</b>								
Balance at 1 April 2021	317	318	438	54	1,429	178	647	3,381
Additions	30	–	–	2	404	4	36	476
Written off	(64)	(278)	–	(23)	(92)	–	(224)	(681)
Disposals	–	–	(35)	–	–	–	(3)	(38)
Transferred to inventories	–	–	–	–	(47)	–	–	(47)
Currency translation differences	–	–	1	–	–	–	2	3
Balance at 31 March 2022	283	40	404	33	1,694	182	458	3,094
<b>Accumulated depreciation</b>								
Balance at 1 April 2021	255	303	306	47	844	163	581	2,499
Depreciation	20	4	45	2	239	8	44	362
Written off	(64)	(278)	–	(23)	(92)	–	(223)	(680)
Disposals	–	–	(31)	–	–	–	(1)	(32)
Transferred to inventories	–	–	–	–	(20)	–	–	(20)
Currency translation differences	–	–	1	–	–	–	1	2
Balance at 31 March 2022	211	29	321	26	971	171	402	2,131
<b>Carrying amount</b>								
Balance at 31 March 2022	72	11	83	7	723	11	56	963



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 6. RIGHT-OF-USE ASSETS

	Office premises \$'000	Office equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>				
<b>2023</b>				
Balance at 1 April 2022	544	3	13	560
Additions	38	15	37	90
Depreciation	(441)	(3)	(14)	(458)
Modifications to lease term	243	–	–	243
Balance at 31 March 2023	384	15	36	435
<b>2022</b>				
Balance at 1 April 2021	420	6	26	452
Additions	203	–	–	203
Depreciation	(394)	(3)	(13)	(410)
Modifications to lease term	314	–	–	314
Currency translation differences	1	–	–	1
Balance at 31 March 2022	544	3	13	560

	Company	
	2023 \$'000	2022 \$'000
<b>Office premises</b>		
<b>Cost</b>		
Balance at beginning of financial year	94	–
Additions	–	94
Depreciation	(94)	–
Modifications to lease term	101	–
Balance at end of financial year	101	94

## 7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 \$'000	2022 \$'000
Unquoted equity shares, at cost	17,060	16,100
Allowance for impairment loss	–	(545)
	17,060	15,555

During the financial year, the Company subscribed for an additional 959,926 new ordinary shares at \$1.00 per ordinary share in the Group's wholly-owned subsidiary, Jason Asia Pte Ltd ("JAPL"). The consideration of \$959,926 was satisfied in full by capitalising an equivalent sum due from JAPL to the Company, where \$443,262 was being novated from another subsidiary to JAPL.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Movements in allowance for impairment loss are as follows:

	Company	
	2023 \$'000	2022 \$'000
Balance at beginning of financial year	545	545
Reversal of allowance loss during the financial year	(545)	–
Balance at end of financial year	–	545

During the financial year, the Company carried out a review of the recoverable amount of an investment in a subsidiary under the segment of sale of goods as the subsidiary has generated revenue and profit for the financial year ended 31 March 2023. The review led to recognition of a reversal of an allowance for impairment loss of \$545,000 as the recoverable amount exceeded its cost of investment. The recoverable amount which is based on value-in-use computations, with discount rate of 7.5% and terminal growth rate of 2%, amounted to approximately \$2,656,000.

### Sensitivity to changes in key assumptions

With regards to the assessment of recoverable amounts of investments in subsidiaries, management believes that except for the above subsidiary, no reasonably possible changes in any of the key assumptions would cause the net carrying amounts of the investments in subsidiaries to materially exceed their recoverable amounts. However, in respect of the above subsidiary, unfavourable changes to the key assumptions would result in the value-in-use calculations to be lower than the carrying amount of the investment in that subsidiary.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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		Proportion of ownership interest held by non-controlling interests	
		2023	2022	2023	2022
		%	%	%	%
<b>Held by the Company</b>					
Jason Electronics (Pte) Ltd <sup>(1)</sup> (Singapore)	Design, integration, installation and commissioning of radio, satellite communication and navigational systems	100	100	–	–
Jason Asia Pte Ltd <sup>(1)</sup> (Singapore)	Sales and service of marine communication and navigational systems	100	100	–	–
Jason Venture Pte. Ltd. <sup>(1)</sup> (Singapore)	Investment holding	100	100	–	–
Jason Energy Pte. Ltd. <sup>(1)</sup> (Singapore)	Sales and service of marine communication, navigational and automation systems	100	100	–	–
Marine Innovation Pte. Ltd. <sup>(1)</sup> (Singapore)	Sales and service of marine communication, navigational and automation systems	100	100	–	–
<b>Held by Jason Venture Pte. Ltd.</b>					
Jason Elektronik (M) Sdn. Bhd. <sup>(2)</sup> (Malaysia)	Trading and servicing of communication, navigational and automation systems	100	100	–	–
Jason (Shanghai) Co., Ltd <sup>(3)</sup> (People's Republic of China)	Sales and service of radio, satellite communication and navigational systems	100	100	–	–
PT Jason Elektronika <sup>(4)</sup> (Indonesia)	Import trading, maintenance and support services of communication, navigational and automation equipment and spares	99	99	–	–
Jason Korea Co., Ltd. <sup>(5)</sup> (South Korea)	Dormant	51	51	49	49
Koden Singapore Pte. Ltd. <sup>(1)</sup> (Singapore)	Marketing, sales, distribution and servicing of marine electronic products	60	60	40	40



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows: (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	
		2023	2022	2023	2022
		%	%	%	%
<b>Held by Jason Venture Pte. Ltd.</b>					
(Continued)					
Jason Marine Electronics Spain, S.L. <sup>(5)</sup> (Spain)	Service of marine electronics equipment and related services to vessels	100	100	–	–
<b>Held by Jason Asia Pte Ltd</b>					
PT Jason Elektronika <sup>(4)</sup> (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 KAP Tanubrata Sutanto Fahmi Bambang & Rekan, Indonesia, a member of BDO International Limited

(5) Not required to be audited in the country of incorporation

## 8. INVESTMENTS IN ASSOCIATES

	Group	
	2023 \$'000	2022 \$'000
Balance at beginning of financial year	69	76
Share of results of associates, net of tax	27	(7)
Balance at end of financial year	<u>96</u>	<u>69</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 8. INVESTMENTS IN ASSOCIATES (CONTINUED)

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	
		2023	2022
		%	%
Jason Electronics (Thailand) Co., Ltd <sup>(1)</sup> (Thailand)	Sales and service of radio, satellite communications and navigational system	49	49

(1) Audited by Ruk Pattanavibul, Chartered Accountant, Thailand

No summarised financial information of the Group's investment in associates was presented as the associate is not significant to the Group.

## 9. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group	
	2023 \$'000	2022 \$'000
Balance at beginning of financial year	281	260
Fair value changes recognised in other comprehensive income, net	(37)	21
Derecognition of financial assets, at FVOCI	(238)	–
Balance at end of financial year	<u>6</u>	<u>281</u>
Quoted equity securities:		
– Singapore Exchange Securities Trading Limited in Singapore	6	7
Unquoted equity securities	–	274
	<u>6</u>	<u>281</u>

The Group designated these investments as financial assets, at fair value through other comprehensive income ("FVOCI") because the Group intends to hold these investments for the long-term strategic purposes and believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long-term.

During the financial year, the Group's investment in one of the unquoted equity securities was derecognised as the investee was voluntarily liquidated. The Group received proceeds of \$238,000 and the related fair value reserve of \$34,000 was transferred to retained earnings upon the derecognition of the investment.

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

In previous financial year, the fair value of the Group's investment in unquoted equity securities was valued by an independent valuation firm and the valuation techniques used to derive the fair value is adjusted Net Asset Value ("NAV") method as disclosed in Note 33.6 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 9. FINANCIAL ASSETS, AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The currency profiles of financial assets measured at FVOCI as at the end of the reporting period are as follows:

	Group	
	2023 \$'000	2022 \$'000
Singapore dollar	6	7
Chinese renminbi	–	274
	<u>6</u>	<u>281</u>

### 10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Non-current</b>				
Finance lease receivables – third parties	2	70	–	–
Other receivables – third parties	–	11	–	–
	<u>2</u>	<u>81</u>	<u>–</u>	<u>–</u>
<b>Current</b>				
Trade receivables				
– third parties	6,901	4,616	–	–
– finance lease receivables – third parties	143	104	–	–
– goods and services tax receivables	117	139	–	–
	<u>7,161</u>	<u>4,859</u>	<u>–</u>	<u>–</u>
Allowance for impairment loss on doubtful trade receivables – third parties	(704)	(635)	–	–
Trade receivables from third parties	6,457	4,224	–	–
Trade receivables from an associate	9	118	–	–
Trade receivables from subsidiaries	–	–	1,798	2,215
	<u>6,466</u>	<u>4,342</u>	<u>1,798</u>	<u>2,215</u>
Other receivables				
– third parties	59	37	14	1
– subsidiaries	–	–	945	1,115
	<u>59</u>	<u>37</u>	<u>959</u>	<u>1,116</u>
Allowance for impairment loss on doubtful other receivables – subsidiaries	–	–	(935)	(578)
	<u>59</u>	<u>37</u>	<u>24</u>	<u>538</u>
Security and other deposits	71	86	3	–
Advances to suppliers	251	388	–	–
Advances to staff	46	6	–	–
Total trade and other receivables	<u>6,895</u>	<u>4,940</u>	<u>1,825</u>	<u>2,753</u>
Add:				
– Cash and cash equivalents (Note 15)	14,535	18,957	3,489	4,994
Less:				
– Advances to suppliers	(251)	(388)	–	–
– Goods and services tax receivables	(117)	(139)	–	–
Financial assets carried at amortised cost	<u>21,062</u>	<u>23,370</u>	<u>5,314</u>	<u>7,747</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 10. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables are unsecured, interest-free and generally on 30 to 90 (2022: 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 are unsecured, interest-free and repayable on demand (2022: except for a loan amounting to \$500,000 which was unsecured, bore interest of 5% per annum and was repayable on 31 March 2023).

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.

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

	Group	
	2023	2022
	\$'000	\$'000
Balance at beginning of financial year	635	701
Allowance made during the financial year	142	18
Write-back of allowance during the financial year	(42)	(73)
Allowance written off during the financial year	(13)	(13)
Currency translation differences	(18)	2
Balance at end of financial year	704	635

During the financial year, the Group reviewed the recoverability of the trade receivables from third parties, the review led to the recognition of an impairment loss of \$142,000 (2022: \$18,000).

The write-back of allowance for impairment loss on doubtful trade receivables from third parties amounting to approximately \$42,000 (2022: \$73,000) was recognised in profit or loss when the related trade receivables were subsequently recovered.

Bad debts written off amounted to \$16,000 (2022: \$Nil) was recognised in "Other expenses" line item in profit or loss subsequent to a debt recovery assessment performed by management during the financial year.

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

	Company	
	2023	2022
	\$'000	\$'000
Balance at beginning of financial year	578	578
Allowance made during the financial year	357	-
Balance at end of financial year	935	578

As at 31 March 2023, the allowance for impairment loss of \$935,000 (2022: \$578,000) is credit-impaired as the subsidiary is in financial difficulties.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 10. TRADE AND OTHER RECEIVABLES (CONTINUED)

#### Finance lease receivables

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Amount receivable under finance leases</b>				
Within one year	146	109	143	104
In second to fifth year inclusive	2	71	2	70
	148	180	145	174
Less: Unearned finance income	(3)	(6)	–	–
Present value of minimum lease payments receivables	145	174	145	174

	Group	
	2023	2022
	\$'000	\$'000
Analysed as:		
Current	143	104
Non-current	2	70
	145	174

The Group enters into finance lease arrangements for certain of its marine equipment for a term of 2 to 3 years (2022: 2 to 3 years). All finance leases are denominated in United States dollar.

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.

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

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
United States dollar	3,130	2,249	–	–
Singapore dollar	3,227	2,194	1,825	2,753
Euro	330	107	–	–
Indonesian rupiah	144	167	–	–
Chinese renminbi	12	7	–	–
Others	52	216	–	–
	6,895	4,940	1,825	2,753

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 11. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2023	2022
	\$'000	\$'000
<i>Deferred tax assets</i>		
Balance at beginning of financial year	8	5
(Charged)/Credited to profit or loss	(2)	3
Balance at end of financial year	6	8
<i>Deferred tax liabilities</i>		
Balance at beginning and end of financial year	(3)	(3)

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% (2022: 17%).

## 12. INVENTORIES

	Group	
	2023	2022
	\$'000	\$'000
Trading goods	4,590	3,312

The cost of inventories recognised as an expense and included in "Cost of sales" line item in profit or loss was approximately \$12,722,000 (2022: \$14,031,000) for the financial year ended 31 March 2023.

As at 31 March 2023, the Group carried out a review of the realisable value of its inventories and the review led to an allowance for inventory obsolescence of \$125,000 (2022: \$508,000) and inventory written off of \$Nil (2022: \$106,000) included in "Other expenses" line item in profit or loss.

## 13. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2023	2022
	\$'000	\$'000
<i>Contract assets</i>		
– sale of marine satellite, communications and navigational systems	5,401	7,315
– allowance for impairment loss on contract assets	(101)	(101)
	5,300	7,214
<i>Contract liabilities</i>		
– sale of marine satellite, communications and navigational systems	1,931	2,484



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 13. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

The contract assets mainly relate to the Group's rights to consideration for sale and installation of marine satellite, communications and navigational systems but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional.

The contract liabilities mainly relate to the Group's obligation for sale and installation of marine satellite, communications and navigational systems to customers for which the Group has received advances from customers ahead of the sale and installation of marine satellite, communications and navigational systems.

a) Revenue recognised in relation to contract liabilities

	2023 \$'000	2022 \$'000
Revenue recognised in current period that was included in the contract liability balance at the beginning of the period		
– sale of marine satellite, communications and navigational systems	1,273	1,251

b) Significant changes in contract assets

Contract assets in relation to marine satellite, communications and navigational systems amounting to approximately \$5,097,000 (2022: \$7,047,000) have been transferred to trade receivables when the rights become unconditional.

In previous financial years, impairment loss on contract assets from two customers was recognised as they were not likely to repay the outstanding balances mainly due to economic circumstances or who had defaulted in payment terms. There was no movement in allowance for impairment loss on contract assets during the financial years ended 31 March 2023 and 31 March 2022.

c) Remaining performance obligation

Certain contracts have been entered into for which both:

- the original contractual period was greater than 12 months; and
- the Group's right to consideration does not correspond directly with the performance.

As of 31 March 2023, the aggregate amount of the transaction price allocated to the remaining performance obligations is approximately \$9,579,000 (2022: \$11,353,000) and the Group will recognise the revenue as the work is completed, which is expected to occur over the next 24 months.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 14. DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2023	2022
	\$'000	\$'000

### Assets

Forward foreign currency contracts	28	–
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### Forward foreign currency contracts

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

The Group is a party to forward foreign currency contracts 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 contracts to which the Group committed are as follows:

	Foreign currency		Notional amount		Fair value	
	2023	2022	2023	2022	2023	2022
	USD'000	USD'000	\$'000	\$'000	\$'000	\$'000

### Forward foreign currency contracts:

- Sell United States dollar	500	–	689	–	28	–
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The fair value of the forward foreign currency contracts is determined based on quoted market prices for equivalent contracts at the end of the reporting period.

The forward foreign currency contracts will be settled within 3 months after the end of the reporting period on a gross basis.

## 15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Fixed deposits	9,076	11,277	3,246	4,109
Cash and bank balances	5,459	7,680	243	885
Cash and cash equivalents as per statements of financial position	14,535	18,957	3,489	4,994

Fixed deposits are placed for a period of one month to twelve months (2022: one month to six months) and the effective interest rates on the fixed deposits are 1.50% to 4.20% (2022: 0.10% to 2.50%) per annum.

For the purpose of presenting consolidated statement of cash flows, cash and cash equivalents include short-term deposits with an average maturity of more than 3 months, as there is no significant cost or penalty in converting these deposits into liquid cash before maturity.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 15. CASH AND CASH EQUIVALENTS (CONTINUED)

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

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
United States dollar	2,401	2,495	4	4
Singapore dollar	10,314	13,843	3,485	4,990
Ringgit Malaysia	337	335	–	–
Indonesian rupiah	531	588	–	–
Euro	227	894	–	–
Chinese renminbi	710	786	–	–
Others	15	16	–	–
	<u>14,535</u>	<u>18,957</u>	<u>3,489</u>	<u>4,994</u>

### 16. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade payables				
– third parties	2,371	3,358	–	–
– goods and services tax payables	71	55	52	43
– an associate	12	46	–	–
– non-controlling interests	124	108	–	–
	<u>2,578</u>	<u>3,567</u>	<u>52</u>	<u>43</u>
Other payables				
– third parties	98	69	4	3
Accrued expenses	1,117	1,207	429	428
Customers' deposits				
– third parties	754	718	–	–
– an associate	5	5	–	–
Advances from customers	477	314	–	–
Total trade and other payables	<u>5,029</u>	<u>5,880</u>	<u>485</u>	<u>474</u>
Add:				
Loans and borrowings (Note 17)	3,271	4,262	–	–
Lease liabilities (Note 18)	428	540	101	94
Less:				
– Advances from customers	(477)	(314)	–	–
– Goods and services tax payables	(71)	(55)	(52)	(43)
Financial liabilities carried at amortised cost	<u>8,180</u>	<u>10,313</u>	<u>534</u>	<u>525</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 16. TRADE AND OTHER PAYABLES (CONTINUED)

Trade payables are unsecured, interest-free and repayable within the normal trade credit terms of 30 to 120 (2022: 30 to 120) days.

Other payables (non-trade) due to third parties are unsecured, interest-free and repayable within the normal credit terms of 30 (2022: 30) days.

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

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore dollar	1,613	1,721	485	474
United States dollar	2,488	3,401	–	–
Euro	638	458	–	–
Indonesian rupiah	125	155	–	–
Norwegian krone	72	–	–	–
Chinese renminbi	21	54	–	–
Others	72	91	–	–
	<u>5,029</u>	<u>5,880</u>	<u>485</u>	<u>474</u>

## 17. LOANS AND BORROWINGS

	Group	
	2023 \$'000	2022 \$'000
<b>Non-current</b>		
Term loans	<u>2,273</u>	<u>3,271</u>
<b>Current</b>		
Term loans	<u>998</u>	<u>991</u>
<b>Total loans and borrowings</b>	<u>3,271</u>	<u>4,262</u>

The effective interest rates of the loans and borrowings range from 2% to 2.5% per annum.

Term loans are mainly loans under the Enterprise Financing Scheme for working capital requirements. The government of Singapore introduced a general financial support scheme in response to the economic impacts of the COVID-19 coronavirus pandemic.

Loans and borrowings are secured by corporate guarantee provided by the Company.

The carrying amount of the Group's term loans approximates the fair value as the current lending rates for similar types of lending arrangements are not materially different from the rates obtained by the Group.

Loans and borrowings are denominated in Singapore dollar.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 18. LEASE LIABILITIES

	Office premises \$'000	Office equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Group</b>				
<b>2023</b>				
Balance at beginning of financial year	525	3	12	540
Additions	38	15	37	90
Interest expense	5	1	1	7
Modifications to lease term	243	–	–	243
Lease payments				
– Principal portion	(429)	(3)	(13)	(445)
– Interest portion	(5)	(1)	(1)	(7)
Balance at end of financial year	<u>377</u>	<u>15</u>	<u>36</u>	<u>428</u>
<b>2022</b>				
Balance at beginning of financial year	392	7	25	424
Additions	203	–	–	203
Interest expense	6	1	1	8
Modifications to lease term	314	–	–	314
Lease payments				
– Principal portion	(384)	(4)	(13)	(401)
– Interest portion	(6)	(1)	(1)	(8)
Balance at end of financial year	<u>525</u>	<u>3</u>	<u>12</u>	<u>540</u>

	Company	
	2023 \$'000	2022 \$'000
<b>Office premises</b>		
<b>Cost</b>		
Balance at beginning of financial year	94	–
Additions	–	94
Interest expense	1	–
Modifications to lease term	101	–
Lease payments		
– Principal portion	(94)	–
– Interest portion	(1)	–
Balance at end of financial year	<u>101</u>	<u>94</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 18. LEASE LIABILITIES (CONTINUED)

The maturity analysis of lease liabilities of the Group at each reporting date are as follows:

	Group	
	2023 \$'000	2022 \$'000
<b>Contractual undiscounted cash flows</b>		
– Not later than a year	403	421
– After one year but within five years	34	126
Less: Future interest expense	(9)	(7)
Present value of lease liabilities	<u>428</u>	<u>540</u>
Presented in consolidated statement of financial position		
– Current	396	415
– Non-current	32	125
	<u>428</u>	<u>540</u>
	Company	
	2023 \$'000	2022 \$'000
<b>Contractual undiscounted cash flows</b>		
– Not later than a year	103	95
Less: Future interest expense	(2)	(1)
Present value of lease liabilities	<u>101</u>	<u>94</u>
Presented in consolidated statement of financial position		
– Current	101	94
– Non-current	–	–
	<u>101</u>	<u>94</u>

The Group leases a number of office premises, office equipment and motor vehicles with fixed payments over the lease terms.

Certain office equipment of the Group qualify for low value leases and the Group also leases certain properties on the short-term basis (i.e. 12 months). The election of short-term leases is made by class of underlying assets with similar nature and use in the Group's operation whereas the low-value lease exemption is made on a lease-by-lease basis.

As at 31 March 2023, the average incremental borrowing rate applied in the lease liabilities measurement was 4% (2022: 2%) per annum.

Total cash outflow for all the leases was \$545,000 (2022: \$487,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 18. LEASE LIABILITIES (CONTINUED)

The currency profiles of lease liabilities as at the end of the reporting period are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Singapore dollar	421	540	101	94
Ringgit Malaysia	7	–	–	–
	<u>428</u>	<u>540</u>	<u>101</u>	<u>94</u>

## 19. SHARE CAPITAL

	Group and Company	
	2023 \$'000	2022 \$'000

### Issued and fully-paid

106,000,000 ordinary shares at beginning and end of financial year	<u>17,967</u>	<u>17,967</u>
--	---------------	---------------

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.

## 20. TREASURY SHARES

	Group and Company			
	Number of ordinary shares		Amount	
	2023 '000	2022 '000	2023 \$'000	2022 \$'000
Balance at beginning and end of financial year	<u>1,000</u>	<u>1,000</u>	<u>255</u>	<u>255</u>

## 21. FAIR VALUE ADJUSTMENT RESERVE

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of financial assets measured at FVOCI until they are derecognised. Upon derecognition, the cumulative fair value changes will be transferred to retained earnings.

## 22. 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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 23. RETAINED EARNINGS

Movements of retained earnings of the Company are as follows:

	Company	
	2023 \$'000	2022 \$'000
Balance at beginning of financial year	5,126	4,278
Total comprehensive income for the financial year	367	1,636
Dividends	(1,313)	(788)
Balance at end of financial year	4,180	5,126

## 24. REVENUE

The Group has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors; and
- enable users to understand the relationship with revenue segment information provided in Note 32 to the financial statements.

	Group	
	2023 \$'000	2022 \$'000
<i>Type of goods and services</i>		
Sale of goods	19,408	20,873
Rendering of services	9,112	7,957
Airtime revenue	1,812	2,094
	30,332	30,924

### *Timing of transfer of goods and services*

	Sale of goods \$'000	Rendering of services \$'000	Airtime revenue \$'000	Total \$'000
<b>2023</b>				
Point in time	12,109	8,446	403	20,958
Over time	7,299	666	1,409	9,374
	19,408	9,112	1,812	30,332
<b>2022</b>				
Point in time	8,865	7,211	282	16,358
Over time	12,008	746	1,812	14,566
	20,873	7,957	2,094	30,924

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 25. OTHER INCOME

	Group	
	2023 \$'000	2022 \$'000
Accrued expense written off	43	6
Dividend income from investment in financial assets, at FVOCI	26	37
Write-back of trade payables	5	156
Fair value gain on derivative financial instruments, net	28	37
Finance lease income	10	3
Foreign exchange gain, net	–	74
Gain on disposal of plant and equipment	2	9
Government grants – Jobs Support Scheme	–	167
Government grants – others	197	199
Interest income	153	42
Insurance claim	31	–
Sundry income	40	62
	535	792

## 26. FINANCE COSTS

	Group	
	2023 \$'000	2022 \$'000
Interest expenses on:		
– lease liabilities (Note 18)	7	8
– loans and borrowings	82	76
	89	84

## 27. 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	
	2023 \$'000	2022 \$'000
<i>Cost of sales</i>		
Depreciation of plant and equipment	220	235
<i>Distribution costs</i>		
Advertisement and promotion	51	45
Depreciation of plant and equipment	50	–
Entertainment and gifts	157	81
Transportation and travelling	150	48

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 27. PROFIT BEFORE INCOME TAX (CONTINUED)

	Group	
	2023	2022
	\$'000	\$'000
<i>General and administrative expenses</i>		
Audit fees		
– auditors of the Company	113	95
– other auditors – network firms	7	7
– other auditors – non-network firms	10	10
Non-audit fees		
– other auditors – non-network firms	21	21
Depreciation of plant and equipment	84	127
Depreciation of right-of-use assets	458	410
Amortisation of intangible asset	52	13
Short term leases expenses	87	72
Low value leases expenses	6	6
Legal and professional fees	426	474
	<hr/>	<hr/>
<i>Other expenses</i>		
Allowance for inventory obsolescence	125	508
Bad debts written off	16	–
Foreign exchange loss, net	344	–
Inventory written off	–	106
Plant and equipment written off	2	1
	<hr/>	<hr/>
(Allowance for)/Write-back of impairment loss on trade receivables, net	(100)	55

The profit before income tax also includes:

	Group	
	2023	2022
	\$'000	\$'000
<i>Employee benefits expense</i>		
Salaries, wages and bonuses	8,351	7,852
Contributions to defined contribution plans	1,043	1,003
Other employee benefits	95	154
	<hr/>	<hr/>
	9,489	9,009

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

	Group	
	2023	2022
	\$'000	\$'000
Cost of sales	2,396	2,149
Distribution costs	4,988	4,838
General and administrative expenses	2,105	2,022
	<hr/>	<hr/>
	9,489	9,009

The employee benefits expense include the remuneration of Directors as shown in Note 31 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 28. INCOME TAX EXPENSE

	Group	
	2023 \$'000	2022 \$'000
Current income tax		
– current financial year	64	56
– under/(over) provision in respect of prior financial years	39	(10)
	<u>103</u>	<u>46</u>
Deferred income tax		
– current financial year	2	(3)
Total income tax expense recognised in profit or loss	<u>105</u>	<u>43</u>

### Reconciliation of effective income tax rate

	Group	
	2023 \$'000	2022 \$'000
Profit before income tax	250	276
Share of results of associates	(27)	7
	<u>223</u>	<u>283</u>
Income tax calculated at Singapore's statutory income tax rate of 17% (2022: 17%)	38	48
Effect of different income tax rates in other countries	(7)	28
Expenses not deductible for income tax purposes	109	53
Income not subject to income tax	(13)	(98)
Tax exemption	(30)	–
Deferred tax assets not recognised	110	48
Under/(Over) provision in respect of prior financial years	39	(10)
Utilisation of deferred tax assets previously not recognised	(91)	(45)
Others	(50)	19
Total income tax expense recognised in profit or loss	<u>105</u>	<u>43</u>

### Unrecognised deferred tax assets

	Group	
	2023 \$'000	2022 \$'000
Balance at beginning of financial year	254	251
Addition during the financial year	110	48
Utilisation during the financial year	(91)	(45)
Forfeiture during the financial year	(11)	–
Currency translation differences	(6)	–
Balance at end of financial year	<u>256</u>	<u>254</u>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 28. INCOME TAX EXPENSE (CONTINUED)

As at 31 March 2023, the Group has unutilised tax losses of approximately \$1,024,000 (2022: \$1,098,000) and other deductible temporary differences of \$18,000 (2022: \$32,000) 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 legislations. 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 \$325,000 (2022: \$524,000) 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 the subsidiary are as follows:

	2023		2022	
	\$'000	Expiry date	\$'000	Expiry date
<b>Year of tax losses</b>				
2018	–	–	199	December 2022
2019	238	December 2023	238	December 2023
2021	87	December 2025	87	December 2025

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 2.17 to the financial statements.

## 29. EARNINGS PER SHARE

The calculation for earnings per share is based on:

	Group	
	2023	2022
Profit attributable to owners of the parent (\$'000)	140	240
Actual 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)	0.13	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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 30. DIVIDENDS

	Group and Company	
	2023 \$'000	2022 \$'000
Final tax-exempt dividend of 0.75 cent per share in respect of financial year ended 31 March 2021	–	788
Final tax-exempt dividend of 0.75 cent per share in respect of financial year ended 31 March 2022	788	–
Special tax-exempt dividend of 0.25 cent per share in respect of financial year ended 31 March 2022	262	–
Interim tax-exempt dividend of 0.25 cent per share in respect of financial year ended 31 March 2023	263	–
	<u>1,313</u>	<u>788</u>

The Directors recommend a final tax-exempt dividend of 0.75 cent per share amounting approximately \$787,500 to be paid in respect of the current financial year ended 31 March 2023.

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 2023.

## 31. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Subsidiaries</b>				
Management fees income	–	–	2,991	2,585
Advances to	–	–	357	500
<b>Related parties</b>				
Rental expense for office premises*	240	225	95	–
Purchases**	497	196	–	–
<b>Associates</b>				
Sales	28	124	–	–
Services	101	61	–	–

\* 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 one of its Directors, Mr Foo Chew Tuck has beneficial interests.

\*\* The Group has made purchases from Koden Electronics Co., Ltd, incorporated in Japan, which has significant influence in a subsidiary of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 31. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

The outstanding balances in respect of the above related party transactions are disclosed in Notes 10 and 16 to the financial statements.

### *Compensation of key management personnel*

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

	Group	
	2023 \$'000	2022 \$'000
Short-term employee benefits	484	486
Post-employment benefits	9	9
Directors' fees	235	210
	728	705

## 32. 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, Cyprus, 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 installation 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 32. SEGMENT INFORMATION (CONTINUED)

	Sale of goods \$'000	Rendering of services \$'000	Airtime revenue \$'000	Unallocated \$'000	Eliminations \$'000	Total \$'000
<b>2023</b>						
<b>Revenue</b>						
External revenue	19,408	9,112	1,812	–	–	30,332
Inter-segment revenue	2,094	952	2	2,991	(6,039)	–
	21,502	10,064	1,814	2,991	(6,039)	30,332
<b>Results</b>						
Fair value gain on derivative financial instruments, net	–	–	–	28	–	28
(Allowance for)/Write- back of impairment loss on trade receivables, net	21	(113)	6	(14)	–	(100)
Interest income	–	–	–	163	–	163
Depreciation of plant and equipment and right-of-use assets	(349)	(401)	(22)	(40)	–	(812)
Allowance for inventory obsolescence	(125)	–	–	–	–	(125)
Amortisation of intangible asset	–	–	–	(52)	–	(52)
Share of results of associates	–	–	–	27	–	27
Segment profit/(loss)	335	1,503	(106)	1,509	(2,991)	250



**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**32. SEGMENT INFORMATION (CONTINUED)**

	Sale of goods \$'000	Rendering of services \$'000	Airtime revenue \$'000	Unallocated \$'000	Eliminations \$'000	Total \$'000
<b>2023</b>						
<b>Addition to non-current assets</b>						
Intangible assets	–	–	–	195	–	195
Plant and equipment	3	202	4	52	–	261
Right-of-use assets	55	31	4	–	–	90
	<u>58</u>	<u>233</u>	<u>8</u>	<u>247</u>	<u>–</u>	<u>546</u>
<b>Assets and liabilities</b>						
Segment assets	15,673	3,415	602	35,224	(21,846)	33,068
Financial assets, at FVOCI	–	–	–	6	–	6
Investments in associates	–	–	–	96	–	96
	<u>15,673</u>	<u>3,415</u>	<u>602</u>	<u>35,326</u>	<u>(21,846)</u>	<u>33,170</u>
Segment liabilities	7,090	5,209	515	9,319	(11,471)	10,662
Current income tax payable	5	7	1	13	–	26
	<u>7,095</u>	<u>5,216</u>	<u>516</u>	<u>9,332</u>	<u>(11,471)</u>	<u>10,688</u>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 32. SEGMENT INFORMATION (CONTINUED)

	Sale of goods \$'000	Rendering of services \$'000	Airtime revenue \$'000	Unallocated \$'000	Eliminations \$'000	Total \$'000
<b>2022</b>						
<b>Revenue</b>						
External revenue	20,873	7,957	2,094	–	–	30,924
Inter-segment revenue	1,591	1,052	2	2,585	(5,230)	–
	22,464	9,009	2,096	2,585	(5,230)	30,924
<b>Results</b>						
Fair value gain on derivative financial instruments, net	–	–	–	37	–	37
(Allowance for)/ Write-back of impairment loss on trade receivables, net	19	(9)	(6)	51	–	55
Interest income	–	–	–	45	–	45
Inventory written off	(106)	–	–	–	–	(106)
Depreciation of plant and equipment and right-of-use assets	(185)	(396)	(48)	(143)	–	(772)
Allowance for inventory obsolescence	(508)	–	–	–	–	(508)
Amortisation of intangible asset	–	–	–	(13)	–	(13)
Share of results of associates	–	–	–	(7)	–	(7)
Segment profit/(loss)	(648)	1,419	(76)	2,166	(2,585)	276

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**32. SEGMENT INFORMATION (CONTINUED)**

	Sale of goods \$'000	Rendering of services \$'000	Airtime revenue \$'000	Unallocated \$'000	Eliminations \$'000	Total \$'000
<b>2022</b>						
<b>Addition to non-current assets</b>						
Plant and equipment	4	342	58	72	–	476
Right-of-use assets	–	–	–	203	–	203
	4	342	58	275	–	679
<b>Assets and liabilities</b>						
Segment assets	15,066	2,483	466	38,728	(20,295)	36,448
Financial assets, at FVOCI	–	–	–	281	–	281
Investments in associates	–	–	–	69	–	69
	15,066	2,483	466	39,078	(20,295)	36,798
Segment liabilities	8,657	5,313	670	10,199	(11,670)	13,169
Current income tax payable	10	15	7	–	–	32
	8,667	5,328	677	10,199	(11,670)	13,201

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 32. 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	
	2023 \$'000	2022 \$'000
<b>Revenue from external customers</b>		
Singapore	13,831	18,070
Indonesia	4,506	2,884
Cyprus	1,330	512
People's Republic of China	1,266	1,841
Malaysia	1,059	706
Denmark	816	257
Others*	7,524	6,654
	<u>30,332</u>	<u>30,924</u>

\* "Others" include France, Norway, Greece, Japan, Vietnam, Hong Kong, Germany, Taiwan, United Kingdom, United Arab Emirates, Saudi Arabia, Philippines, India, Netherlands, Australia, United States and etc of which none of these countries contributes individually more than 10% of the Group's revenue.

	Group	
	2023 \$'000	2022 \$'000
<b>Non-current assets</b>		
Singapore	1,286	1,473
Others	218	139
	<u>1,504</u>	<u>1,612</u>

Non-current assets information presented above excludes financial assets, at FVOCI, deferred tax assets, and non-current trade and other receivables.

### Major customers

During the financial year, revenue from one (2022: one) customer amounting to approximately \$3,794,000 (2022: \$9,390,000) under sale of goods segment, represents approximately 13% (2022: 30%) of total revenue.

## 33. 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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

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.

### 33.1 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.

As at the end of the reporting period, the Group has one (2022: two) major customer which has net trade receivables and contract assets amounting to approximately \$329,000 (2022: \$607,000) and \$4,004,000 (2022: \$6,664,000) respectively.

The Company has significant credit exposure arising from trade and other receivables due from two (2022: four) subsidiaries amounting to approximately \$1,790,000 (2022: \$2,752,000) as at 31 March 2023.

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

*Expected credit loss assessment for trade receivables, finance lease receivables and contract assets as at 31 March 2023*

The Group determines expected credit losses on trade receivables, finance lease receivables and contract assets by making individual assessment of expected credit loss for long overdue balances, and using a provision matrix that is based on its historical credit loss experience, past due status and adjusted with forward looking assumptions, as appropriate. Management also takes into account historical provision trend and other relevant factors.

The allowance matrix is based on actual credit loss experience over the past three years. The expected credit loss computed is derived from historical data and credit assessment includes forward-looking information which management is of the view that customer conditions are representative at the reporting date.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that financial instruments presented in the consolidated statement of financial position, except for corporate guarantees to banks for performance guarantees given to customers of a subsidiary amounting to approximately \$2,454,000 (2022: \$3,560,000) and the corporate guarantee given by the Company for loans and borrowings provided to a subsidiary which amounted to \$3,271,000 (2022: \$4,262,000) as disclosed in Note 33.3 to the financial statements.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables (third parties), finance lease receivables and contract assets of the Group as at 31 March 2023.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### 33.1 Credit risk (Continued)

*Expected credit loss assessment for trade receivables, finance lease receivables and contract assets as at 31 March 2023* (Continued)

	Current \$'000	1 to 30 days past due \$'000	31 to 60 days past due \$'000	61 to 90 days past due \$'000	More than 90 days past due \$'000	Total \$'000
<b>31 March 2023</b>						
Gross carrying amount of trade receivables	3,759	1,378	452	233	1,079	6,901
Finance lease receivables	145	–	–	–	–	145
Contract assets	5,401	–	–	–	–	5,401
Less: Loss allowance	(110)	(9)	(4)	(2)	(680)	(805) <sup>#</sup>
	<u>9,195</u>	<u>1,369</u>	<u>448</u>	<u>231</u>	<u>399</u>	<u>11,642</u>
<b>31 March 2022</b>						
Gross carrying amount of trade receivables	2,146	691	340	141	1,298	4,616
Finance lease receivables	174	–	–	–	–	174
Contract assets	7,315	–	–	–	–	7,315
Less: Loss allowance	(105)	(3)	(2)	(1)	(625)	(736) <sup>#</sup>
	<u>9,530</u>	<u>688</u>	<u>338</u>	<u>140</u>	<u>673</u>	<u>11,369</u>

<sup>#</sup> This amount includes \$775,000 (2022: \$722,000) which is related to credit-impaired balances from several customers who are not likely to repay the outstanding balances mainly due to economic circumstances or who have defaulted in payment terms.

#### Other receivables due from third parties

The Group has assessed credit risk for other receivables amounts due from third parties based on 12-month expected loss basis which reflects the low credit risk of the exposures. Management is of the view that the amount of the allowance on remaining balances is insignificant.

#### Other receivables due from subsidiaries

Management has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. Management monitors and assess at each reporting date on any indicator of significant increase in credit risk on the amount due from the respective subsidiaries, by considering their performance ratio and any default in external debts. At the end of the reporting period, the Company has assessed its subsidiaries' financial performance to meet the contractual cash flow obligations. As disclosed in Note 10 to the financial statements, the other receivables due from a subsidiary which amounted to \$935,000 (2022: \$578,000), is fully credit-impaired as that subsidiary is in financial difficulties.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### 33.1 Credit risk (Continued)

#### Cash and cash equivalents

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

The cash and cash equivalents are held with bank and financial institution which are rated Baa3 to Aa1, based on Moody's rating. The Board of Directors monitors the credit ratings of counterparties regularly. Impairment on cash and cash equivalents has been measured on the 12-month expected loss model. At the reporting date, the Group and the Company do not expect any credit losses from non-performance by the counterparties.

### 33.2 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 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 a financial institution to mitigate the foreign currency risk (mainly export sales and import purchases).

The carrying amounts of the Group's significant foreign currency denominated financial assets and financial liabilities, excluding those which are denominated in the respective subsidiaries' functional currencies, at the end of the reporting period are as follows:

	Group	
	2023	2022
	\$'000	\$'000
<b>Financial assets</b>		
United States dollar	4,895	4,096
Euro	383	770
Chinese renminbi	696	756
Others	78	81
	78	81
<b>Financial liabilities</b>		
United States dollar	1,808	2,842
Euro	463	400
Chinese renminbi	3	15
Others	147	134
	147	134

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### 33.2 Foreign currency risk (Continued)

#### *Foreign exchange risk management* (Continued)

The Company's exposure to foreign currency risks is insignificant.

#### *Foreign currency sensitivity analysis*

The following table details the Group's sensitivity to a 10% (2022: 5%) change in United States dollar, Euro and Chinese renminbi against Singapore dollar. The sensitivity analysis assumes an instantaneous 10% (2022: 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 before tax 2023 \$'000	2022 \$'000
<i>United States dollar</i>		
Strengthened against Singapore dollar	309	63
Weakened against Singapore dollar	(309)	(63)
<i>Euro</i>		
Strengthened against Singapore dollar	(8)	19
Weakened against Singapore dollar	8	(19)
<i>Chinese renminbi</i>		
Strengthened against Singapore dollar	69	37
Weakened against Singapore dollar	(69)	(37)

### 33.3 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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### 33.3 Liquidity risk (Continued)

#### Contractual maturity analysis

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

	Within one year \$'000	After one year but within five years \$'000	Total \$'000
<b>Group</b>			
<b>2023</b>			
<b>Financial liabilities</b>			
Trade and other payables (excluding advances from customers and goods and services tax)	4,481	–	4,481
Loans and borrowings	1,059	2,331	3,390
Lease liabilities	403	34	437
	5,943	2,365	8,308
<b>2022</b>			
<b>Financial liabilities</b>			
Trade and other payables (excluding advances from customers and goods and services tax)	5,511	–	5,511
Loans and borrowings	1,073	3,389	4,462
Lease liabilities	421	126	547
	7,005	3,515	10,520

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 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### 33.3 Liquidity risk (Continued)

#### *Contractual maturity analysis* (Continued)

	Within one financial year		Within two to five financial years	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Company</b>				
Financial guarantees provided for performance guarantees given to customers of a subsidiary	1,255	1,352	1,199	2,208
Financial guarantees provided for banking facilities of a subsidiary	3,271	4,262	–	–

As at 31 March 2023, the Company has provided corporate guarantees to banks for performance guarantees given to customers of a subsidiary amounting to approximately \$2,454,000 (2022: \$3,560,000). For the corporate guarantees issued, the Company has assessed that the subsidiary has sufficient financial capabilities to meet its contractual cash flows obligation in the near future, hence, does not expect any material loss allowance under 12-month expected credit loss model.

As at 31 March 2023, the total amount of loans outstanding due from a subsidiary covered by the guarantees provided by the Company amounted to \$3,271,000 (2022: \$4,262,000). Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the subsidiary failed to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facility. Accordingly, the Company does not expect any net cash outflows resulting from the financial guarantee contracts. The Company issues guarantees only for its subsidiaries.

### 33.4 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 market price risk arising from its investment in quoted equity securities. These securities are quoted on the Singapore Exchange Securities Trading Limited in Singapore and are classified as financial assets, at FVOCI.

#### *Sensitivity analysis for equity price risk*

At the end of the reporting period, no disclosure of the sensitivity analysis for equity price risk as the impact of equity price risk is not significant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### 33.5 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, treasury shares, fair value adjustment reserve, foreign currency translation reserve and retained earnings as disclosed in the consolidated statement of changes in equity of the Group.

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 to shareholders, return capital to shareholders, issues 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 is in compliance with externally imposed capital requirements which are the financial covenants in respect of the loans and borrowings as disclosed in Note 17 to the financial statements, for the financial year ended 31 March 2023 and 31 March 2022.

### 33.6 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).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### 33.6 Fair value of financial assets and financial liabilities (Continued)

*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 and other 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.

*Financial instruments by category*

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Financial assets</b>				
<i>Fair value through profit or loss</i>				
Derivative financial instruments (Note 14)	28	–	–	–
<i>Fair value through other comprehensive income</i>				
Financial assets, at fair value through other comprehensive income (Note 9)	6	281	–	–
Financial assets carried at amortised cost (Note 10)	21,062	23,370	5,314	7,747
	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Financial liabilities</b>				
Financial liabilities carried at amortised cost (Note 16)	8,180	10,313	534	525



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 33. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

### 33.6 Fair value of financial assets and financial liabilities (Continued)

#### *Fair value of financial instruments carried at fair value*

The fair value of financial assets, at FVOCI and derivative financial instruments are disclosed in Note 9 and Note 14 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
<b>Group</b>				
<b>31 March 2023</b>				
<b>Assets</b>				
Financial assets, at FVOCI				
– Quoted equity securities	6	–	–	6
Derivative financial instruments	–	28	–	28
	<u>6</u>	<u>28</u>	<u>–</u>	<u>34</u>
<b>31 March 2022</b>				
<b>Assets</b>				
Financial assets, at FVOCI				
– Quoted equity securities	7	–	–	7
– Unquoted equity securities	–	–	274	274
	<u>7</u>	<u>–</u>	<u>274</u>	<u>281</u>

There has been no transfer between Level 1, Level 2 and Level 3 during the period.

There have been no changes in the valuation techniques of the various classes of financial instruments during the financial year.

In previous financial year, 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.

#### 31 March 2022

Financial Instrument	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Unquoted equity securities	Adjusted Net Asset Value ("NAV") method	Discount rate of 13.0%	Increased discount rate would decrease fair value; decreased discount rate would increase fair value.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

## 34. CONTINGENT LIABILITIES

In June 2023, the Group received liquidated damages claims amounting to US\$270,200 (approximately \$359,000) from a customer pertaining to late deliveries for a project. The equipment for the project was scheduled to be delivered by second half of year 2020, but was delayed till first half of year 2021 due to unprecedented COVID-19 coronavirus pandemic, which resulted in component shortages and supply chain disruptions. The Group has not provided for such claims for liquidated damages as the management were of the opinion that the delay was due to circumstances beyond the Group's control. As at the date of financial statements, the Group is in continuous discussion with the customer to resolve the claims.

## 35. EVENTS SUBSEQUENT TO THE REPORTING DATE

In October 2020, the Group issued a notice to Mr Ung Gyu Kim ("Mr Kim"), the shareholder of eMarine Global Inc. ("eMarine Global") to exercise a put option to sell its entire eMarine Global investment for a consideration of KRW 1.53 billion (approximately \$1.8 million) including interest. No payment for the consideration was received by the Group previously as Mr Kim had filed for personal bankruptcy in Korea.

Subsequent to the end of the financial year, in May 2023, the Group received a notification from the bankruptcy trustee of Mr Kim that a final consideration amount of KRW 250.2 million (approximately \$251,000) representing around 16% of the original consideration amount including interest has been determined and was paid in June 2023. This is a non-adjusting event in accordance with SFRS(I) 1-10 *Events after the Reporting Period* and no amount has been recorded in the financial statements as at 31 March 2023 as the final consideration (inflow of economic benefits) was not virtually certain at the balance sheet date and was only determined subsequent to the end of the financial year.

# SHAREHOLDING STATISTICS

AS AT 16 JUNE 2023

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	139	32.25	133,700	0.13
1,001 – 10,000	122	28.31	762,800	0.73
10,001 – 1,000,000	165	38.28	13,300,300	12.67
1,000,001 & ABOVE	5	1.16	90,803,200	86.47
TOTAL	431	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	1,863,200	1.77
TAN LIAN HUAT	1,020,000	0.97
CHEW KENG SENG	1,000,000	0.95
SENG HONG NOI	736,000	0.70
PANG YOKE MIN	500,000	0.48
UOB KAY HIAN PTE LTD	460,700	0.44
DBS NOMINEES PTE LTD	454,400	0.43
RAFFLES NOMINEES (PTE) LIMITED	435,100	0.41
WONG HIN SUN EUGENE	369,100	0.35
SAHA ANSHUMAN MANABENDRANATH	325,000	0.31
ABN AMRO CLEARING BANK N.V.	271,500	0.26
YEAP LAM YANG	250,000	0.24
KUAH HONG SIM	250,000	0.24
LOH TEE YANG	247,500	0.24
TANG BEE YIAN	240,000	0.23
KEITH LIM CHEE KEONG	220,600	0.21
LIM JIUN YIH	216,100	0.21
TOTAL	96,779,200	92.17

SUBSTANTIAL SHAREHOLDER	DIRECT INTEREST	DEEMED INTEREST
FOO CHEW TUCK	81,300,000	–

## PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 16 June 2023, approximately 19.49% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

# NOTICE OF ANNUAL GENERAL MEETING

**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 Tuesday, 25 July 2023 at 10.00 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 2023, the Directors’ Statement and the Report of the Auditors thereon. **(Resolution 1)**
2. To approve the declaration of final dividend (one-tier tax exempt) of 0.75 Singapore cent per ordinary share in respect of the financial year ended 31 March 2023. **(Resolution 2)**
3. To approve the payment of Directors’ fees of S\$234,993 for the financial year ended 31 March 2023. (2022: S\$210,417) **(Resolution 3)**
4. To appoint Mr Shabbir s/o Hakimuddin Hassanbhai as Director pursuant to Article 84 of the Constitution of the Company. **(Resolution 4)**  
*[See Explanatory Note 1]*
5. To re-elect Mr Foo Chew Tuck, a Director retiring under Article 98 of the Constitution of the Company. **(Resolution 5)**  
*[See Explanatory Note 1]*
6. To re-elect Mr Wong Hin Sun, Eugene, a Director retiring under Article 98 of the Constitution of the Company. **(Resolution 6)**  
*[See Explanatory Note 1]*
7. To note the retirement of Mr Sin Hang Boon as a Director of the Company upon the conclusion of this AGM.  
  
*Upon the retirement of Mr Sin Hang Boon as Director of the Company, he will be relinquishing his position as Chairman of the Nominating Committee as well as a member of the Audit and Risk Committee and Remuneration Committee.*
8. To re-appoint Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

## SPECIAL BUSINESS

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

### 9. **AUTHORITY TO ALLOT AND ISSUE SHARES**

“THAT pursuant to Section 161 of the Companies Act 1967 of Singapore and subject to Rule 806 of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual – Section B: Rules of Catalist (“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:



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- (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 exercising share options or vesting share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent consolidation or subdivision of the Shares;

and adjustments made in accordance with sub-paragraphs (2)(a) and 2(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution 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.” **(Resolution 8)**  
*[See Explanatory Note 2]*

## 10. PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

“THAT:

- (1) for the purposes of the Catalist Rules and the Companies Act, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Maximum Limit (as defined hereinafter), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as defined hereinafter), whether by way of:
  - (a) market purchase(s) (each a “**Market Purchase**”) on the SGX-ST; and/or

## NOTICE OF ANNUAL GENERAL MEETING

- (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;

# NOTICE OF ANNUAL GENERAL MEETING

“**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.” **(Resolution 9)**  
*[See Explanatory Note 3]*

## 11. OTHER BUSINESS

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

## BY ORDER OF THE BOARD

Pan Mi Keay  
Company Secretary  
10 July 2023

## EXPLANATORY NOTES

1. Mr Shabbir s/o Hakimuddin Hassanbhai will, upon appointment as a Director of the Company, serve as a member of the Audit and Risk Committee, Nominating Committee and Remuneration Committee. He is considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Mr Foo Chew Tuck (Executive Chairman and Chief Executive Officer) is considered non-independent for the purposes of Rule 704(7) of the Catalist Rules.

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

Detailed information of Mr Shabbir s/o Hakimuddin Hassanbhai, Mr Foo Chew Tuck and Mr Wong Hin Sun, Eugene can be found under the “Board of Directors” and “Disclosure of Information on Directors seeking re-election pursuant to Rule 720(5) of the Catalist Rules” sections in the Company’s Annual Report 2023.

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

## NOTICE OF ANNUAL GENERAL MEETING

3. 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 2023.

### 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.

### IMPORTANT NOTES:

#### Physical Meeting

1. The Annual General Meeting of the Company (the "**AGM**") will be held physically with **no option for members to participate virtually**. Printed copies of this Notice of AGM and accompanying Annual Report 2023 will be sent to members.
2. Members (including investors under the Central Provident Fund and the Supplementary Retirement Scheme ("**CPF and SRS Investors**")) may participate in the AGM by:
  - (a) attending the AGM in person;
  - (b) raising questions at the AGM or submitting questions in advance of the AGM; and/or
  - (c) voting at the AGM
    - (i) themselves personally; or
    - (ii) through their duly appointed proxy(ies).
3. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including CPF and SRS Investors, who wish to participate in the AGM should approach their respective agents at least (7) seven working days before the AGM, so that the necessary arrangements can be made by the relevant agents for their participating in the AGM.



# NOTICE OF ANNUAL GENERAL MEETING

## Voting

1. A member of the Company who is not a relevant intermediary is entitled to appoint not more than (2) two proxies to attend, speak and vote on his/her behalf at the meeting. Where such member appoints more than (1) one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy. A proxy need not be a Member of the Company.
2. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, 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 1967 of Singapore.

3. A member can appoint the Chairman of the Meeting as his/her/its proxy but this is not mandatory.
4. If a member wishes to appoint the Chairman of the Meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the Meeting as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
5. The instrument appointing a proxy or proxies, duly completed and signed, must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged at the office of the Company’s Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
  - (b) if submitted electronically, be submitted via email to the Company’s Share Registrar at [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case not less than 48 hours before the time appointed for the AGM.

**A member who wishes to submit a proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.**

6. Investors who hold shares through relevant intermediaries as defined in Section 18 of the Companies Act, including CPF and SRS investors, who wish to appoint a proxy or proxies (including the Chairman), should approach their respective agents to submit their votes at least seven (7) working days before the AGM in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to vote on their behalf by 10:00 a.m. on 23 July 2023.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or by 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 its attorney or a duly authorised officer.
8. 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 1967.

## NOTICE OF ANNUAL GENERAL MEETING

9. A depository's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the annual general meeting in order for the Depositor to be entitled to attend and vote at the annual general meeting.

### Submission of Questions in Advance

1. Members may also submit questions relating to the resolutions to be tabled for approval at the AGM in advance of the AGM in the following manner by 10:00 a.m. on 18 July 2023:
  - (a) via email to [jmg@jason.com.sg](mailto:jmg@jason.com.sg); and/or
  - (b) by post to the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.
2. For verification purpose, when submitting any questions via email or by post, members MUST provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held).
3. The Board and Management will endeavour to address the substantial and relevant questions from members at least 48 hours prior to the closing date and time of the lodgement of the proxy forms by uploading the responses to questions from members on the SGXNet. After the cut-off time for the submission of questions, if there are substantial and relevant questions received, the Board may address them at the AGM. Minutes of the AGM will be published on the SGXNet within one (1) month after the date of the AGM.

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This notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice. The contact person for the Sponsor is Mr David Yeong (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

# APPENDIX

## PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

### 1. INTRODUCTION

- 1.1 Jason Marine Group Limited (the “**Company**”) proposes to seek approval of the shareholders of the Company (“**Shareholders**”) at the forthcoming Annual General Meeting of the Company to be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Tuesday, 25 July 2023 at 10:00 a.m. (“**2023 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 2022 (“**2022 AGM**”), renewed the Share Buyback Mandate (“**2022 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 2022 Mandate.
- 1.3 The 2022 Mandate will expire on the date of the forthcoming 2023 AGM. If the proposed resolution for the renewal of the Share Buyback Mandate is approved at the 2023 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 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.

## APPENDIX

### 2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (CONTINUED)

#### 2.1 Rationale (Continued)

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

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

The Directors will take into account the impact of the share purchases may have on the liquidity of the Shares and only make a share purchase or acquisition as and when the circumstances permit. The Directors are also committed to ensuring that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the Catalist. Rule 723 of the Catalist Rules 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 2023 AGM, are substantially similar in terms to those previously approved by Shareholders at the 2022 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 2023 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 1967 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.



# APPENDIX

## 2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (CONTINUED)

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

#### 2.2.2 Duration of Authority

Unless varied or revoked by the Company in 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 2023 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 2023 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.

#### 2.2.3 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

## APPENDIX

### 2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (CONTINUED)

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

##### 2.2.3 Manner of Purchases or Acquisitions of Shares (Continued)

- (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, could have any effect on the listing of the Shares on the Catalist;
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

##### 2.2.4 Maximum Purchase Price for the Shares

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

# APPENDIX

## 2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (CONTINUED)

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

#### 2.2.4 Maximum Purchase Price for the Shares (Continued)

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 Act currently 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.

# APPENDIX

## 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.



# APPENDIX

## 2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (CONTINUED)

### 2.5 Treasury Shares (Continued)

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

### 2.6 Reporting requirements

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

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

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

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

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.

# APPENDIX

## 2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (CONTINUED)

### 2.7 Financial Effects

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

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

- (a) reduce the number of the issued Shares in the capital of the Company where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

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

Under the Companies Act, purchases or 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 2023 and based on the assumptions set out below:

- (a) based on 105,000,000 Shares in issue as at 31 March 2023 (excluding 1,000,000 Shares held in treasury) and assuming no further Shares are issued on or prior to the 2023 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 2023 AGM) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate;

# APPENDIX

## 2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (CONTINUED)

### 2.7 Financial Effects (Continued)

- (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\$0.164 (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 25 June 2023 (being the latest practicable date prior to the printing of this Appendix) ("**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\$1.7 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\$0.188 (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\$2.0 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 2023;
- (ii) the Share Buyback Mandate had been effective on 1 April 2022; 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 2023),

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,

## APPENDIX

### 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 2023 pursuant to the Share Buyback Mandate are as follows:

##### *Scenario 1: Purchases made out of capital and held as treasury shares*

	Before share purchase	after share buyback assuming market purchase	after share buyback assuming off-market purchase	Before share purchase	after share buyback assuming market purchase	after share buyback assuming off-market purchase
Share capital	17,967	17,967	17,967	17,967	17,967	17,967
Reserves	(505)	(505)	(505)	–	–	–
Accumulated profits	5,206	5,206	5,206	4,180	4,180	4,180
Treasury shares	(255)	(1,977)	(2,229)	(255)	(1,977)	(2,229)
Equity attributable to the owners of the parent	22,413	20,691	20,439	21,892	20,170	19,918
NTA <sup>(1)</sup>	22,319	20,597	20,345	21,892	20,170	19,918
Cash and cash equivalents	14,535	12,813	12,561	3,489	1,767	1,515
Current assets	31,652	29,930	29,678	5,331	3,609	3,357
Current liabilities	8,380	8,380	8,380	600	600	600
Working capital	23,272	21,550	21,298	4,731	3,009	2,757
Total borrowings <sup>(2)</sup>	3,271	3,271	3,271	–	–	–
Profit for the financial year attributable to owners of the parent	140	140	140	367	367	367
Number of issued shares	106,000	106,000	106,000	106,000	106,000	106,000
Treasury shares	1,000	11,500	11,500	1,000	11,500	11,500
Number net of treasury shares	105,000	94,500	94,500	105,000	94,500	94,500
<b>Financial ratios</b>						
NTA per share (cents) <sup>(3)</sup>	21.26	21.80	21.53	20.85	21.34	21.08
EPS (cents) <sup>(4)</sup>	0.13	0.15	0.15	0.35	0.39	0.39
current ratio (times) <sup>(5)</sup>	3.8	3.6	3.5	8.9	6.0	5.6
Gearing ratio (times) <sup>(6)</sup>	0.1	0.2	0.2	0.0	0.0	0.0
Return on equity (%) <sup>(7)</sup>	0.6%	0.7%	0.7%	1.7%	1.8%	1.8%

**Notes:**

- (1) NTA refers to total net assets less intangible assets.
- (2) Total borrowings refer to the total of short term and long term borrowings.
- (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 2023.
- (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 2023.
- (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 attributable to owners of the parent divided by Equity attributable to the owners of the parent.



# APPENDIX

## 2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (CONTINUED)

### 2.7 Financial Effects (Continued)

#### Scenario 2: Purchases made out of capital and cancelled

	Before share purchase	after share buyback assuming market purchase	after share buyback assuming off-market purchase	Before share purchase	after share buyback assuming market purchase	after share buyback assuming off-market purchase
Share capital	17,967	17,967	17,967	17,967	17,967	17,967
Reserves	(505)	(2,227)	(2,479)	–	(1,722)	(1,974)
Accumulated profits	5,206	5,206	5,206	4,180	4,180	4,180
Treasury shares	(255)	(255)	(255)	(255)	(255)	(255)
Equity attributable to the owners of the parent	22,413	20,691	20,439	21,892	20,170	19,918
NTA <sup>(1)</sup>	22,319	20,597	20,345	21,892	20,170	19,918
Cash and cash equivalents	14,535	12,813	12,561	3,489	1,767	1,515
Current assets	31,652	29,930	29,678	5,331	3,609	3,357
Current liabilities	8,380	8,380	8,380	600	600	600
Working capital	23,272	21,550	21,298	4,731	3,009	2,757
Total borrowings <sup>(2)</sup>	3,271	3,271	3,271	–	–	–
Profit for the financial year attributable to owners of the parent	140	140	140	367	367	367
Number of issued shares	105,000	94,500	94,500	105,000	94,500	94,500
<b>Financial ratios</b>						
NTA per share (cents) <sup>(3)</sup>	21.26	21.80	21.53	20.85	21.34	21.08
EPS (cents) <sup>(4)</sup>	0.13	0.15	0.15	0.35	0.39	0.39
current ratio (times) <sup>(5)</sup>	3.8	3.6	3.5	8.9	6.0	5.6
Gearing ratio (times) <sup>(6)</sup>	0.1	0.2	0.2	0.0	0.0	0.0
Return on equity (%) <sup>(7)</sup>	0.6%	0.7%	0.7%	1.7%	1.8%	1.8%

#### Notes:

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

(2) Total borrowings refer to the total of short term and long term borrowings.

(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 2023.

(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 2023.

(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 attributable to owners of the parent divided by Equity attributable to the owners of the parent.

## APPENDIX

### 2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (CONTINUED)

#### 2.7 Financial Effects (Continued)

Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for the financial year ended 31 March 2023 and the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at 31 March 2023, 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 (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

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

#### 2.8 Catalyst Rules

While the Catalyst Rules do not expressly prohibit purchase or acquisition of shares by a Catalyst company during any particular time or times, because a Catalyst 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 Catalyst Rules to ensure that at least 10% of its Shares are in the hands of the public. The “public”, as defined under the Catalyst Rules, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiary companies, as well as the Associates of such persons.

Based on the Register of Directors’ shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 20,459,300 Shares, representing 19.49% 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.

# APPENDIX

## 2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE (CONTINUED)

### 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 Obligation to make a take-over offer

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

#### 2.9.2 Persons acting in concert

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

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

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (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 the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and

## APPENDIX

### 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 (Continued)

- (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 Securities Industry Council and/or their professional advisers at the earliest opportunity.**



# APPENDIX

## 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		
Foo Chew Tuck	81,300,000	–	–	–	81,300,000	77.43
Wong Hin Sun Eugene <sup>(2)</sup>	369,100	–	2,650,000	–	3,019,100	2.87
Sin Hang Boon @ Sin Han Bun	–	–	–	–	–	–
Eileen Tay-Tan Bee Kiew	–	–	–	–	–	–
Colin Low Tock Cheong	–	–	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>	–	–	–	–	–	–
<b>Other Shareholder</b>						
Sirius Venture Capital Pte. Ltd. ("Sirius Venture") <sup>(2)</sup>	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.

## APPENDIX

### 7. ANNUAL GENERAL MEETING

The 2023 AGM, notice of which is set out on pages 106 to 112 of the 2023 Annual Report of the Company, will be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Tuesday, 25 July 2023 at 10:00 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 2023 AGM and wish to appoint a proxy to attend and vote at the 2023 AGM on their behalf must complete, sign and submit the Proxy Form to the Company in the following manner:–

- (a) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
- (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [main@zicoholdings.com](mailto:main@zicoholdings.com),

in either case not less than 48 hours before the time appointed for the AGM.

The submission of the Proxy Form by a shareholder does not preclude him from attending and voting in person at the 2023 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 be entitled to attend the 2023 AGM and to speak and vote thereat unless his name appears on the Depository Register and/or the Register of Members at least 72 hours before the 2023 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 2023 AGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for the financial year ended 31 March 2023.

# APPENDIX

## 11. STATEMENT BY SPONSOR

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**") in accordance with Rule 226(2)(b) of the Catalist Rules. This Appendix has not been examined or approved by the SGX-ST and the SGX-ST assumes 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 Mr David Yeong (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

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. The Annual General Meeting of the Company (the "AGM") will be held physically with **no option for members to participate virtually**. Printed copies of this Proxy Form and accompanying Annual Report 2023 will be sent to members.
2. This proxy form is not valid for use by investors holding shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967) ("Investor") (including investors, holding through the CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 July 2023.
4. Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).

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 attend, speak and vote for \*me/us on \*my/our behalf at the AGM of the Company to be held at 194 Pandan Loop, #05-27 Pantech Business Hub, Singapore 128383 on Tuesday, 25 July 2023 at 10.00 a.m. and at any adjournment thereof.

I/We direct \*my/our \*proxy/proxies to vote for, against and/or to abstain from voting on the Ordinary Resolutions to be proposed at the AGM in the spaces provided hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion.

*(Voting will be conducted by poll manually. If you wish to exercise all your votes "For" or "Against", please indicate with a tick (✓) in the "For" or "Against" box. Alternatively, please indicate the number of votes "For" or "Against" as appropriate in the resolution. If you wish to "Abstain" from voting on the resolution, please indicate with a tick (✓) in the "Abstain" box. Alternatively, please indicate the number of shares which you wish to abstain from voting. In the absence of directions for the resolution, the appointment of Chairman of the Meeting as your proxy for the resolution will be treated as invalid. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion.)*

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
<b>ORDINARY BUSINESS</b>				
1.	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2023, the Directors' Statement and the Report of the Auditors thereon.			
2.	To approve the declaration of final dividend (one-tier tax exempt) of 0.75 Singapore cent per ordinary share in respect of the financial year ended 31 March 2023.			
3.	To approve the payment of Directors' fees of S\$234,993 for the financial year ended 31 March 2023.			
4.	To appoint Mr Shabbir s/o Hakimuddin Hassanbhai as Director.			
5.	To re-elect Mr Foo Chew Tuck as a Director.			
6.	To re-elect Mr Wong Hin Sun, Eugene as a Director.			
7.	To re-appoint Messrs BDO LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.			
<b>SPECIAL BUSINESS</b>				
8.	To authorise Directors to allot and issue shares.			
9.	To approve the Proposed Renewal of the Company's Share Buyback Mandate.			

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

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. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company who is not a relevant intermediary entitled to appoint not more than (2) two proxies to attend, speak and vote on his/her behalf at the meeting. Where such member appoints more than (1) one proxy, the proportion of his shareholding concerned to be represented by each proxy shall be specified in the form of proxy. A proxy need not be a Member of the Company.
3. A member of the Company who is a relevant intermediary entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, 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 1967 of Singapore.
4. The instrument appointing a proxy or proxies, duly completed and signed, must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896; or
  - (b) if submitted electronically, be submitted via email to the Company's Share Registrar at [main@zicoholdings.com](mailto:main@zicoholdings.com), in either case not less than 48 hours before the time appointed for the AGM.**A member who wishes to submit a proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.**
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or by 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 its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed and authorised on behalf of the appointor by an attorney, the letter of power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. 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 1967 of Singapore.
8. The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the AGM if he so wishes, in which case the appointment of the proxy will be deemed revoked and the Company reserves the right to refuse to admit any person appointed under the relevant instrument appointing the proxy to the AGM.
9. The Company shall be entitled to reject an instrument appointing a proxy or proxies which is incomplete, improperly completed, 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 a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Ltd to the Company.
10. 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.

Fold along this line

# PROXY FORM

Affix  
Postage  
Stamp

The Company's Share Registrar  
**B.A.C.S. Private Limited**  
77 Robinson Road  
#06-03 Robinson 77  
Singapore 068896

Fold along this line





**JASON MARINE GROUP LIMITED**

Co. Reg. No. 200716601W

194 Pandan Loop #06-05  
Pantech Business Hub  
Singapore 128383

T : +65-6477 7700

F : +65-6872 1800

[www.jason.com.sg](http://www.jason.com.sg)