LOVE

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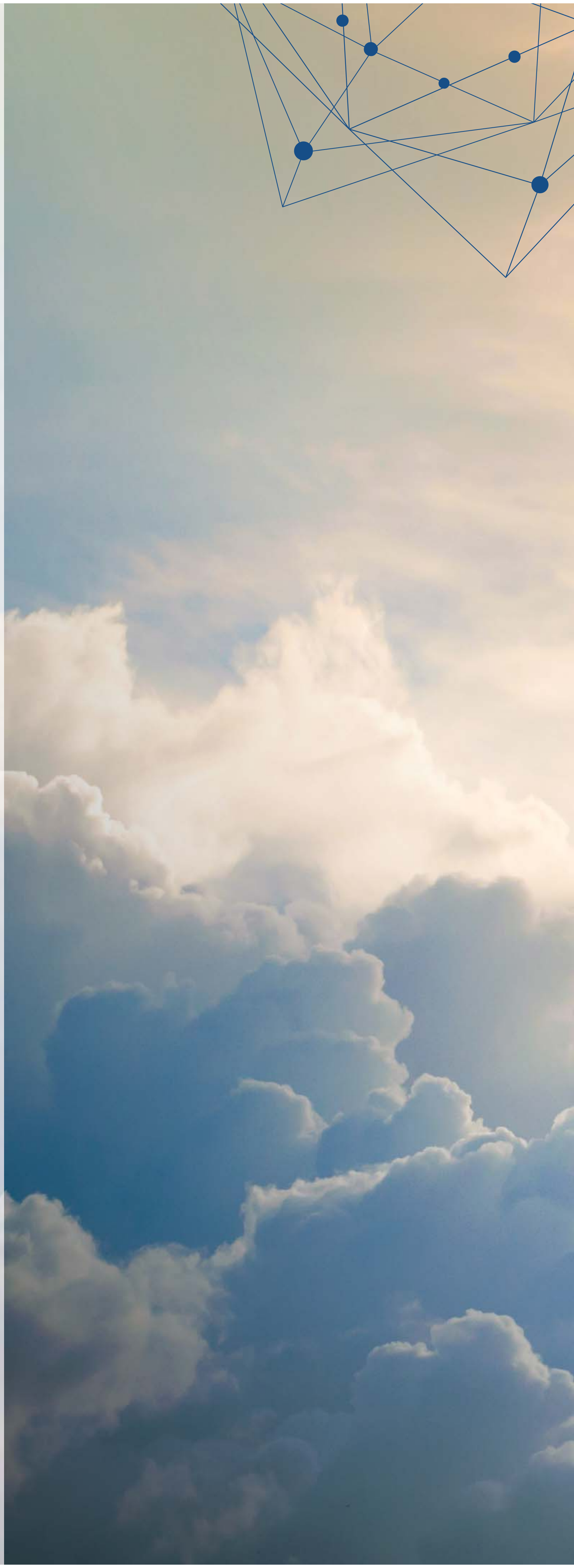
JASON MARINE GROUP LIMITED

ANNUAL REPORT 2020

LOVE - which embodies appreciation, respect and compassion - is a powerful unifying force, binding our people in a caring culture that promotes staff retention, service innovation, customer service quality and talent attraction in Jason Marine Group.

Although the operating environment remains challenging amidst much uncertainty caused by trade and geo-political tensions as well as the coronavirus outbreak, our steadfast faith in our people, ICT capabilities and untarnished reputation for excellence gives us hope that we will remain relevant in this 'digital age'. Together, we shall brave adversity courageously to drive growth and build a sustainable future for all.



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This annual report has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone (65) 6337 5115.

corporate PROFILE

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

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

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

our VISION

TO BE A
GLOBAL WORLD CLASS COMPANY
IN MARINE ELECTRONICS

our VALUES

CHARACTER

INTEGRITY AND HONESTY
•
POSITIVE ATTITUDE
•
EXCELLENT TEAMWORK

COMPETENCE

EXCELLENT QUALITY WORK
•
DELIVER EXPECTED RESULTS
•
INNOVATION AND CREATIVITY

COMMITMENT

PASSION AND DRIVE
•
WALK THE EXTRA MILE
•
SEEK OPPORTUNITIES

...WITH INTEGRITY OF HEART; WITH SKILLFUL HANDS...

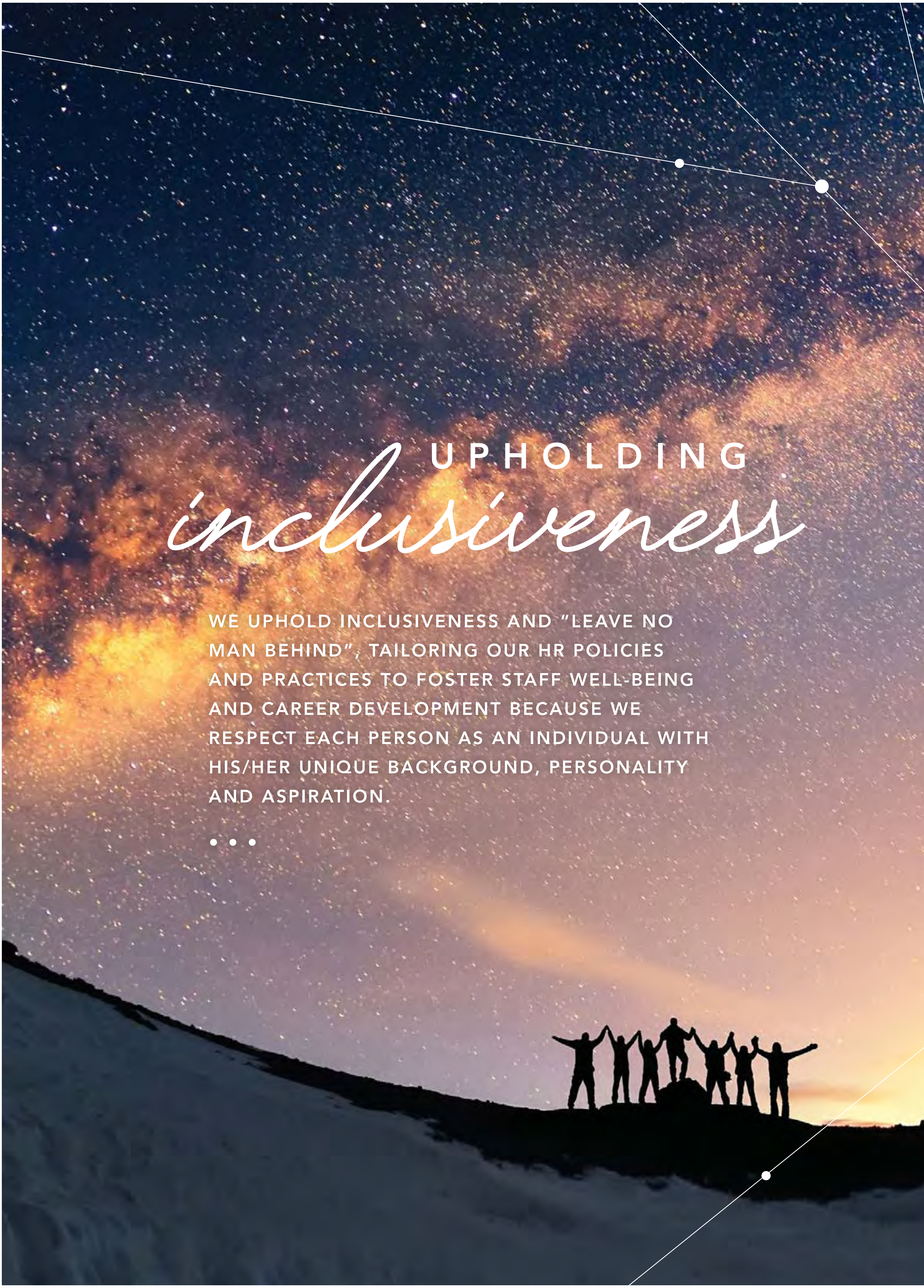
PS 79:72

DRIVING *innovation*

WE HAVE EMBRACED DIGITALISATION EARLY, TIRELESSLY EXPANDING AND DEEPENING OUR CAPABILITIES TO PROVIDE CLIENTS WITH COST EFFECTIVE INNOVATIVE SOLUTIONS THAT MEET THEIR GROWING ICT REQUIREMENTS.

• • •


God's love is like an ocean.
You can see its beginning, but not its end.
RICK WARREN

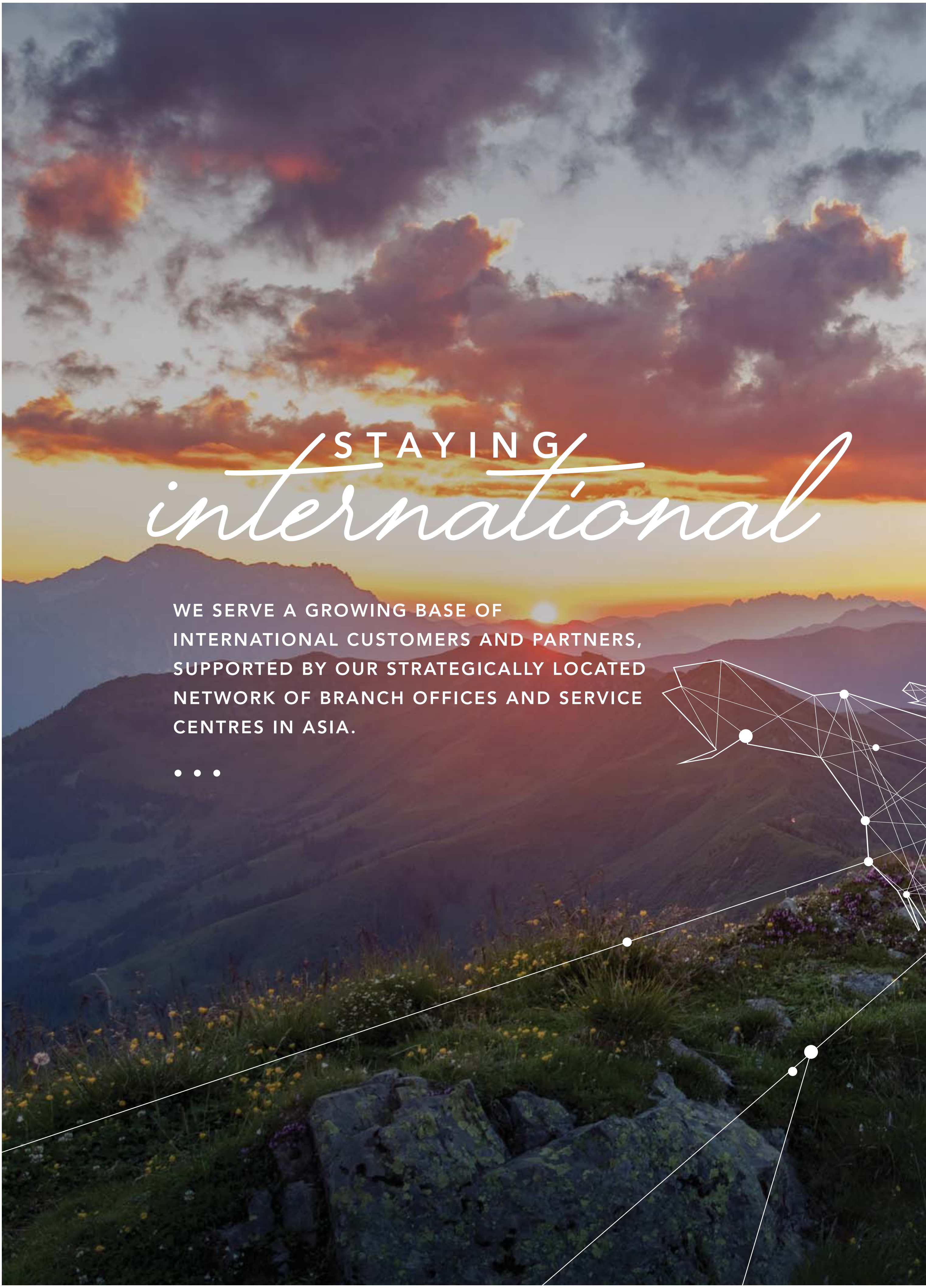


UPHOLDING *inclusiveness*

WE UPHOLD INCLUSIVENESS AND "LEAVE NO MAN BEHIND", TAILORING OUR HR POLICIES AND PRACTICES TO FOSTER STAFF WELL-BEING AND CAREER DEVELOPMENT BECAUSE WE RESPECT EACH PERSON AS AN INDIVIDUAL WITH HIS/HER UNIQUE BACKGROUND, PERSONALITY AND ASPIRATION.

God's greatest attribute is not his power,
though it is omniscience; not his glory,
though it is burning majesty: it is his love.

AL BRYANT



STAYING *international*

WE SERVE A GROWING BASE OF INTERNATIONAL CUSTOMERS AND PARTNERS, SUPPORTED BY OUR STRATEGICALLY LOCATED NETWORK OF BRANCH OFFICES AND SERVICE CENTRES IN ASIA.

The steadfast love of the Lord never ceases;
his mercies never come to an end;
they are new every morning;
great is your faithfulness.

LAMENTATIONS 3:22-23

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

We are living in a "3-D" world where Disruption, Digitalisation and Decarbonisation are widely recognised 'new' norms that will revolutionise our daily lives.

Volatile oil prices, trade and geopolitical tensions, as well as the COVID-19 pandemic have not only eroded economic demand and business confidence, but have also disrupted supply chain networks around the world. At the same time, nations, industries and businesses are busy mapping and implementing strategies to transform themselves to stay relevant in the 'new digital age' and contribute to a more sustainable world.

The COVID-19 pandemic has caused the greatest disruption to our 'normal' way of life since the start of 2020. As a result of widespread restrictions to global trade and travel flows, the world economy is projected to contract by 4.9% in 2020[1]. Singapore has been forecasted to enter into its worst recession since independence, "with a significant degree of uncertainty" over the length and severity of the COVID-19 outbreak, as well as the trajectory of the global economic recovery[2].

1 June 2020 World Economic Outlook, International Monetary Fund;

2 Ministry of Trade and Industry, 26 May 2020 press release titled "MTI Downgrades 2020 GDP Growth Forecast to '-7.0 to -4.0 Per Cent'".

SUCCESS IS NOT FINAL, FAILURE IS NOT FATAL. IT IS THE COURAGE TO CONTINUE THAT COUNTS.

SIR WINSTON S. CHURCHILL

In spite of the highly challenging and competitive operating environment, exacerbated by the current global recessionary conditions, we are committed to 're-invent' ourselves where necessary and remain relevant to our customers by staying adaptable and building up our skills and capabilities. We aim to emerge stronger post COVID-19, ready for the new 'normal' world by creating smart integrated Information Communication Technology ("**ICT**") solutions to seize opportunities presented by these 3-D trends to grow and build our name for the long-term.

LOVE

As a leading marine electronics systems integrator and support services provider for the marine and offshore oil & gas ("**O&G**") industries, does *LOVE* - which embodies appreciation, respect and compassion - fit into our corporate plans for *growth*? Very much so, because we are adamant to build a healthy and profitable sustainable future for our Group and our people.

We strive to excel in the services and solutions we provide because we also care about the reputation and reliability of our customers and supplier partners in their respective market segments.

Our approach to develop a *caring culture* which envelopes respect for each person in Jason Marine is best summed up by Nobel Peace Prize laureate Mother Teresa who once said :"The needs are great, and none of us, including me, ever do great things. But we can all do small things, with great love, and together we can do something wonderful."

UPHOLDING OUR PEOPLE, ACHIEVING EXCELLENCE

Our people remain key in our work as an ICT systems integrator and we value their contribution to our growth in influence and reputation in Asia. As an SME, we strive to be a preferred employer who pays attention to the health, safety, overall welfare, professional development and career aspirations of our staff. We want to develop our people – from engineers to all support staff in sales, finance, procurement and HR - to their fullest potential.

To better understand our people - their aspirations, challenges and even frustrations - we have been facilitating open discussions with them through Q&A sessions at the twice yearly townhall meetings and the various festive season celebratory gatherings since last year. These 'two-way' communication channels help us to improve our HR policies and practices to develop a 'culture' of teamwork and professionalism in a caring, healthy and inclusive environment through various family friendly and quality work-life initiatives. We have found this to be more effective than the employee engagement surveys we previously conducted once every 2 to 3 years to determine the level of employee satisfaction and gather feedback.

We respect the aspirations of our people and uphold their desire to upskill and expand their capabilities through a number of training programmes such as the Skillsfuture SME Mentors Programme. We also advocate lifelong learning for all staff. These initiatives are driven by our belief that we cannot achieve excellence if our people are not well cared for, or do not have a sense of ownership of their contribution in our success.

The spirit of excellence also embodies good environmental stewardship - our strategic steps in this area have progressed from the 'Reduce, Recycle and Reuse' stage to systematically digitalising our processes and operations to further reduce wastage and

CHAIRMAN'S STATEMENT

improve productivity in innovative ways.

We have embraced digitalisation early so that we may excel in providing the best integrated ICT solutions that enhance productivity and cost efficiency. Today, we employ a real-time, on-board diagnostic and prognostic technology that provides early warning alerts when equipment problems start to occur. Tomorrow, we hope to offer an innovative software that can accurately 'predict' equipment repair and maintenance needs so as to reduce clients' operational downtime and allow us to better plan our resource requirements, thereby improving productivity for all stakeholders.

Already well on our way in our digitalisation journey, we were able to quickly re-establish our operational infrastructure during the 'circuit breaker' period when most of us were working from home in Singapore. We also continued to enhance our skills through various web-based training and enrichment courses during this time.

As we expand our present capabilities, geographic presence and market reach, one key element remains unchanged – the importance of listening to and knowing our clients well so that we can anticipate and meet their needs.

FY2020 FINANCIAL REVIEW

The progress recognition of more projects and increased sales from airtime services largely supported the 4.1% higher Group revenue of S$30.2 million for the financial year ended 31 March 2020 ("**FY2020**") amidst challenging and competitive industry operating conditions.

Despite the dampening effects with the onset of the COVID-19 pandemic in January 2020, our prudent cost management measures helped Jason Marine generate a positive cash flow of S$1.4 million from operating activities in FY2020. We have also remained profitable with a net profit after tax attributable to shareholders of S$2.2 million in FY2020, as compared to S$0.2 million in the financial year ended 31 March 2019 ("**FY2019**").

Excluding the net foreign exchange impact, write back/ allowance for impairment of other receivables as well as fair value gain/loss in relation to our investment in and/or loans to Sense Infosys Pte. Ltd and eMarine Global Inc., as the case may be, net profit would have been S$0.2 million for FY2020 and S$1.2 million for FY2019.

PROPOSED DIVIDEND

Considering the strong balance sheet of our Group as at 31 March 2020, the Board has proposed a first and final tax-exempt dividend of 0.5 S¢ per share for FY2020 as a token of our gratitude to our shareholders who have steadfastly supported us through the years. This proposed dividend amount in respect of FY2020 is comparable to that paid in FY2019. If approved by shareholders at the Annual General Meeting to be held on 28 August 2020, the total payout will be S$525,000.

As there is no certainty as to how the COVID-19 situation may evolve and on the extent of the economic fallout, the Board is cognisant that we may need to conserve cash going forward and we may have to reduce the amount of dividends in future depending on our Group's financial performance and financial condition, business prospects and capital requirements in midst of the COVID-19 pandemic.

ACKNOWLEDGEMENTS AND APPRECIATION

The Board and I thank all our staff for their hard work and unwavering trust in us and the management to steer our Group into its next and exciting stage of growth. Your teamwork, diligence and wholehearted commitment to always give of your best is highly commendable and deeply appreciated.

We also thank our shareholders and business partners for their continued support, patience and faith in us as we spare no effort to expand our reach and capabilities, and build a sustainable future for everyone in the new digital era.

FOO CHEW TUCK
Executive Chairman and
Chief Executive Officer

OUR GEOGRAPHIC REACH

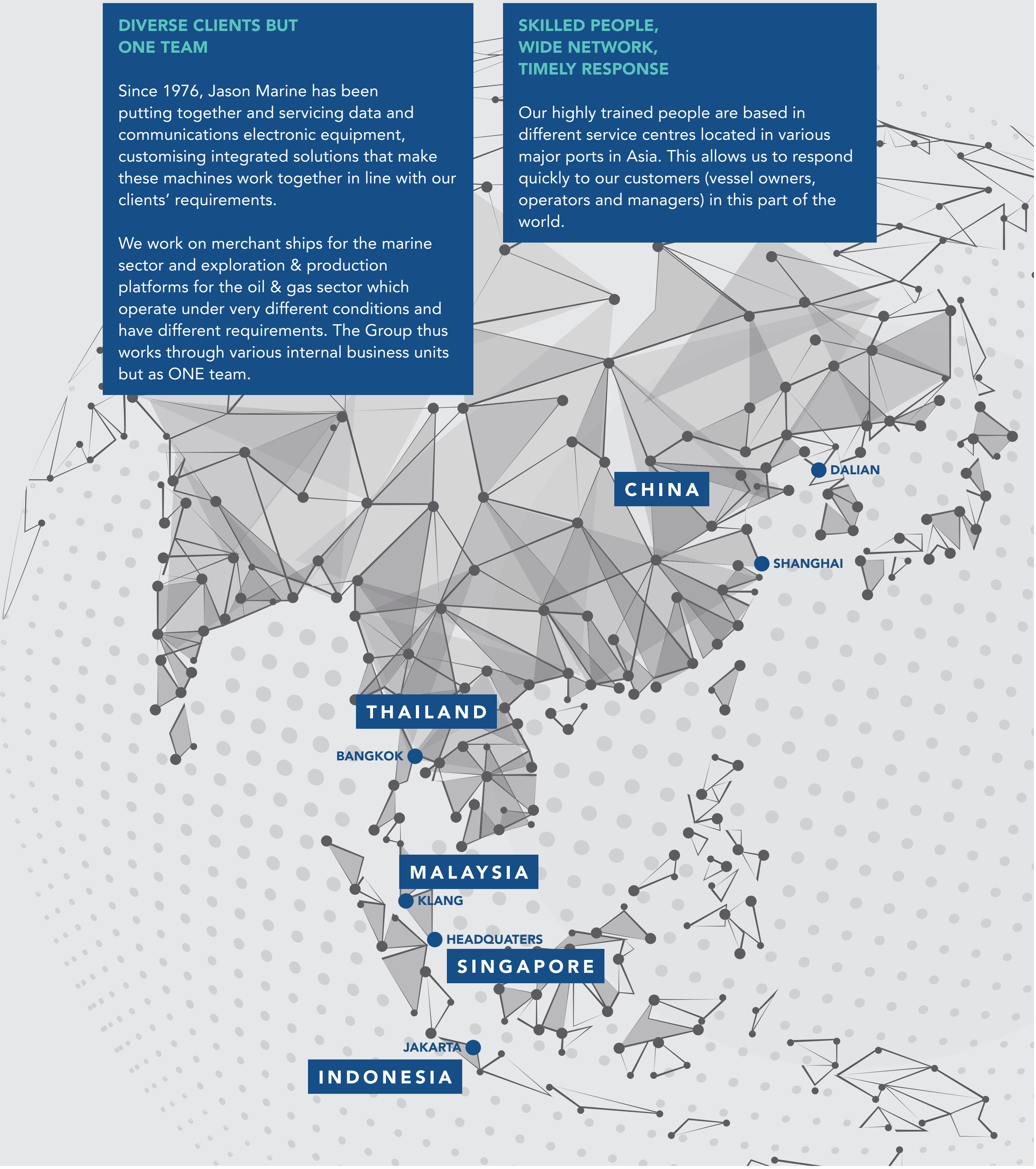
DIVERSE CLIENTS BUT ONE TEAM

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



BOARD OF DIRECTORS

FROM LEFT

Mr Foo Chew Tuck
Mr Eugene Wong Hin Sun

MR FOO CHEW TUCK

Executive Chairman and Chief Executive Officer

Since its inception in 1976, or 44 years ago, Jason Marine's growth and aspirations have been shaped by our founder, Mr Foo Chew Tuck, 69, whose vision for the Group has enabled it to become a leading comprehensive solutions provider of marine electronics systems. As a leader of the management team, he has demanded the highest standards of quality and service throughout the Group, helping it build strong ties with customers and partners alike that have stood the test of time, even in the most challenging of environments.

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

He is also a firm believer in giving back to society, devoting his personal time to community services. A veteran in the marine electronics business, Mr Foo is a full member of the Singapore Institute of Directors. He earned his bachelor degree in science at Oklahoma City University in 1988 and a master degree in business administration in 1992. In addition, he has a diploma in marketing from The Chartered Institute of Marketing in the UK in 1987.

MR EUGENE WONG HIN SUN

Non-Independent Non-Executive Director

Mr Eugene Wong Hin Sun, 52, is a non-independent, non-executive director of the Group, having been appointed to the board on 15 September 2009. He founded Sirius Venture Capital Pte Ltd, a venture investment company, in September 2002, and has been its managing director since its incorporation. He is currently the non-executive chairman of NTUC Learninghub Pte Ltd, non-executive chairman of CrimsonLogic Pte Ltd and the non-executive vice-chairman of Japan Foods Holding Ltd. He is also the lead independent director of Alliance Healthcare Group Limited and independent director of 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).

FROM LEFT

Mrs Eileen Tay- Tan Bee Kiew
Mr Sin Hang Boon

MRS EILEEN TAY- TAN BEE KIEW

Lead Independent Director

Mrs Eileen Tay-Tan Bee Kiew, 67, 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. Currently, she is the independent director and chairman of SGX-ST Catalist-listed Singapore Kitchen Equipment Limited and an independent director of SGX-ST Mainboard-listed Sunningdale Tech Ltd.

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

MR SIN HANG BOON

Independent Director

Mr Sin Hang Boon @ Sin Han Bun, 81, is an independent non-executive director of the Group, having been appointed to the board on 15 September 2009. He has more than 40 years of experience in the telecommunications industry. He began his career in 1960 as a trainee engineer with the Singapore Telephone Board (which was eventually reorganised into today's SingTel), under a localisation programme to replace the expatriate officers on loan from the then British Post Office.

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

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

MANAGEMENT TEAM

MR FOO CHEW TUCK

Executive Chairman and Chief Executive Officer

The full profile of Mr Foo Chew Tuck, our Executive Chairman and Chief Executive Officer can be found on page 12 of the Annual Report.

MR DERRICK CHAN KWOK YUAN

Financial Controller

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 8 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).

FROM LEFT

Mr Foo Chew Tuck
Mr Derrick Chan Kwok Yuan

MR SHAUN TEO

Head of Energy

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, Mr Teo is responsible for driving the overall business, operations and marketing activities of the Group's Energy Segment globally. Mr Teo also sets the growth strategy and spearheads growth initiatives to expand the Energy Segment's profitability and resources as well as develop new markets. He also oversees recruitment and performance coaching.

Having been with the Group since July 2000, Mr Teo is an industry veteran with more than two decades of experience in the marine and offshore oil & gas industries.

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 also qualified as a business continuity certified planner from the Business Continuity Management Institute in 2009.

MR KEITH LIM

Head of Marine

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 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, Mr Lim helped to develop a number of important partners and a key team of professionals for the Group.

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).

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

FROM LEFT

Mr Shaun Teo
Mr Keith Lim

INNOVATION TEAM

OPEN TO INNOVATION – BUILDING A SUSTAINABLE BUSINESS THROUGH CREATIVE SOLUTIONS

Our Innovation Team was formed in 2019 to spearhead, coordinate and develop the various strategic steps initiated earlier, as well as explore and examine various landscapes of technology that will equip our customers and ourselves to stay relevant, and even ahead, in the new "digital era".

Supported by the invaluable experience in operations, technology and training of the team, the Group can quickly organise and coordinate its resources and the efforts of its three business units more efficiently.

Taking one focused step at a time, we aim to build a sustainable future for Jason Marine Group and its stakeholders.

"GREAT THINGS ARE NOT DONE BY IMPULSE, BUT A SERIES OF SMALL THINGS BROUGHT TOGETHER."

**VINCENT VAN GOGH,
ONE OF WORLD'S MOST FAMOUS AND INFLUENTIAL POST-IMPRESSIONIST ARTISTS.**

"We are exploring how we can better help our customers with their operational 'issues', making it easier for them to work, purchase, do business and even contact us."

Mr Ooi Chee Kong,
Operations Director

REDUCING WASTAGE, RAISING PRODUCTIVITY

While the Group has always explored ways to be more productive and efficient in the rendering of its services, our current initiative is to digitalise our processes as much as possible, transforming Jason Marine into a "paperless" organisation. As we reduce wastage, we will also shorten the time taken to complete our work.

Reducing wastage and raising productivity is also about how we can simplify and shorten the communication and response time between us and our customers so that we can quickly come up with the best integrated solutions to meet their Information and Communications Technology ("**ICT**") requirements.

"We would like to have a centralised smart monitoring system to accurately detect, predict and provide service and repair recommendations for system faults on ships and offshore platforms , thereby improving the productivity of our MRO operations."

Mr Li Zhi Heng,
Technology Director

*EMBRACING INNOVATION,
ENHANCING OUR EDGE*

As a systems integrator of ICT equipment on board a diverse range of vessel types in the marine and offshore sectors, the Group has identified that 'predictive maintenance' of these equipment would help our customers save time and money while enabling us to be a more efficient and productive service provider.

This challenge was broadcast over the Open Innovation Network ("**OIN**") which was jointly launched by Enterprise Singapore and the Infocomm Media Development Authority ("**IMDA**") in mid-November 2019. As an open and accessible nationwide platform, the OIN creates an ecosystem where 'problem owners' in diverse sectors can 'meet' and even form partnerships with external tech and digital solution providers to solve their identified market needs or innovation challenges. The platform will not only promote the development of new technological solutions that will benefit the industry, but will also help to build sustainable businesses.

For Jason Marine, this predictive maintenance monitoring system capability will sharpen our competitive edge in providing comprehensive and customised service solutions to our clients.

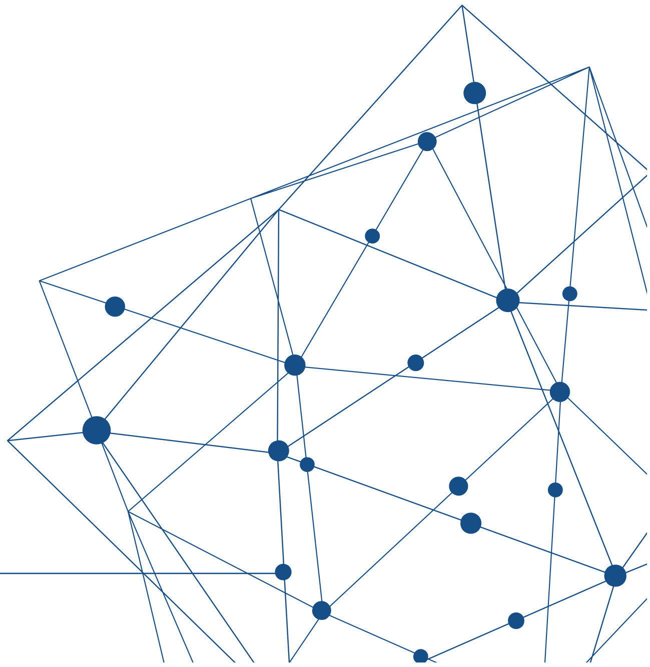
"As a systems integrator, we're constantly expanding our skills and capabilities so that we can differentiate Jason Marine from our competitors."

Mr Christopher Koek,
Training Manager

*EQUIPPING OUR PEOPLE,
EXPANDING OUR CAPABILITIES*

The Group constantly invests in our people to upgrade their skills and capabilities because we value them and recognise their contribution in the building of the Jason Marine reputation for high quality service.

To better prepare the Group for the new digital age, our training programmes have focused on how we can equip our people with skills and knowledge that will enable Jason Marine to ride on new technologies and platforms and build a sustainable future.



FINANCIAL & OPERATIONS REVIEW

FY2020 FINANCIAL REVIEW

Although the Group made some headway in project awards, mainly in the offshore oil & gas ("**O&G**") sector, the overall operating environment remained competitive and difficult in the financial year ended 31 March 2020 ("**FY2020**").

Undaunted by these external pressures, the Group focused on serving its customers well through innovative customised Information Communication Technology ("**ICT**") solutions that not only meet customers' requirements but also enable customers to be more productive and efficient in their operations.

REVENUE

The Group reported a 4.1% increase in revenue to S$30.2 million in FY2020 mainly due to higher contribution from the sale of goods and airtime revenue segments which was offset by a decrease in revenue from rendering of services.

EARNINGS

Gross profit fell by 24.4% from S$10.2 million in the financial year ended 31 March 2019 ("**FY2019**") to S$7.7 million in FY2020 as cost of sales rose by S$3.7 million or 19.6% from S$18.8 million in FY2019 to S$22.5 million in FY2020. The Group experienced an erosion of gross profit margin from 35.1% in FY2019 to 25.5% in FY2020. This was mainly due to intense market competition as well as the absence of a major Singapore-based contract from the ICT space which contributed to the higher gross profit margin in FY2019.

The Group recorded an increase in other income of approximately S$1.4 million or 122% from S$1.1 million in FY2019 to S$2.5 million in FY2020. This was due to an increase in fair value gain on derivative financial instruments mainly relating to the Group's investment in eMarine Global Inc. ("**eMarine**") of S$1.0 million, higher sundry income mainly relating to contract termination payments from a customer of S$0.4 million and the write-back of trade payables of S$0.1 million. These were partially offset by the decrease in foreign exchange gain of S$0.3 million.

During FY2020, the Group incurred higher manpower cost for sales, marketing and support staff in line with the improved level of business activity. As a result, distribution costs rose 3.6% to S$5.1 million in FY2020. On the other hand, general and administrative expenses slipped 3.2% to S$3.6 million in FY2020 mainly due to lower legal and professional fees.

The Group's other expenses was 98.3% lower at approximately S$12,000 in FY2020 due to the absence of fair value loss on derivative financial instruments of approximately S$0.7 million mainly in relation to the loss in fair value of profit guarantee arising from the investment in Sense Infosys Pte Ltd ("**SIS**") recognised in FY2019.

The Group recorded a write-back of impairment loss on financial assets amounting to S$0.8 million in FY2020 mainly attributable to the recovery of a loan extended to SIS. In comparison, the Group had incurred an allowance for impairment on financial assets of approximately S$0.9 million in FY2019.

The Group's share of results of associates turned around from a loss of S$411,000 in FY2019 to a profit of S$12,000 in FY2020 mainly due to the absence of share of results of SIS which is currently undergoing creditors' voluntary liquidation as previously announced in April 2019.

As a result of these and a lower income tax expense, the Group reported a net profit attributable to shareholders of S$2.2 million in FY2020 against a marginal net profit of S$0.2 million in FY2019. Excluding the foreign exchange gain/loss, write back/ allowance for impairment of other receivables as well as fair value gain/loss in relation to the Group's investment in and/or loans to SIS and eMarine, as the case may be, net profit would have been S$0.2 million for FY2020 as compared to S$1.2 million for FY2019.

SEGMENT REVENUE AND PROFIT

SALE OF GOODS

The sale of goods segment is mostly project-based and relates to the design, supply, integration and installation of a comprehensive range of radio and satellite communication, navigation and marine automation systems.

As the Group undertook more projects in Singapore, this segment registered a 7.7% increase in revenue to S$22.5 million in FY2020. However, segment profit fell to S$0.2 million in FY2020 from S$2.7 million in FY2019 which was supported by the progress recognition of one major Singapore-based contract from the ICT space.

RENDERING OF SERVICES

The Group's broad range of services cover equipment leasing and provision of maintenance and support services including repair works, troubleshooting, commissioning, radio survey and annual performance tests.

Revenue declined by 8.5% to S$5.6 million in FY2020 with less service work rendered and equipment leasing generated during FY2020, while segment profit rose 18% to S$0.3 million in FY2020.

AIRTIME SERVICES

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

With the gradual recovery in demand for airtime packages taken up by customers, airtime revenue improved by S$0.1 million to S$2.1 million. This improved level of activity helped to pare segment loss to S$0.1 million in FY2020 from a loss of S$0.3 million in FY2019.

HIGHLIGHTS OF FINANCIAL POSITION AND CASHFLOW

The balance sheet remained relatively healthy and the Group, helped by its prudent cost management practices, was able to fund its day-to-day operations from its cash flow generated from operating activities and net cash of S$14.6 million as at 31 March 2020.

As at 31 March 2020, shareholders' equity amounted to S$24.9 million comprising mainly share capital of S$18.0 million, fair value adjustment reserve of S$0.2 million and retained earnings of S$7.1 million, partially offset by treasury shares held of approximately S$0.3 million. The net asset value was 23.8 S¢ per share as at 31 March 2020 compared with 25.2 S¢ as at 31 March 2019.

OPERATING ACTIVITIES

In FY2020, the Group reported a net cash inflow from operating activities before working capital changes of S$0.5 million. Net cash generated from working capital amounted to approximately S$1.3 million which was due mainly to a decrease in contract assets of approximately S$3.0 million, decrease in inventories of approximately S$0.7 million, increase in trade and other receivables of approximately S$0.6 million, decrease in trade and other payables of approximately S$0.9 million, and a decrease in contract liabilities of approximately S$0.9 million. After payment of income tax expenses of approximately S$0.5 million, offset by interest received of approximately S$0.1 million, the net cash generated from operating activities amounted to approximately S$1.4 million in FY2020 as compared to net cash used in operating activities amounted to approximately S$3.1 million in FY2019.

INVESTING ACTIVITIES

Net cash used in investing activities of S$0.2 million in FY2020 was mainly attributable to the purchase of plant and equipment of S$0.3 million, offset by dividend received of S$0.1 million.

FINANCING ACTIVITIES

The dividend and lease liabilities payments of S$0.8 million were the main reasons for the reported S$0.9 million of net cash used in financing activities in FY2020.

OPERATIONS REVIEW

Undeterred by the still weak demand in the marine and offshore O&G industries, the Group moved ahead with its strategic initiatives to lift productivity and cost efficiency, focusing on delivering well on the

FINANCIAL & OPERATIONS REVIEW

projects it secured earlier. The Group also made further progress in skills training and digitalisation during the year.

In line with its lifelong learning initiative, the Group's staff have been attending a number of training programmes to upskill and expand capabilities. These include a 160 hour-long course in Shanghai with German computer consultant JRC Training for two of its engineers during FY2020. The Group also sponsored a member of its management team for the Singapore Management University Directorship Program.

The Group's zest for training and learning did not stop even when the majority of workers in Singapore had to work from home since April 2020 as part of the COVID-19 'circuit breaker' measures introduced by the government. In the past few months, the Group's engineers had attended webinar training sessions organised by its product partners while other staff have been busy on e-learning platforms which offer a wide range of online courses ranging from marketing and finance to ICT and software.

The regular review of the Group's processes and drive towards greater digitalisation and productivity in a 'paperless' and 'green' working environment have also prepared the Group well to operate smoothly in a virtual office. The Group was therefore ready when the 'circuit breaker' measures were implemented as it had already set up its systems, including VPN connections, and issued laptops to all support services staff. The Group was quick to respond to the emerging implications of COVID-19 when news of the virus first surfaced and organised its people to work from home alternately in teams well before April 2020. In addition, the Group's engineers and technicians were issued with travel kits that included thermometers, masks and sanitisers since the start of 2020 to minimise on-site work disruption.

OUTLOOK

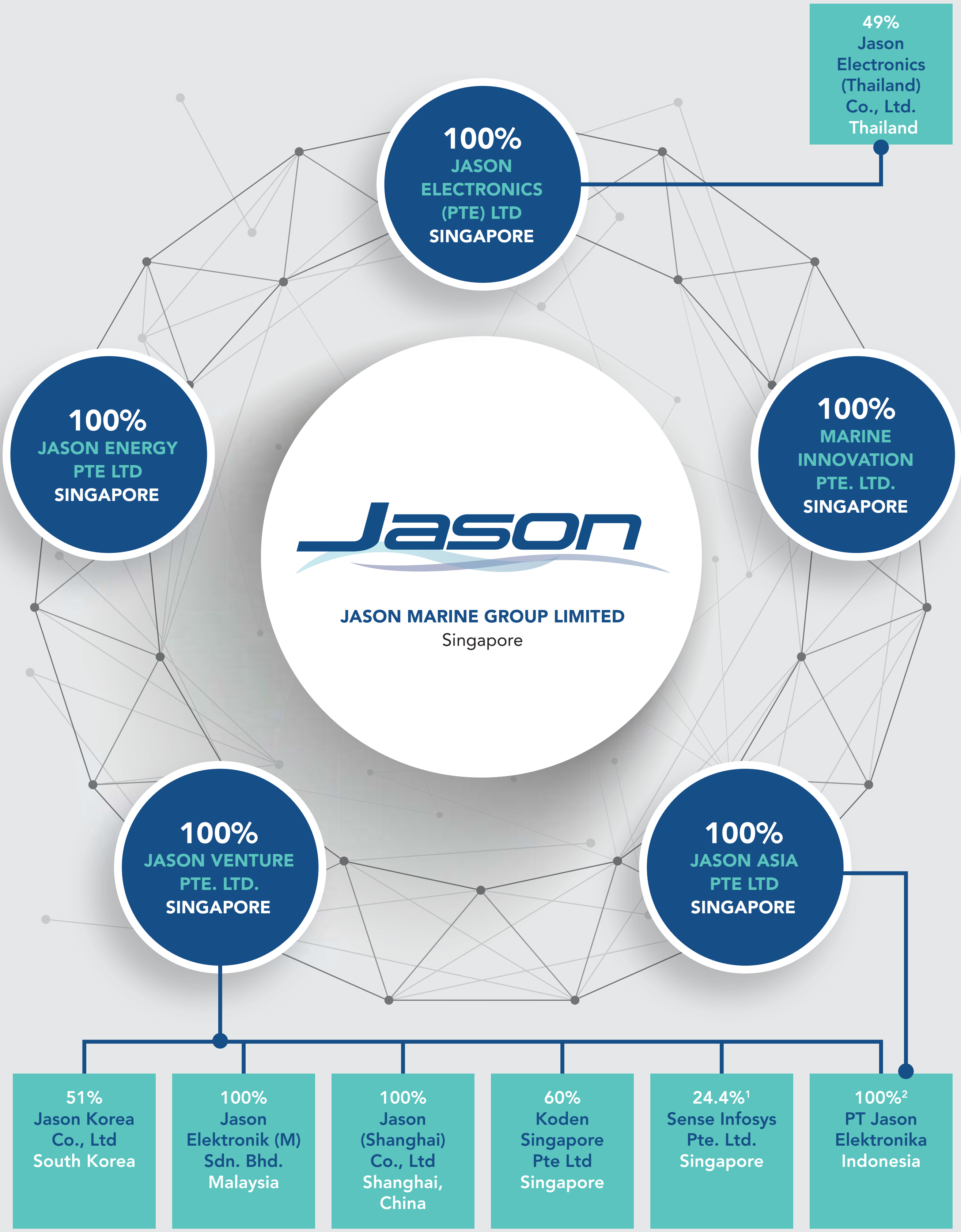
Although the Group's business activities in Singapore have remained largely operational thus far, the impact of COVID-19 on economies and businesses is expected to be broad and significant.

Market conditions are expected to remain challenging and Jason Marine's financial performance will continue to be affected by the uncertainties and developments in the marine and offshore O&G industries, especially with the evolving COVID-19 situation as well as the recent drop in oil prices. The Company believes that oil prices will have an impact on investments in the marine and O&G sectors in the near to medium term, and hence also the demand for the Group's services.

Notwithstanding the challenges the Group is facing, it has taken steps to mitigate the impact of COVID-19 such as closely monitoring and communicating with key suppliers on the impact of their production and working with the relevant regulatory bodies to implement various safety measures.

The Group will focus on strengthening its existing business and look for opportunities to increase its customer base and business activities by creating value for clients and leveraging on technology. At the same time, the Group will continue to diligently keep track of the evolving COVID-19 situation and actively exercise prudence in managing operational costs.

CORPORATE STRUCTURE



Note:

(1) Placed under creditors' voluntary liquidation on 23 April 2019

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Foo Chew Tuck
(Executive Chairman and Chief Executive Officer)

Wong Hin Sun Eugene
(Non-Independent Non-Executive Director)

Eileen Tay-Tan Bee Kiew
(Lead Independent Director)

Sin Hang Boon @ Sin Han Bun
(Independent Director)

AUDIT COMMITTEE

Eileen Tay-Tan Bee Kiew
(Chairperson)

Sin Hang Boon @ Sin Han Bun
Wong Hin Sun Eugene

NOMINATING COMMITTEE

Sin Hang Boon @ Sin Han Bun
(Chairman)

Eileen Tay-Tan Bee Kiew
Wong Hin Sun Eugene

REMUNERATION COMMITTEE

Sin Hang Boon @ Sin Han Bun
(Chairman)

Eileen Tay-Tan Bee Kiew
Wong Hin Sun Eugene

COMPANY SECRETARIES

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
Email : jmg@jason.com.sg

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

INDEPENDENT AUDITORS

BDO LLP
Public Accountants and Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Partner-in-charge: Adrian Lee
(Appointed since financial year ended 31 March 2019)

PRINCIPAL BANKERS

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

SPONSOR

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

SERVICE CENTRES

SINGAPORE

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

INDONESIA

PT Jason Elektronika
Jl. Gunung Sahari Raya 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

PEOPLE'S REPUBLIC OF CHINA

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

THAILAND

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

MALAYSIA

Jason Elektronik (M) Sdn Bhd
No. 22A-1 Jalan Equine 1E
Taman Equine
43300 Seri Kembangan
Selangor, Malaysia
Tel : +65-6477 7700
Fax : +65-6872 1800
Email : sales@jason.com.sg

Dear friends, let us love one another,
for love comes from God.

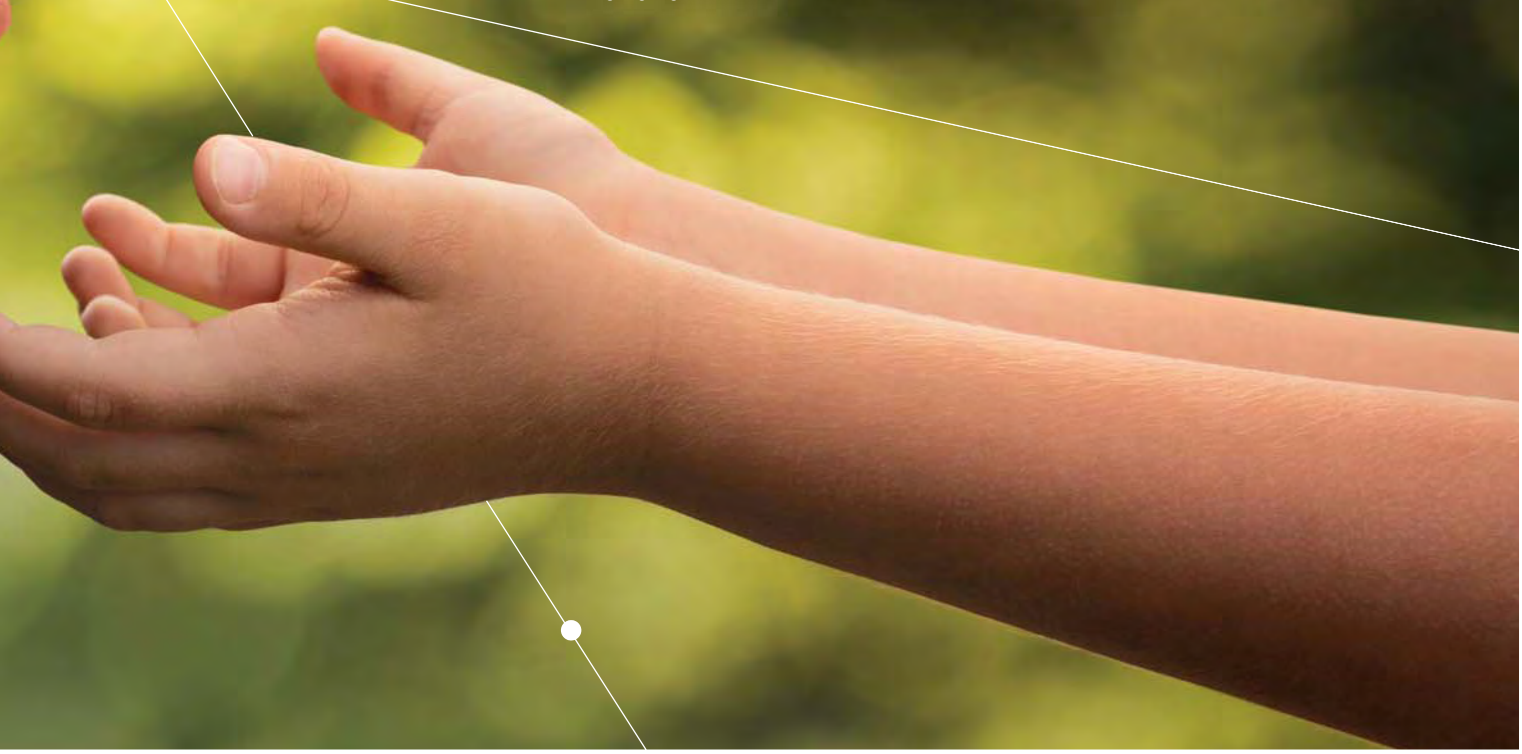
1 JOHN 4:9-11

SUSTAINABILITY REPORT

CONTENTS

LASTING *impressions*

WE STRIVE TO EXCEL IN ALL WE DO - ALWAYS DELIVERING WELL IN EVERY ICT SOLUTION WE DEVELOP, ALWAYS ADDING TO OUR REPUTATION - SO THAT THE JASON MARINE HERITAGE BRAND LEAVES LASTING IMPRESSIONS IN THE MINDS OF OUR CLIENTS AND PARTNERS.



SUSTAINABILITY REPORT

GROUP 3-YEAR SUSTAINABILITY PERFORMANCE SUMMARY

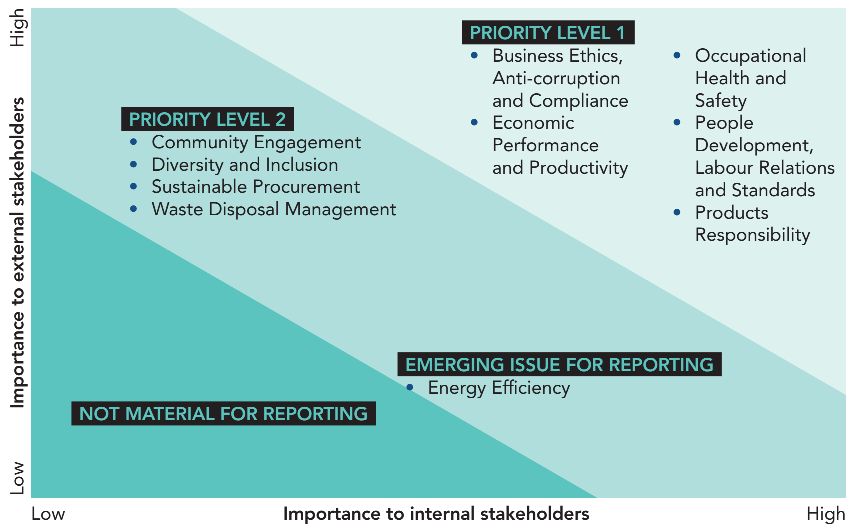
Jason Marine's Material Issues (Priority Level 1)	Performance Indicator	FY2018	FY2019	FY2020
Business Ethics, Anti-corruption and Compliance	No. of non-compliance with laws and regulations	0	0	0
	No. of reported incidents of corruption	0	0	0
Economic Performance and Productivity	Sales Per Employee in SGD	255,210	233,887	243,571
Occupational Health and Safety*	No. of injuries	1	0	0
	Recordable work-related injury rate**	14.21	0	0
	Lost day rate**	4.74	0	0
People Development, Labour Relations and Standards	Turnover rate	21.0%	18.5%	15.0%
	Average training hours per employee	25.4	17.2	14.8
Product Responsibility	No. of complaints on product safety	0	0	0

* Occupational Health and Safety figures pertain to Singapore operations only. More than 85% of our operations in FY2020 are based in Singapore.

** Recordable work-related injury rate and lost day rate were reported as Accident Severity Rate and Accident Frequency Rate respectively in previous years. The rates have been renamed to align with the updated GRI Standards for Occupational Health and Safety, and the formulas to arrive at these metrics remain the same.

OUR MATERIAL ISSUES FOR SUSTAINABILITY

FOCUSING ON ISSUES THAT MATTER TO OUR STAKEHOLDERS



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

In FY2017, we identified our key material issues through a materiality assessment workshop with our Senior Management and representatives from key business units, based on the Global Reporting Initiatives ("GRI") Standards and AA1000AS five-part materiality test. In FY2019, to better understand the relevance of our previously identified material issues to various stakeholder groups, we engaged key external and internal stakeholders on their views of the material issues. Stakeholder groups engaged included customers, bankers, suppliers, employees and Board Directors.

In FY2020, our Senior Management and representatives from key business units came together for a target-setting workshop to review existing targets and set additional targets for all our material issues regardless of their priority level. The new targets, which consist of annual and short-term goals, reflect our commitment to continuously improve our sustainability performance and create value for our stakeholders.

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS

Jason Marine supports the United Nations' Sustainable Development Goals ("SDGs"). In FY2020, we identified eight SDGs which we can most meaningfully contribute to, based on all our material issues. The eight SDGs are mapped to our material issues as shown below:

3 GOOD HEALTH AND WELL-BEING	• Occupational Health and Safety • Product Responsibility • Community Engagement	8 DECENT WORK AND ECONOMIC GROWTH	• Economic Performance and Productivity • Occupational Health and Safety • People Development, Labour Relations and Standards
4 QUALITY EDUCATION	• Community Engagement	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Sustainable Procurement • Waste Disposal Management
5 GENDER EQUALITY	• Diversity and Inclusion	14 LIFE BELOW WATER	• Waste Disposal Management
7 AFFORDABLE AND CLEAN ENERGY	• Energy Efficiency	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	• Business Ethics, Anti-corruption and Compliance

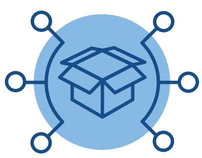
BOARD STATEMENT ON SUSTAINABILITY

Our key material environmental, social and governance issues have been identified and reviewed by the Executive Chairman and the 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.

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.**

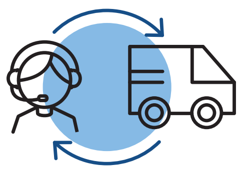
JASON MARINE'S VALUE CHAIN

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.

SUSTAINABILITY REPORT

ABOUT THIS SUSTAINABILITY REPORT

We are pleased to present Jason Marine's fourth annual Sustainability Report for FY2020. Jason Marine has been reporting on sustainability issues since our first annual report in 2010 on topics such as Health and Safety, Employee Development, and Community. In FY2017, we furthered our efforts by aligning our reporting with the GRI framework. In FY2020, we identified SDGs that we can most meaningfully contribute to, based on our material issues and sustainability efforts.

For each material issue identified, please refer to the relevant section of this annual report for details on the Company's policies, practices and performance for the financial year ended 31 March 2020 as well as targets for the next financial year (including descriptive and quantitative information where relevant) for Priority level 1 issues. For the material issue 'Economic Performance and Productivity', please refer to 'Financial & Operations Review' p. 18, and Community Engagement p. 35. Our target for 'Economic Performance and Productivity' is to continue to adopt and roll out technology initiatives, utilising technology to increase collaboration and reduce costs through more effective system and processes.

The scope of policies and data covered in this report pertains to operations in Singapore (which represents more than 85% of the Group's total revenue), unless otherwise stated. We aim to further expand the scope of the report to our overseas operations in future reports.

This report has been prepared in accordance with the GRI Standards: Core Option, and is set out on a "comply or explain" basis in accordance with Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. Jason Marine has chosen the GRI framework as it is the most established international sustainability reporting standard and in respect of the extent to which such framework is applied, this report has been prepared in accordance with the Core Option.

We aim to seek external assurance in future.

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.**

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.

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

BUSINESS ETHICS, ANTI-CORRUPTION AND COMPLIANCE

Corruption, non-compliance and violation of human rights represent significant risks to Jason Marine's business and reputation.

We adopt a zero-tolerance stance towards corruption. This is communicated during meetings to all our employees, major suppliers and business partners. Any form of corruption is 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 within 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 international and local laws. For example, different ports in different countries have varying levels of security and laws regarding cargo, and controlled equipment to embargoed destinations can be a challenge. We take extra care to comply with such regulations, in addition to those on the environment, anti-competitive behavior, and health and safety.

Operating in the information communications and technology industry means that data privacy and cyber-security are important aspects of business ethics and compliance. Jason Marine safeguards against these risks by implementing policies such as the Personal Data Protection Act Policy, which apply to both internal and external stakeholders.

The policy applies to our employment and tender process, for example, where data privacy of applicants is respected. Access to personal data is restricted to authorised persons such as managers or Senior Management on a needs basis.

It is Jason Marine's goal to maintain zero incidents of corruption. We review policies on whistle blowing, anti-corruption and business gifts annually. By FY2021, we aim to roll out an anti-bribery and corruption policy that all our employees will be trained on and all major vendors will have to sign. As of FY2020, we have briefed all our management and sales personnel and they have signed the policy. We have also placed it on our intranet and plan to communicate it to the rest of our employees. We also aim to refresh our Code of Conduct and communicate the updates to all our employees by FY2021.

FOR FY2020, THERE WERE NO SIGNIFICANT FINES OR NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS. THERE HAVE ALSO BEEN NO REPORTED INCIDENTS OF CORRUPTION DURING THE REPORTING PERIOD.

SUSTAINABILITY REPORT

OCCUPATIONAL HEALTH AND SAFETY

Safety Performance[1]	Employees	Contractors
Recordable work-related injury rate per million man hours[2]	**FY2020: 0**	**FY2020: 0**
	FY2019: 0	FY2019: 0
	FY2018: 4.74	FY2018: 0
Lost day rate per million man hours[3]	**FY2020: 0**	**FY2020: 0**
	FY2019: 0	FY2019: 0
	FY2018: 14.21	FY2018: 0
Number of Injuries	**FY2020: 0**	**FY2020: 0**
	FY2019: 0	FY2019: 0
	FY2018: 1	FY2018: 0

The health and safety for our workforce is of utmost importance to us. A safe working environment is not just a fundamental right; employees' 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 Ministry of Manpower's ("**MOM**") Workplace Safety and Health Guidelines to manage safety and health of our employees in shipyards and ships. Our Risk Assessment teams conduct safety risk assessments at all levels and across all operating locations. We also pay attention to the safety of visitors to our sites of operation. At assembly and integration workshops, our goal is to ensure 100% of visitors undergo safety and evacuation briefings. In FY2020, about 80% of visitors to assembly and integration workshops attended safety and evacuation briefings. Moving forward, we will set up a monitoring matrix to capture this data more accurately.

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 required to mitigate such risks. 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 our operations in Singapore, which represent more than 85% of the Group's operations, have safety management systems in place. Our safety management systems are certified to legal requirements and recognised management standards, bizSAFE STAR and OHSAS 18001:2007 respectively. All employees 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. 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. 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

1 Safety performance pertains to Singapore operations only. We are working towards expanding our scope. Recordable work-related injury rate and lost day rate were reported as Accident Severity Rate and Accident Frequency Rate respectively in previous years. The rates have been renamed to align with the updated GRI Standards for Occupational Health and Safety, and the formulas to arrive at this metrics remain the same

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 / number 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.

exposed to is high noise level. To prevent noise-induced deafness ("NID"), all engineers are required to use appropriate personal protection equipment at work. All 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 injuries in our Singapore operations during the reporting period. We will not be complacent and will continue to stress the importance of workplace safety and aim for an injury-free work year.

We intend to gradually extend the Risk Assessment to overseas operations and reporting of safety performance. By FY2021, we target to set up safety management systems for our global operations, as well as ensure that all new hires are briefed on safety issues during orientation and induction. In FY2020, safety briefings were conducted for all of our 17 new hires.

In FY2020, our employees in Singapore worked a total of 233,616 man hours.

ENSURING THE HEALTH AND SAFETY OF EMPLOYEES AND VISITORS DURING COVID-19

Our employees' health and safety continue to remain a top priority for us during the COVID-19 pandemic. As part of our Business Continuity Measures, we established a Safe Management Measures Plan to swiftly and effectively implement safety measures to protect and reduce transmission of the virus among our employees, customers/clients, and partners. This allowed us to maintain essential operations and services with minimal disruption, and manage suspected and/or confirmed cases of infection.

Our Safe Management Measures committee overseeing execution of the Plan comprises eight members from different areas of our business operations, including sales, engineering, logistics, finance and human resources. We have also appointed Safety Management Officers ("SMOs") and Deputy SMOs to coordinate the implementation of Safe Management Measures, which includes identifying relevant risks, recommending and implementing measures to mitigate the risks, and communicating the measures to all personnel working in the workplace. Inspections and checks are in place to ensure compliance to the regulations.

As a provider of essential services, the Group remained operational during Singapore's Circuit Breaker period. As such, we have put in place a comprehensive set of safety measures for all employees and visitors to our offices since April 2020. These measures ensure safe distancing, contact tracing, temperature screening and good hygiene.Visitors to our premises are only allowed for necessary reasons, such as to conduct tests and evaluations on equipment during and after the assembly process.

Administrative staff are working from home by default. All other employees working on-site or at the office are working on a split team arrangement, and our meeting rooms, logistics and workshop premises have been marked out to ensure safe distancing. We provide masks, hand sanitisers and thermometers for all employees to use as and when necessary. Employees follow staggered working hours and are not allowed to physically interact with those in different shifts, teams, or worksites, even outside of work.

To ensure all employees are aware of our Safe Management Measures Plan and how to handle suspected or confirmed cases of COVID-19, we have published these directives on our intranet, as well as sent reminders on safety measures and social distancing via email and posters around the office.

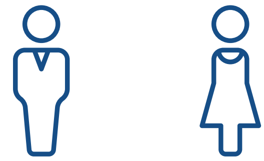
SUSTAINABILITY REPORT

PEOPLE DEVELOPMENT, LABOUR RELATIONS AND STANDARDS

GLOBAL EMPLOYEE PROFILE

Singapore	77%
China	12%
Indonesia	9%
Malaysia	2%

EMPLOYEE GENDER DIVERSITY



Male **64%**

Female **36%**

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.

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.

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

GROUP NEW HIRES AND TURNOVER IN FY2020 BY GENDER, AGE GROUP AND REGION

	By Gender		
	Male	**Female**	**Total***
Rate of new hire	11.0%	6.3%	17.3%
Rate of turnover (total)	10.2%	4.7%	15.0%
Rate of turnover (voluntary)	5.5%	4.7%	10.2%

	By Age Group			
	< 30 years	**30-50 years**	**>50 years**	**Total***
Rate of new hire	3.1%	11.8%	2.4%	17.3%
Rate of turnover (total)	3.1%	10.2%	1.6%	15.0%
Rate of turnover (voluntary)	2.4%	7.9%	0.0%	10.2%

	By Region			
	Singapore	**China**	**Indonesia**	**Malaysia**
Rate of new hire	17.3%	6.7%	27.3%	33.3%
Rate of turnover (total)	13.3%	26.7%	18.2%	0.0%
Rate of turnover (voluntary)	8.2%	20.0%	18.2%	0.0%

* Figures may not add up due to rounding.

4 Source: Labour Market Survey 2019, Manpower Research & Statistics Department, Ministry of Manpower.

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.

Our global workforce increased from 124 employees as at 31 March 2019 to 127 employees as at 31 March 2020. All our employees hold permanent contracts and work full-time. 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 FY2020, our Group total turnover rate was 15.0%. Total turnover rate for our Singapore operations was 13.3%, compared to national resignation rate in 2019 of 21.6%[4].

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.

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

We engage our employees through townhall meetings twice a year, as well as celebratory gatherings during festive seasons. 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.

GROUP-LEVEL AVERAGE NO. OF TRAINING HOURS PER EMPLOYEE

	Group Average	By Gender		By Employee Category		
		Male	Female	Executives	Non-Executive	Senior Management
FY2020	**14.8**	**21.1**	**3.8**	**10.7**	**12.8**	**49.9**
FY2019	17.2	24.8	3.4	18.8	15.2	41.7
FY2018	25.4	36.5	5.2	29.5	24.7	29.9

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 FY2023. In FY2020, the overall average training hours per employee was 14.8.

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

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 has come in particularly useful during the COVID-19 pandemic. Employees are encouraged to leverage on e-learning platforms to enhance their personal and professional development, such as by attending complimentary courses offered by NTUC Learning Hub during Singapore's 'Circuit Breaker' period.

We have two key initiatives to enhance our employees' capabilities: the Skillsfuture SME Mentors Programme (by Enterprise Singapore) to enhance mentoring competency of our sales teams through structured training and coaching, and the Marine Professional Conversion Programme ("PCP") which reskills and upskills our engineers on IT capability. While we did not send any engineers for the Marine PCP in FY2020, we conducted internal IT-related training for our engineers.

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 FY2020, 0.8% of our total expense was invested in training programmes. By FY2023, our goal is to have 1.5% of our total expenses invested in training programmes annually.

SUSTAINABILITY REPORT

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 or customers from asbestos-related health issues.

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

I WOULD LIKE TO THANK RAJESH AND PHILIP FOR THEIR EFFORTS ONBOARD. THEY HAVE SHOWED GREAT ATTITUDE AND PROFESSIONALISM WHILE FACING THE DIFFICULTIES OF OUR SYSTEM.

MR CLAUDIO PEREIRA, PROSAFE

THANKS FOR SENDING YOUR PROFESSIONAL SERVICE ENGINEER TO OUR VESSEL; I WOULD LIKE TO USE MR KELVIN IN MY FUTURE VESSEL TOO.

MR GANESAN THIRUMURUGAN, KEPPEL SHIPYARD

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. We identify potential impacts that may arise from the use of our equipment and systems, and put in place measures to prevent any negative effects. 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 impacts of our products and services, and zero complaints regarding the safety of our products.

We target to maintain zero complaints on product safety. By FY2023, we aim to have due diligence conducted for 100% of materials and products on compliance with safety and environmental performance standards.

Product Responsibility Performance Indicator	FY2018	FY2019	FY2020
No. of customer complaints on product safety or environmental performance	0	0	0

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 impacts to the maritime community are minimal. We target to organise one event annually to raise awareness on safety at sea for casual mariners. In September 2019, we sponsored and participated in an Offshore Fishing Competition organised by SAF Yacht Club, where we showcased both fishing and lifesaving equipment to raise awareness on water safety.

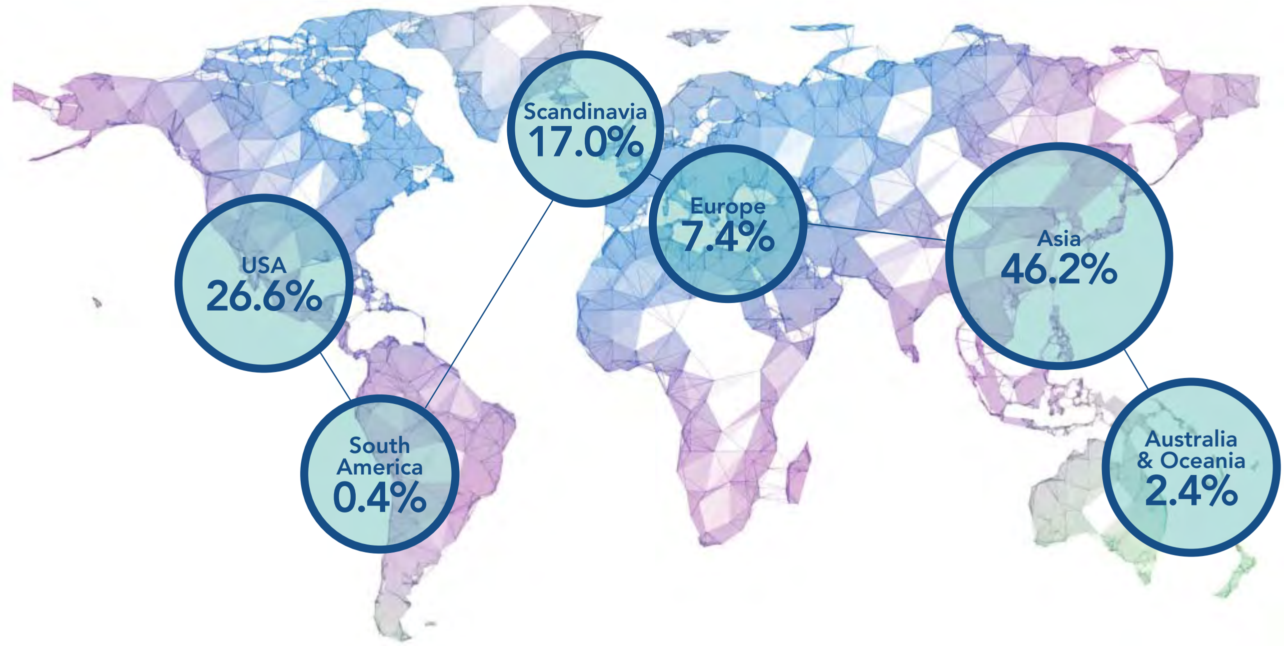
We also aim to positively impact local communities beyond the maritime community, and we have been doing so through community development and engagement programmes. We have remained committed to meeting local communities' needs and enabling vulnerable groups of the society. Since 2012, all of Jason Marine's operations in Singapore have implemented local community development programmes by joining the Adopt-a-Precinct ("AAP") scheme of South West Community Development Council. Every year, we have been contributing to our adopted precinct, the Telok Blangah community, in different ways. In December 2019, Jason Marine and our employees sponsored 50 book vouchers amounting to $5,000 for low income children through the Telok Blangah Residents' Committee's EduAid event, which we have been supporting for 6 years. For our continued contribution to the Telok Blangah community over the years, we were conferred a Certification of Appreciation by Telok Blangah Grassroots Organisation in March 2020.

Our goals are to continue to support the Telok Blangah community and donate pre-owned computers to less privileged families. To encourage a culture of service to the community among our employees, we target to achieve 2 volunteer hours annually per employee in FY2022 and beyond.

SUSTAINABILITY REPORT

SUSTAINABLE PROCUREMENT

DEMOGRAHIC DISTRIBUTION OF PRODUCTS AND SERVICES PROCURED



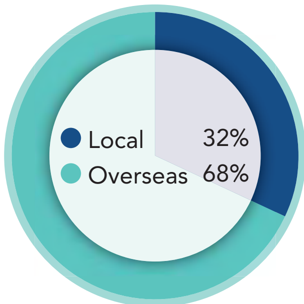
We procure from partners who provide high quality equipment, systems and solutions, in order to achieve the highest quality in our products and services. In line with our material issues of Business Ethics, Product Responsibility and Occupational Health and Safety, it is important to us to procure from suppliers with sound social and environmental practices. In the manufacturing stage, human rights issues and forced or child labour practices have potential negative impacts, together with the use of contentious materials such as rare earth metals in the production of the equipment. Jason Marine is able to indirectly influence our supply chain positively through our supplier selection process. For example, we take into consideration environmental factors such as ISO14001 certification when selecting suppliers. We aim to encourage at least 50% of our key suppliers to have sustainability policies in place by FY2021. 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 the USA and Scandinavia. In FY2020, 32% of our products and services were purchased locally (i.e. from Singapore).

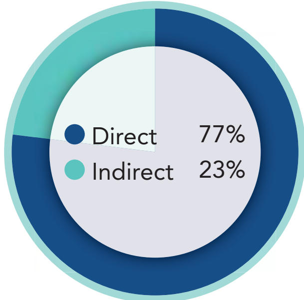
All key suppliers are to agree to Jason Marine's business ethics and anti-bribery clauses included in all supplier agreements. We have clear documentation procedures for our vendor pre-qualification process and also conduct continuous evaluation of our vendors' performance.

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

PERCENTAGE OF PRODUCTS AND SERVICES PURCHASED LOCALLY OR OVERSEAS



PERCENTAGE OF PRODUCTS AND SERVICES ACQUIRED DIRECTLY (FROM MAKERS) OR INDIRECTLY (FROM AUTHORISED DEALERS)



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. We continue to meet our goal of having zero waste disposed at sea.

We comply with international guidelines on pollution and ballast water management, and continue to meet our aim of zero incidents of non-compliance with relevant standards for ballast water discharge. We do not use any hazardous chemical or materials in our operations. 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. Electronic waste is sent for recycling.

Reduction of material inputs and waste also reduce operational costs. For example, we reuse discarded paper boxes as our packaging material, hence saving cost on packaging. As part of our aim to reduce paper usage through digitalisation, 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 FY2020, we recycled 307 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 transport of equipment and during business travel. To mitigate environmental impacts and reduce costs of transportation, we have several measures. 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. Our fuel consumption in FY2020 consisted of 2,791 litres of fuel oil and 3,458 litres of diesel.

Even though the environmental impact of our office activities is relatively immaterial, we believe it is important to instill values of environmental stewardship in our people. Recycling bins for paper, stationery and computers are provided at various locations in the office to encourage our staff to reuse and recycle materials wherever feasible. We also stress the importance of proper disposal of office equipment, especially with items such as laptops and printer cartridges, to reduce negative impacts of electronic waste. We aim to raise awareness on waste reduction through training and monthly cross-departmental inspections. As part of our aim to organise initiatives that promote electricity reduction, we replaced our office lights with LED lights in FY2020. By regularly engaging our staff on environmental issues, we hope to be environmentally conscious in whatever we do. In December 2018, we successfully passed the certification audit for Eco-Office by the Singapore Environmental Council.

Our electricity consumption in FY2020 increased compared to FY2019 due to an increased number of projects, each of which requires long hours of testing. We continue to re-examine our business processes and seek innovative new ways to improve efficiency of our operations while reducing environmental impacts. We aim to improve our data collection and measurement for energy usage, in order to better manage and reduce our energy consumption across the organisation.

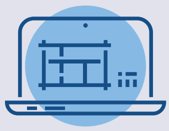
Region: Singapore	FY2018	FY2019	FY2020
Electricity consumption (kWh)	232,612	194,665	222,828

SUSTAINABILITY REPORT

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.

GRI CONTENT INDEX

GRI Standard	Disclosure Number	Disclosure Title	Page References
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016	102-1	Name of the organisation	Cover page
	102-2	Activities, brands, products, and services	Corporate Profile pg 1
	102-3	Location of headquarters	Corporate Profile pg 1
	102-4	Location of operations	Our Geographic Reach pg 11; Corporate Structure pg 21
	102-5	Ownership and legal form	Corporate Profile pg 1; Notes to the Financial Statements pg 41
	102-6	Markets served	Our Geographic Reach pg 11
	102-7	Scale of the organisation	Financial & Operations Review pg 18-20; People Development, Labour Relations and Standards pg 32
	102-8	Information on employees and other workers	People Development, Labour Relations and Standards pg 32 Data on employees and other workers is compiled by our HR department.
	102-9	Supply chain	Our Material Issues for Sustainability pg 27; Sustainable Procurement pg 36
	102-10	Significant changes to the organisation and its supply chain	There were no significant changes to the organisation and its supply chain in FY2020.
	102-11	Precautionary Principle or approach	Safeguarding the Environment pg 37
	102-12	External initiatives	People Development, Labour Relations and Standards pg 32-33
	102-13	Membership of associations	https://www.jason.com.sg/sustainability
	102-14	Statement from senior decision-maker	Chairman's statement pg 8-10; Our Material Issues for Sustainability pg 27
	102-16	Values, principles, standards, and norms of behavior	Our Values pg 1
	102-18	Governance structure	Board of Directors pg 12-13; Management Team pg 14-15; Sustainability Governance pg 28
	102-40	List of stakeholder groups	https://www.jason.com.sg/sustainability
	102-41	Collective bargaining agreements	People Development, Labour Relations and Standards pg 32
	102-42	Identifying and selecting stakeholders	https://www.jason.com.sg/sustainability
	102-43	Approach to stakeholder engagement	https://www.jason.com.sg/sustainability
	102-44	Key topics and concerns raised	https://www.jason.com.sg/sustainability

SUSTAINABILITY REPORT

GRI Standard	Disclosure Number	Disclosure Title	Page References
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	Corporate Structure pg 21; Notes to the Financial Statements pg 64-65; About this Sustainability Report pg 28
	102-46	Defining report content and topic Boundaries	Our Material Issues for Sustainability pg 26-27
	102-47	List of material topics	Our Material Issues for Sustainability pg 26
	102-48	Restatements of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	About this Sustainability Report pg 28
	102-51	Date of most recent report	10 July 2019
	102-52	Reporting cycle	About this Sustainability Report pg 28
	102-53	Contact point for questions regarding the report	About this Sustainability Report pg 28
	102-54	Claims of reporting in accordance with the GRI Standards	About this Sustainability Report pg 28
	102-55	GRI content index	GRI Content Index pg 39-44
	102-56	External assurance	About this Sustainability Report pg 28
Material Topics			
Economic Performance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Community Engagement pg 35; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	Chairman's Statement pg 8-10; Financial & Operations Review pg 18-20; Community Engagement pg 35
	103-3	Evaluation of the management approach	Corporate Governance and Financial Report pg 15-18
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Corporate Governance and Financial Report pg 78-84; Community Engagement pg 35 Economic value retained in FY2020 is $ (838,000)
Procurement Practices			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainable Procurement pg 36; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	Sustainable Procurement pg 36
	103-3	Evaluation of the management approach	Sustainable Procurement pg 36
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Sustainable Procurement pg 36 Local suppliers are suppliers based in the same country where our operations are. All countries in which Jason Marine has operations in are considered significant.

GRI Standard	Disclosure Number	Disclosure Title	Page References
Anti-corruption			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Business Ethics, Anti-corruption and Compliance pg 29; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	Business Ethics, Anti-corruption and Compliance pg 29
	103-3	Evaluation of the management approach	Business Ethics, Anti-corruption and Compliance pg 29
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Business Ethics, Anti-corruption and Compliance pg 29
	205-2	Communication and training about anti-corruption policies and procedures	Business Ethics, Anti-corruption and Compliance pg 29 Anti-corruption policies and procedures have been communicated to governance body members, employees and contractors in Singapore.
	205-3	Confirmed incidents of corruption and actions taken	Business Ethics, Anti-corruption and Compliance pg 29
Anti-competitive Behaviour			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Business Ethics, Anti-corruption and Compliance pg 29; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	Business Ethics, Anti-corruption and Compliance pg 29
	103-3	Evaluation of the management approach	Business Ethics, Anti-corruption and Compliance pg 29
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There have been no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices.
Environmental Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Business Ethics, Anti-corruption and Compliance pg 29; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	Business Ethics, Anti-corruption and Compliance pg 29
	103-3	Evaluation of the management approach	Business Ethics, Anti-corruption and Compliance pg 29
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Business Ethics, Anti-corruption and Compliance pg 29

SUSTAINABILITY REPORT

GRI Standard	Disclosure Number	Disclosure Title	Page References
Employment			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	People Development, Labour Relations and Standards pg 32-33; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	People Development, Labour Relations and Standards pg 32-33
	103-3	Evaluation of the management approach	People Development, Labour Relations and Standards pg 32-33
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	People Development, Labour Relations and Standards pg 32 There were 22 new hires and 19 employees who left the company in FY2020.
Labour/ Management Relations			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	People Development, Labour Relations and Standards pg 32-33; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	People Development, Labour Relations and Standards pg 32-33
	103-3	Evaluation of the management approach	People Development, Labour Relations and Standards pg 32-33
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	People Development, Labour Relations and Standards pg 32
Occupational Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Occupational Health and Safety pg 30-31; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	Occupational Health and Safety pg 30-31
	103-3	Evaluation of the management approach	Occupational Health and Safety pg 30-31
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety pg 30
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety pg 30-31
	403-3	Occupational health services	Occupational Health and Safety pg 30-31
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety pg 30-31
	403-5	Worker training on occupational health and safety	Occupational Health and Safety pg 30-31
	403-6	Promotion of worker health	Occupational Health and Safety pg 30-31

GRI Standard	Disclosure Number	Disclosure Title	Page References
GRI 403: Occupational Health and Safety 2018	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety pg 30-31
	403-9	Work-related injuries	Occupational Health and Safety pg 30-31
Training and Education			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	People Development, Labour Relations and Standards pg 32-33; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	People Development, Labour Relations and Standards pg 32-33
	103-3	Evaluation of the management approach	People Development, Labour Relations and Standards pg 32-33
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	People Development, Labour Relations and Standards pg 33
	404-2	Programs for upgrading employee skills and transition assistance programs	People Development, Labour Relations and Standards pg 33
	404-3	Percentage of employees receiving regular performance and career development reviews	People Development, Labour Relations and Standards pg 33
Non-discrimination			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	People Development, Labour Relations and Standards pg 32; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	People Development, Labour Relations and Standards pg 32-33
	103-3	Evaluation of the management approach	People Development, Labour Relations and Standards pg 32
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	There have been no reported incidents of discrimination during the reporting period.
Local Communities			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Community Engagement pg 35; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	Community Engagement pg 35
	103-3	Evaluation of the management approach	Community Engagement pg 35
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement pg 35

SUSTAINABILITY REPORT

GRI Standard	Disclosure Number	Disclosure Title	Page References
Customer Health and Safety			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Product Responsibility pg 34; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	Product Responsibility pg 34
	103-3	Evaluation of the management approach	Product Responsibility pg 34
GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Responsibility pg 34
Socioeconomic Compliance			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Business Ethics, Anti-corruption and Compliance pg 29; https://www.jason.com.sg/sustainability
	103-2	The management approach and its components	Business Ethics, Anti-corruption and Compliance pg 29
	103-3	Evaluation of the management approach	Business Ethics, Anti-corruption and Compliance pg 29
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Business Ethics, Anti-corruption and Compliance pg 29

LOVE

博爱

JASON MARINE GROUP LIMITED

CORPORATE GOVERNANCE AND FINANCIAL REPORT 2020

LOVE - which embodies appreciation, respect and compassion - is a powerful unifying force, binding our people in a caring culture that promotes staff retention, service innovation, customer service quality and talent attraction in Jason Marine Group.

Although the operating environment remains challenging amidst much uncertainty caused by trade and geo-political tensions as well as the coronavirus outbreak, our steadfast faith in our people, ICT capabilities and untarnished reputation for excellence gives us hope that we will remain relevant in this 'digital age'. Together, we shall brave adversity courageously to drive growth and build a sustainable future for all.

CONTENTS

This annual report has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone (65) 6337 5115.

corporate PROFILE

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

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

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

our VISION

TO BE A
GLOBAL WORLD CLASS COMPANY
IN MARINE ELECTRONICS

our VALUES

CHARACTER

INTEGRITY AND HONESTY
•
POSITIVE ATTITUDE
•
EXCELLENT TEAMWORK

COMPETENCE

EXCELLENT QUALITY WORK
•
DELIVER EXPECTED RESULTS
•
INNOVATION AND CREATIVITY

COMMITMENT

PASSION AND DRIVE
•
WALK THE EXTRA MILE
•
SEEK OPPORTUNITIES

...WITH INTEGRITY OF HEART; WITH SKILLFUL HANDS...

PS 79:72

FINANCIAL HIGHLIGHTS

Results of Operations	FY2020 (S$'000)	FY2019 (S$'000)	FY2018 (S$'000)	FY2017 (S$'000)	FY2016 (S$'000)
Revenue	30,204	29,002	31,646	33,155	37,169
Gross profit	7,693	10,178	10,218	9,992	7,088
Profit/(Loss) before income tax	2,237	612	192	516	(5,960)
Profit/(Loss) attributable to owners of the parent	2,195	191	45	237	(5,996)
Earnings/(Loss) per share (cents)*	2.09	0.18	0.04	0.23	(5.70)

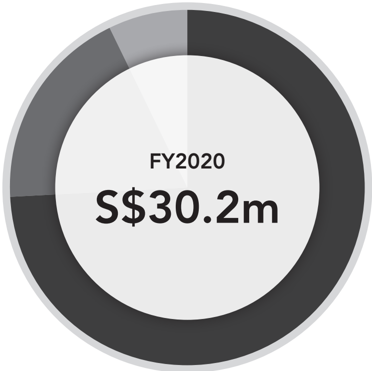
* For comparative purpose, earnings/(loss) per share of the Group for the financial years shown were computed based on the weighted average number of ordinary shares in issue (excluding treasury shares) of 105,000,000 for FY2020.

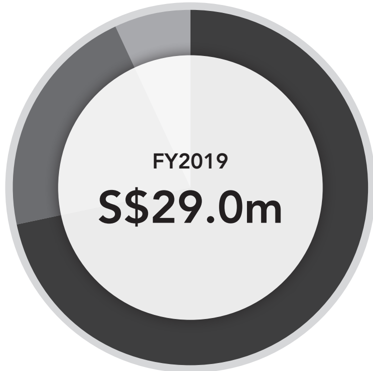
Financial Position	As at 31 March				
	2020 (S$'000)	2019 (S$'000)	2018 (S$'000)	2017 (S$'000)	2016 (S$'000)
Non-current assets	2,093	4,742	25,221	3,315	2,173
Current assets	30,609	31,203	34,128	35,562	37,596
Current liabilities	7,623	9,484	12,846	15,318	16,526
Non-current liabilities	65	3	51	50	50
Equity	25,014	26,458	46,452	23,509	23,193
Net asset value per share (cents)#	23.82	25.20	44.24	22.39	22.09

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 2020.

SEGMENT REVENUE

Revenue by Business Segment

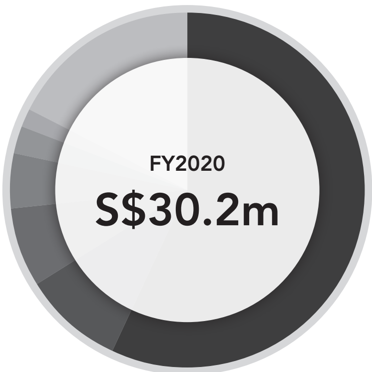




FY2020	(S$'000)	(%)
Sale of goods	22,476	74.4%
Rendering of services	5,626	18.6%
Airtime revenue	2,102	7.0%
Total:	**30,204**	**100.0%**

FY2019	(S$'000)	(%)
Sale of goods	20,860	71.9%
Rendering of services	6,151	21.2%
Airtime revenue	1,991	6.9%
Total:	**29,002**	**100.0%**

Revenue by Geographical Segment



FY2020	(S$'000)	(%)
Singapore	17,226	57.0%
Indonesia	2,803	9.3%
People's Republic of China	2,214	7.3%
Malaysia	1,475	4.9%
Germany	749	2.5%
Denmark	470	1.6%
Others	5,267	17.4%
Total:	**30,204**	**100.0%**

FY2020	(S$'000)	(%)
Singapore	11,327	39.1%
Indonesia	2,648	9.1%
People's Republic of China	5,506	19.0%
Malaysia	1,060	3.7%
Germany	1,127	3.9%
Denmark	690	2.3%
Others	6,644	22.9%
Total:	**29,002**	**100.0%**

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 2020 ("**FY2020**") 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, for example, environmental and social factors, as part of its strategic formulation; and

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

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

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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 FY2020 is tabulated below:

	Board	General Meeting	Audit and Risk Committee	Nominating Committee	Remuneration Committee
Total number of meetings held	**3**	**1**	**3**	**1**	**1**
Number of meetings attended by respective directors					
Executive Director and Chief Executive Officer					
Mr Foo Chew Tuck	3	1	N/A	N/A	N/A
Non-Independent Non-Executive Director					
Mr Wong Hin Sun, Eugene	3	1	3	1	1
Independent Directors					
Mr Sin Hang Boon	3	1	3	1	1
Mrs Eileen Tay-Tan Bee Kiew	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 Director and the management for operational efficiency.

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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.

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.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

During FY2020, the Board comprises four Directors, out of whom two are Independent Directors, one is a Non-Independent Non-Executive Director and the other one is an Executive Director. Mr Foo Chew Tuck was re-designated as Executive Chairman and Chief Executive Director ("**CEO**") with effect from 1 April 2018.

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 not complied with Provision 2.2 during FY2020 as the Board currently comprises four members of which two are independent directors. Although the Chairman is not independent, the Board currently comprises only one executive director and the majority of the Board is made up of non-executive directors. In line with the transitional period as indicated by the Corporate Governance Council with regard to changes to board composition pursuant to the Code, the Company will endeavour to comply with Provision 2.2 by 1 January 2022.

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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 Director is considered non-independent.

During FY2020, 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.

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:-

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

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

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.

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PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr Foo Chew Tuck is 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 FY2020. The Board is of the opinion that it is not necessary to separate the roles of the Chairman and the CEO after taking into account the size, scope and nature of the operations of the Group. Although the roles of Chairman and CEO are not separate, the Board is of the view that there are sufficient independent elements with independent directors making up half of the Board, safeguards and checks to ensure that the process of decision making by the Board is independent and based on collective decisions without any individual or groups of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance.

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

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

The 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.

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.

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

(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.

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

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

The NC determines the independence of Directors annually in accordance with the 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 FY2020, 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 FY2020, 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	30 July 2019
Mr Wong Hin Sun, Eugene	Non-Independent Non-Executive Director	15 September 2009	30 July 2019
Mr Sin Hang Boon	Independent Director	15 September 2009	26 July 2018
Mrs Eileen Tay-Tan Bee Kiew	Lead Independent Director	15 September 2009	26 July 2018

At the forthcoming AGM, Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon are due for re-election pursuant to the Constitution of the Company. The NC has recommended and the Board has agreed for Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon to retire and seek re-election at the forthcoming AGM.

The detailed information of the Directors seeking re-election as required under Appendix 7F of the Catalist Rules can be found on pages 22 to 26.

During FY2020, 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.

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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 FY2020. The results of the appraisal exercise were tabulated, analysed and considered by the NC which then made recommendations to the Board on areas for improvement, aimed at helping the Board to discharge its duties more effectively. The appraisal process focused on the following areas of evaluation:

(i) Board and Board committees composition;

(ii) information to the Board;

(iii) Board and Board committees procedures;

(iv) Board and Board committees accountability;

(v) CEO and top management;

(vi) standards of conduct;

(vii) internal controls and risk management systems; and

(viii) audit process.

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

The Company did not engage any external facilitator for assessment of the Board, board committees and Directors during FY2020.

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

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

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

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

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

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

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

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

If necessary, the RC will seek expert advice inside and/or outside the Company on remuneration matters. The RC did not engage any remuneration consultant in respect of remuneration matters for FY2020.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

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

The Executive Director has entered into a service agreement with the Company in which the terms of his employment are stipulated. The initial term of employment is for a period of three years from the date of admission of the Company to the Catalist (being 21 October 2009) and thereafter, his employment is renewed 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 Director is entitled to be paid an incentive bonus annually which is pegged to the financial performance achieved by the Group for that financial year.

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

The Jason Employee Share Option Scheme (the "**ESOS**"), which was adopted on 15 September 2009, had lapsed on 14 September 2019. There has been no option granted pursuant to the ESOS since its adoption.

In place of the ESOS, the Company had adopted the Jason Performance Share Plan (the "**PSP**") which was approved by Shareholders at an extraordinary general meeting held on 27 July 2011. The PSP was implemented to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance. No share awards were granted and no new shares or treasury shares were issued or transferred to employees under the PSP during FY2020.

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The PSP is administered by the RC currently comprising Mr Sin Hang Boon, Mrs Eileen Tay-Tan Bee Kiew and Mr Wong Hin Sun, Eugene. The RC has deliberated and it is intended that the PSP will serve as the share-based compensation scheme for the Group. Shareholders' approval will be sought at the forthcoming AGM to empower Directors to allot and issue Shares pursuant to the PSP.

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

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

For the purpose of Rule 851 of the Catalist Rules, during FY2020, (i) there has been no grant of discounted options under the ESOS; (ii) none of the Directors of the Company has been granted any option under the ESOS or performance share; (iii) none of the participants under the ESOS and the PSP has been granted 5% or more of the total number of options or Shares (as the case may be) available under the ESOS and the PSP; and (iv) as the Company does not have any parent company, the participants of the ESOS and the PSP do not include any directors or employees of any parent company and its subsidiaries.

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

The Group is entitled to reclaim, in full or in part, incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial statements, or misconduct of the Executive Director 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 FY2020.

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A breakdown showing the level and mix of the remuneration of the Directors in respect of FY2020 is as follows:

	Fees %	Salary and CPF^ %	Bonus %	Other benefits %	Total %
S$250,000 to S$499,000					
Mr Foo Chew Tuck	–	85	9	6	100
Below S$250,000					
Mrs Eileen Tay-Tan Bee Kiew	100	–	–	–	100
Mr Sin Hang Boon	100	–	–	–	100
Mr Wong Hin Sun, Eugene	100	–	–	–	100

^ CPF denotes Central Provident Fund.

No Director has been granted share-based award under the PSP during FY2020.

In respect of FY2020, the amount of directors' fees proposed to be payable to the Non-Executive Directors (including the Independent Directors), subject to the approval of Shareholders at the forthcoming AGM, are as follows:

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

Apart from the Executive Director, the Group's key management team includes 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 FY2020 is as follows:

Name of Key Management	Salary and CPF^ %	Bonus %	Other benefits %	Total %
S$250,000 to S$499,000				
Mr Shaun Teo Koon Sing[1]	67	25	8	100
Below S$250,000				
Mr Keith Lim Chee Keong[2]	74	13	13	100
Mr Derrick Chan Kwok Yuan	92	7	1	100

(1) Mr Shaun Teo Koon Sing, Head of Energy of the Group, joined the Group in July 2000 and was appointed an Executive Officer of the Company with effect from 29 April 2019.
(2) Mr Keith Lim Chee Keong, Head of Marine of the Group, joined the Group in April 2008 and was appointed an Executive Officer of the Company with effect from 29 April 2019.

None of the key management personnel named above has been granted share-based award under the PSP during FY2020.

Total remuneration (including CPF, bonus and other benefits) paid to the top 3 key management personnel named above for FY2020 was approximately S$761,000.

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The Executive Director and key management personnel are not entitled to any benefits upon termination, retirement or post-employment. During FY2020, the Group does 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.

The variable bonus or incentive portion of the remuneration packages of the Executive Director and key management personnel are linked to key performance indicators ("**KPIs**") that are determined in advance. Such KPIs typically include financial and non-financial KPIs. Financial KPIs are directly linked to the performance of the Group. Non-financial KPIs include action plans that are important to the long-term sustainability of the Group's performance, such as succession planning. During FY2020, the performance related income have been made to the extent that certain KPIs have been met by the Executive Director 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).

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

During FY2020, 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 FY2020, 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 FY2020 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, and risk management systems were adequate and effective for FY2020.

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.

Internal Audit

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

In the opinion of the Board, PricewaterhouseCoopers 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 internal audit plans are approved by the ARC, with the arising audit outcome presented and reviewed by the management, the ARC and the Board.

The ARC annually reviews the scope and results of the internal audit and ensures that the internal audit function is adequately resourced. With the appointment of PricewaterhouseCoopers 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 three Non-Executive Directors, namely Mrs Eileen Tay-Tan Bee Kiew (who is chairperson of the ARC), Mr Sin Hang Boon and Mr Wong Hin Sun, Eugene. All the members of the ARC are non-executive and the ARC comprises a majority (including the chairperson of the ARC) of independent directors.

All members of the ARC have 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.

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.

CORPORATE GOVERNANCE REPORT

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.

During FY2020, 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 FY2020, 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.

CORPORATE GOVERNANCE REPORT

During FY2020, 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$107,200. The ARC confirms that it has undertaken a review and during FY2020, there was no factor affecting Messrs BDO LLP's independence in the ARC's opinion.

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

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

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

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.

CORPORATE GOVERNANCE REPORT

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 Company does not publish minutes of general meetings on its corporate website as contemplated by the Code, but makes available minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the general meetings and responses from the Board or the Management, to Shareholders upon their requests. Accordingly, the Company has not complied with Provision 11.5 of the Code during FY2020. There are potential adverse implications, including commercial and legal implications, for the Company if the minutes of general meetings are published to the public at large. The Company 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 Company 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.

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

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 in 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 FY2020, the Board is recommending a first and final dividend of 0.5 Singapore cent per share subject to the approval of shareholders at the forthcoming AGM.

PRINCIPLE 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). 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 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 2020 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**") comprises:

Mr Foo Chew Tuck (Chairman)
Mr Derrick Chan Kwok Yuan (Member)
Mr Ooi Chee Kong (Member)
Ms Tan Fah Yin (Member)
Ms May Lim San San (Member)

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

DEALINGS IN SECURITIES

An Internal Code of Best Practices on Securities Transactions has been adopted to prescribe the internal regulations pertaining to the securities of the Company. This code prohibits securities dealings by the Directors and the Group's employees while in possession of price-sensitive 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 the Company's sponsor, CIMB Bank Berhad, Singapore Branch, during FY2020.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

Details of the interested person transactions for FY2020 presented in the format as required under Rule 907 of the Catalist Rules is tabled below:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during FY2020 (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)
Mr Foo Chew Tuck (Executive Chairman and CEO)			
Lease of office premises from:			
(i) JE Holdings Pte Ltd	A	162	–
(ii) Unity Consultancy Pte Ltd	A	13	–
(iii) Jason Harvest Pte Ltd	A	45	–
Total:		220	–

Notes:
A. 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 Catalist Rules.

Save as disclosed above, there are no material contracts or loans entered into by the Group involving the interests of the CEO, any Director or Controlling Shareholder of the Company, either still subsisting at the end of FY2020 or if not subsisting, were entered into since the end of the previous financial year.

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.

CORPORATE GOVERNANCE REPORT

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.

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

Information relating to the Directors seeking re-election at the forthcoming AGM of the Company to be convened on 28 August 2020 is as follows:

Name of Director	Eileen Tay-Tan Bee Kiew	Sin Hang Boon
Date of Appointment	15 September 2009	15 September 2009
Date of last re-appointment	26 July 2018	26 July 2018
Age	67	81
Country of principal residence	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 concurred with the NC that Mrs Eileen Tay-Tan Bee Kiew remains objective in expressing her views and in participating in the deliberation and decision making of the Board and Board committees, notwithstanding her tenure in office of more than 9 years, is of the view that she is suitable for reappointment as the Lead Independent Director of the Company, the Chairperson of the Audit and Risk Committee as well as a member of the Nominating Committee and Remuneration Committee.	The Board of Directors of the Company concurred with the NC that Mr Sin Hang Boon remains objective in expressing his views and in participating in the deliberation and decision making of the Board and Board committees, notwithstanding his tenure in office of more than 9 years, is of the view that he is suitable for reappointment as the Independent Director of the Company, the Chairman of the Nominating Committee and Remuneration Committee as well as a member of the Audit and Risk Committee.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Lead Independent Director • Chairperson of the Audit and Risk Committee • Member of the Nominating Committee • Member of the Remuneration Committee	• Independent Director • Chairman of the Nominating Committee • Chairman of the Remuneration Committee • Member of the Audit and Risk Committee

CORPORATE GOVERNANCE REPORT

Name of Director	Eileen Tay-Tan Bee Kiew	Sin Hang Boon
Professional qualifications	• Bachelor of Accountancy (Honours), University of Singapore • Fellow Member of the Institute of Singapore Chartered Accountants (ISCA) • Fellow Member of the Chartered Institute of Management Accountants (CIMA) • CPA Australia • Licentiate of Trinity College London	• Bachelor of Science in Physics, Nanyang University • Diploma in Business Administration, University of Singapore • Advanced Management Program, Harvard Graduate School of Business Administration
Working experience and occupation(s) during the past 10 years	2009-Present, Lead Independent Director, Jason Marine Group Ltd 2013-Present, Independent Director and Chairman, Singapore Kitchen Equipment Limited 2017-Present, Independent Director, Sunningdale Tech Ltd	2009-Present, Independent Director, Jason Marine Group Ltd 2003-2010, Independent Director, Spice i2i Ltd (formerly MediaRing Ltd) 2002-Present, Director, Idea Services Pte Ltd 2010-2019, Director, Cooinda Asia Pte Ltd 2011-Present, Director, Yahava Koffee Works (Singapore) Private Limited 2007-2010, Advisor, Singapore Post Ltd
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
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	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships Past (for the last 5 years) Present	<u>Past</u> • Cordlife Group Ltd <u>Present</u> • Singapore Kitchen Equipment Ltd • Sunningdale Tech Ltd.	<u>Past</u> • Cooinda Asia Pte Ltd <u>Present</u> • Idea Services Pte Ltd • Yahava Koffee Works (Singapore) Private Limited

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		Eileen Tay-Tan Bee Kiew	Sin Hang Boon
(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
(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
(c)	Whether there is any unsatisfied judgment against him?	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
(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
(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

CORPORATE GOVERNANCE REPORT

Name of Director	Eileen Tay-Tan Bee Kiew	Sin Hang Boon
(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
(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
(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
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	No	No
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or		
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
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
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	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		

CORPORATE GOVERNANCE REPORT

Name of Director		Eileen Tay-Tan Bee Kiew	Sin Hang Boon
(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?	In September 2006, the Monetary Authority of Singapore ("**MAS**") issued a supervisory warning to her as a result of a ten days delay by the then-company secretary of Asia Growth Capital Advisory Pte Ltd ("**Asia Growth Capital**") in submitting notice of her cessation to act as a representative of Asia Growth Capital. The delay occurred despite her reminder to the then-company secretary of Asia Growth Capital to ensure timely submission of such notice. No further action has been taken and she has not thereafter been contacted by MAS on this matter.	No

Information required
Disclosure applicable to the appointment of Director only

	Eileen Tay-Tan Bee Kiew	Sin Hang Boon
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. 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).	Not applicable as this relates to the re-election of a director	Not applicable as this relates to the re-election of a director

"**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 2020 and the statement of financial position of the Company as at 31 March 2020.

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 2020, 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

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 Singapore Companies Act, Chapter 50 (the "**Act**"), except as follows:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance at 1 April 2019	Balance at 31 March 2020	Balance at 1 April 2019	Balance at 31 March 2020
Company				
Number of ordinary shares				
Foo Chew Tuck[(1)]	81,300,000	81,300,000	–	–
Wong Hin Sun Eugene[(2)]	–	–	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 2020 in the shares of the Company have not changed from those disclosed as at 31 March 2020.

5. SHARE OPTIONS

<u>Jason Performance Share Plan</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Audit and Risk Committee confirmed that it has undertaken a review of all non-audit services provided by the external auditors to the Group and is satisfied that the nature and extend of such services would not affect the independence of the external auditors.

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

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

DIRECTORS' STATEMENT

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 Note 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
7 August 2020

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 36 to 98, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2020;
- 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, Chapter 50 (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 2020, 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 trade receivables from third parties**

   As at 31 March 2020, the Group has significant trade receivables from third parties amounting to $5,753,000, net of an allowance for impairment of $779,000, representing 19% of the Group's total current assets.

   The Group's customers mainly operate in the marine and offshore oil and gas industries in Asia. Taking into account the challenging market conditions in these industries and financial pressures faced by the Group's customers, there may be an increase in the Group's credit risk exposure.

   The Group determined expected credit losses ("**ECL**") on trade receivables from third parties by making individual assessment of expected credit loss for long overdue trade receivables and using a provision matrix for remaining trade receivables that is based on its historical credit loss experience with forward looking assumptions. Management takes into account historical provision trend and other relevant factors.

   We focused on this area as a key audit matter as significant judgements are involved in determining ECL on trade receivables.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JASON MARINE GROUP LIMITED

Key Audit Matters (Continued)

1. **Impairment assessment of trade receivables from third parties** (Continued)

Related Disclosures

Refer to Notes 2.10, 3.2, 10 and 33.1 to the accompanying financial statements.

Audit Response

Our procedures included, amongst others, the following:

- Obtained an understanding of and assessed the inputs and information, including the aged trade receivables report, used in designing the provision matrix;
- Recomputed ECL using the provision matrix and evaluated management's assessment of the ECL rates, including assumptions surrounding current conditions and forecast of future economic conditions;
- Assessed the aging of trade receivables to identify credit-impaired receivables and reasonableness of the ECL made for these receivables;
- Checked for subsequent receipts of selected samples of trade receivables; and
- Assessed the adequacy of the disclosures in the financial statements.

2. **Accounting for investment in eMarine Global Inc. ("eMarine Global")**

Valuation of investment in eMarine Global

The Group holds approximately 6% of the equity interest in eMarine Global which is quoted on the OTC Market in United States of America ("**OTC Market**"). As eMarine Global's shares were thinly traded since listing, management carried out an assessment to determine if the OTC Market is active in relation to eMarine Global's shares and whether any adjustment to the price of those shares as quoted on the OTC Market may be necessary.

Based on management's assessment, the quoted price on the OTC Market is representative of the fair value of eMarine Global's shares as at 31 March 2020 and would be categorised as Level 1 of the fair value hierarchy.

As at 31 March 2020, the fair value of the investment in eMarine Global amounted to $487,000 based on the closing quoted market price on the last market trading day of the financial year and the Group recognised a net fair value loss of $3,027,000 in other comprehensive income.

Fair value of put option in eMarine Global

In accordance with revised shareholder agreement dated 30 August 2017, the Group holds a put option which, if exercised, will give the Group the right to sell 1,363,953 shares in eMarine Global for KRW759 per share, plus interest accrued on the aggregate consideration at a rate of 5.38% per annum for the period from 28 October 2011 to the date the put option is exercised. The exercise period of the put option is from 1 January 2017 to 31 December 2019. On 18 January 2019, the Group entered into an amended and restated agreement and extended the expiration date of the put option from 31 December 2019 to 31 December 2022.

As at 31 March 2020, the fair value of the put option was $1,392,000 (2019: $249,000) based on a valuation performed by an independent valuation firm.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JASON MARINE GROUP LIMITED

Key Audit Matters (Continued)

2. **Accounting for investment in eMarine Global Inc. ("eMarine Global")** (Continued)

We focused on this area as a key audit matter as significant judgements are involved in:

- Management's assessment of whether the OTC Market is active in relation to eMarine Global's shares, including consideration of the trading volume and level of activity, and circumstances that may indicate that transactions are not orderly; and

- Determining the fair value of the put option as at the end of financial year, taking into account that the fair value is using significant unobservable inputs (Level 3).

Related Disclosures

Refer to Notes 3.1, 9, 14, 33.4 and 33.6 to the accompanying financial statements.

Audit Response

Our procedures included, amongst others, the following:

<u>Valuation of investment in eMarine Global</u>

- Held discussions with management and those charged with governance to understand the basis and judgements applied in management's assessment;

- Analysed the trends in trading volumes and transactions prices of eMarine Global; and

- Checked the closing quoted market price of eMarine Global to the OTC Market and recomputed the fair value of the investment as at 31 March 2020.

<u>Fair value of put option in eMarine Global</u>

- Assessed the competency, expertise and objectivity of the independent valuer, including obtaining an understanding of the independent valuer's scope of work and the terms of engagement;

- Engaged our internal valuation specialist to assess the appropriateness of the independent valuer's valuation approach such as whether it is a generally accepted valuation method in the market and whether it is consistent with the requirement of SFRS(I);

- Obtained the final valuation report issued by the independent valuer and, with the assistance of our internal valuation specialist, assessed the reasonableness of the significant judgements, key estimates and assumptions adopted; and

- Assessed the adequacy of the disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JASON MARINE GROUP LIMITED

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.

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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JASON MARINE GROUP LIMITED

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Adrian Lee Yu-Min.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
7 August 2020

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
Non-current assets					
Intangible asset	4	–	–	–	–
Plant and equipment	5	715	771	–	–
Right-of-use assets	6	414	–	–	–
Investments in subsidiaries	7	–	–	15,555	15,555
Investments in associates	8	89	77	–	–
Financial assets, at fair value through other comprehensive income	9	813	3,894	–	–
Trade and other receivables	10	57	–	–	–
Deferred tax assets	11	5	–	–	–
Total non-current assets		2,093	4,742	15,555	15,555
Current assets					
Inventories	12	4,103	4,632	–	–
Trade and other receivables	10	6,860	5,496	1,790	25
Contract assets	13	3,425	6,422	–	–
Derivative financial instruments	14	1,392	254	–	–
Prepayments		183	234	20	21
Income tax recoverable		3	–	–	–
Cash and cash equivalents	15	14,643	14,165	5,579	7,452
Total current assets		30,609	31,203	7,389	7,498
Current liabilities					
Trade and other payables	16	4,508	5,567	497	269
Contract liabilities	13	2,580	3,453	–	–
Derivative financial instruments	14	172	–	–	–
Income tax payable		2	464	–	4
Lease liabilities	17	361	–	–	–
Total current liabilities		7,623	9,484	497	273
Net current assets		22,986	21,719	6,892	7,225
Non-current liabilities					
Deferred tax liabilities	11	3	3	–	–
Lease liabilities	17	62	–	–	–
Total non-current liabilities		65	3	–	–
Net assets		25,014	26,458	22,447	22,780
Equity					
Share capital	18	17,967	17,967	17,967	17,967
Treasury shares	19	(255)	(255)	(255)	(255)
Fair value adjustment reserve	20	221	3,302	–	–
Foreign currency translation account	21	(95)	(60)	–	–
Retained earnings	22	7,106	5,436	4,735	5,068
Equity attributable to owners of the parent		24,944	26,390	22,447	22,780
Non-controlling interests		70	68	–	–
Total equity		25,014	26,458	22,447	22,780

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 $'000	2019 $'000
Revenue	23	30,204	29,002
Cost of sales		(22,511)	(18,824)
Gross profit		7,693	10,178
Other item of income			
Other income	24	2,465	1,109
Other items of expense			
Distribution costs		(5,057)	(4,883)
General and administrative expenses		(3,639)	(3,758)
Other expenses		(12)	(687)
Finance costs	25	(26)	–
Write-back of/(Impairment loss on) financial assets	26	801	(936)
Share of results of associates, net of tax	8	12	(411)
Profit before income tax	26	2,237	612
Income tax expense	27	(41)	(409)
Profit for the financial year		2,196	203
Other comprehensive income:			
Items that will or may be reclassified subsequently to profit or loss:			
Foreign currency differences on translation of foreign operations		(34)	85
Items that will not be reclassified subsequently to profit or loss:			
Fair value changes on financial assets, at fair value through other comprehensive income		(3,081)	(19,643)
Other comprehensive income for the financial year, net of tax		(3,115)	(19,558)
Total comprehensive income for the financial year		(919)	(19,355)
Profit attributable to:			
Owners of the parent		2,195	191
Non-controlling interests		1	12
		2,196	203
Total comprehensive income attributable to:			
Owners of the parent		(921)	(19,369)
Non-controlling interests		2	14
		(919)	(19,355)
Earnings per share			
– Basic and diluted (cents)	28	2.09	0.18

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Share capital $'000	Treasury shares $'000	Fair value adjustment reserve $'000	Foreign currency translation account $'000	Retained earnings $'000	Equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Group									
Balance at 1 April 2019		17,967	(255)	3,302	(60)	5,436	26,390	68	26,458
Profit for the financial year		–	–	–	–	2,195	2,195	1	2,196
Other comprehensive income for the financial year									
Fair value changes on financial assets, at fair value through other comprehensive income		–	–	(3,081)	–	–	(3,081)	–	(3,081)
Foreign currency differences on translation of foreign operations		–	–	–	(35)	–	(35)	1	(34)
Total comprehensive income for the financial year		–	–	(3,081)	(35)	2,195	(921)	2	(919)
Distributions to owners of the parent									
Dividend paid	29	–	–	–	–	(525)	(525)	–	(525)
Balance at 31 March 2020		17,967	(255)	221	(95)	7,106	24,944	70	25,014

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	Share capital $'000	Treasury shares $'000	Fair value adjustment reserve $'000	Foreign currency translation account $'000	Retained earnings $'000	Equity attributable to owners of the parent $'000	Non-controlling interests $'000	Total equity $'000
Group									
Opening balance at 1 April 2018 (FRS framework)		17,967	(255)	22,979	(143)	5,850	46,398	54	46,452
Effect of transition to SFRS(I) 9		–	–	(34)	–	(80)	(114)	–	(114)
Balance at 1 April 2018 (SFRS(I) framework)		17,967	(255)	22,945	(143)	5,770	46,284	54	46,338
Profit for the financial year		–	–	–	–	191	191	12	203
Other comprehensive income for the financial year									
Fair value changes on financial assets, at fair value through other comprehensive income		–	–	(19,643)	–	–	(19,643)	–	(19,643)
Foreign currency differences on translation of foreign operations		–	–	–	83	–	83	2	85
Total comprehensive income for the financial year		–	–	(19,643)	83	191	(19,369)	14	(19,355)
Distributions to owners of the parent									
Dividend paid	29	–	–	–	–	(525)	(525)	–	(525)
Balance at 31 March 2019		17,967	(255)	3,302	(60)	5,436	26,390	68	26,458

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	2020 $'000	2019 $'000
Operating activities		
Profit before income tax	2,237	612
Adjustments for:		
Bad debt written off	3	–
(Write-back of)/Impairment loss on financial assets	(801)	936
Write-back of trade payables	(110)	(6)
Write-back of allowance for inventory obsolescence	(84)	(66)
Fair value (gain)/loss on derivative financial instrument, net	(972)	677
Depreciation of plant and equipment and right-of-use assets	632	347
Dividend income	(63)	–
Gain on disposal of plant and equipment	(20)	(5)
Interest income	(147)	(219)
Interest expense	26	–
Inventory written off	8	–
Plant and equipment written off	1	4
Share of results of associates	(12)	411
Unrealised exchange gain	(197)	(174)
Operating cash flows before working capital changes	501	2,517
Working capital changes:		
Inventories	677	(1,132)
Trade and other receivables	(626)	2,811
Contract assets	2,997	(3,703)
Prepayments	51	2
Trade and other payables	(949)	(1,008)
Contract liabilities	(873)	(2,675)
Cash generated from/(used in) operations	1,778	(3,188)
Interest received	147	183
Income tax paid	(510)	(127)
Net cash generated from/(used in) operating activities	1,415	(3,132)
Investing activities		
Dividend received	63	–
Proceeds from disposal of plant and equipment	20	5
Purchase of plant and equipment	(300)	(347)
Net cash used in investing activities	(217)	(342)
Financing activity		
Dividend paid	(525)	(525)
Interest paid	(26)	–
Payment of lease liabilities	(340)	–
Net cash used in financing activities	(891)	(525)
Net change in cash and cash equivalents	307	(3,999)
Cash and cash equivalents at beginning of financial year	14,165	17,881
Effects of foreign exchange rate changes on cash and cash equivalents	171	283
Cash and cash equivalents at end of financial year	14,643	14,165

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 2020 were authorised for issue in accordance with a Directors' resolution dated 7 August 2020.

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 ("$") which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand ("$'000") as indicated.

The preparation of financial statements in 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Changes in accounting policies

New standards, amendments and interpretations effective from 1 April 2019

The standards, amendments to standards, and interpretations, issued by Accounting Standards Council Singapore ("ASC") 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, except as detailed below.

SFRS(I) 16 *Leases*

SFRS(I) 16 supersedes SFRS(I) 1-17 Leases and SFRS(I) INT 4 *Determining whether an Arrangement Contains a Lease*. SFRS(I) 16 provides a single lessee accounting model which eliminates the distinction between operating and finance leases for lessees. SFRS(I) 16 requires lessee to capitalise all leases on the consolidated statement of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the right-of-use assets will be amortised and the lease liabilities will be measured at amortised cost. From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under SFRS(I) 16.

The Group applied SFRS(I) 16 retrospectively with the cumulative effect of initially applying this standard as an adjustment to the opening retained earnings as at 1 April 2019 (the "date of initial application"). The Group elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4 were not reassessed. The definition of lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 April 2019.

In applying the modified retrospective approach, the Group has taken advantage of the following practical expedients :

- Leases with a remaining term of twelve months from the date of initial application have been accounted for as short-term leases (i.e. not recognised on statement of financial position) even though the initial term of the leases from lease commencement date may have been more than twelve months;

As a lessee, the Group previously classified leases as finance or operating lease based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities for most leases. For those low-value assets based on the value of the underlying asset when new and leases with a lease term of 12 months or less, the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

On adoption of SFRS(I) 16, the Group recognised right-of-use assets and lease liabilities in relation to rental of office premises, office equipment and motor vehicles which had previously been classified as operating leases.

Lease liabilities from operating leases under the principles of SFRS(I) 1-17 were measured at the present value of the remaining lease payments, discounted using lessee's incremental borrowing rate as at 1 April 2019. The weighted average incremental borrowing rate applied to lease liabilities on 1 April 2019 was 5%.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Changes in accounting policies (Continued)

New standards, amendments and interpretations effective from 1 April 2019 (Continued)

SFRS(I) 16 *Leases* (Continued)

The effect of adopting SFRS(I) 16 as at 1 April 2019 was as follows:

	Group Increase/ (decrease) $'000
Assets	
Right-of-use assets	699
Liabilities	
Lease liabilities	699

The aggregate lease liabilities recognised in the consolidated statement of financial position as at 1 April 2019 and the Group's operating lease commitment as at 31 March 2019 can be reconciled as follows:

	$'000
Operating lease commitment as at 31 March 2019 (Note: 30)	442
Less: Effect of short-term leases and low value leases	(88)
Add: Effect of extension options reasonably certain to be exercised	379
	733
Effect of discounting using the incremental borrowing rate as at date of initial application	(34)
Lease liability as at 1 April 2019	699

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

SFRS(I) issued but not yet effective

At the date of authorisation of these financial statements, the following SFRS(I) that are relevant to the Group 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) 1-1, SFRS(I) 1-8 (Amendments)	:	Definition of Material	1 January 2020
SFRS(I) 1-1 (Amendments)	:	Classification of liabilities as current or non-current	1 January 2023
Amendments to SFRS(I) 1-16	:	Property, plant and Equipment – Proceeds before intended use	1 January 2022
Amendments to SFRS(I) 1-37	:	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
SFRS(I) 3 (Amendments)	:	Definition of a Business	1 January 2020
SFRS(I) 3 (Amendments)	:	Reference to the Conceptual Framework	1 January 2022
SFRS(I) 9, SFRS(I) 1-39, and SFRS(I) 7 (Amendments)	:	Interest Rate Benchmark Reform	1 January 2020
SFRS(I) 16 (Amendments)	:	Covid-19 Related rent concessions	1 June 2020
SFRS(I) 17	:	Insurance Contracts	1 January 2021
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
Various amendments	:	References to the Conceptual Framework in Standards, Illustrative Examples, Implementation Guidance and Practice Statements	1 January 2020
Various amendments	:	Annual improvements to SFRS(I)s 2018-2020	1 January 2022

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) in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.2 Basis of consolidation (Continued)

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

Changes in the Group's interest in 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations (Continued)

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Plant and equipment (Continued)

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

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

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

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

2.6 Subsidiaries

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

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

2.7 Associates

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Associates (Continued)

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

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

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

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

2.8 Impairment of non-financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Inventories

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

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

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

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 SFRS(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (Continued)

Financial assets (Continued)

Amortised cost (Continued)

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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (Continued)

Financial assets (Continued)

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 entity instrument.

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 customers' deposits, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial guarantee contracts

The Company has issued corporate guarantees to banks for performance guarantees given to customers of a subsidiary and 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 when goods are delivered to the customer, where revenue is recognised at a point in time when 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Revenue recognition (Continued)

Sale of goods (Continued)

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 lease 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.

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 Grants

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

Grants which are receivable in relation to expenses to be incurred in the subsequent financial period, are included as grant receivables and deferred government grants, classified as current assets and current liabilities respectively.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 payables 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 (excluding those which meet the definition of investment property) and lease liabilities separately from other assets and other liabilities in the consolidated statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Leases (Continued)

As lessee (Continued)

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 bases:

	Years
Office premises	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.

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 and the Company 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.

2. **SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

2.14 Leases (Continued)

As lessee (Continued)

Subsequent measurement (Continued)

- 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.

Accounting policy prior to 1 April 2019

As lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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.

If the lease arrangement contains lease and non-lease components, the Group applies the principles within SFRS(I) 15 to allocate consideration in the lease arrangement.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

Any modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 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.

2.16 Taxes

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Foreign currency transactions and translation

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

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

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

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

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

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

2.18 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.

2.19 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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

(i) Valuation of financial assets, at fair value through other comprehensive income

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

(ii) Impairment of investments in subsidiaries

At the end of each financial year, management assess whether its investments in subsidiaries exhibit any indication of impairment. Where such indication exists, the recoverable amount of the investment will be determined. The recoverable amount was determined using the higher of fair value less costs of disposal or value-in-use method, which requires the use of estimates.

As at 31 March 2020, the carrying amounts of the Company's investment in subsidiaries are disclosed in Note 7 to the financial statements.

(iii) Impairment of investments in associates

Management reviews whether investments in associates exhibit any indication of impairment. Where such indication exists, the recoverable amount of the investment will be determined. The recoverable amount was determined using the higher of fair value less costs of disposal or value-in-use method, which requires the use of estimates.

As at 31 March 2020, the carrying amounts of the Group's investment in associates are disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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) Allowance for inventory obsolescence

Inventories are stated at the lower of cost and net realisable value. Management primarily determines cost of inventories using the weighted average method. Management estimates the net realisable value of inventories based on assessment of receipt or committed sales prices and provide for excess and obsolete inventories based on historical, estimated future demand and related pricing. In determining excess quantities, management considers inventory forecast uncertainty, recent sales activities, related margin and market positioning of the products. However, factors beyond its control, such as demand levels and pricing competition, could change from period to period. Such factors may require the Group to reduce the value of its inventories. The carrying amount of the Group's inventories as at 31 March 2020 is disclosed in Note 12 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 2020 are disclosed in Note 10 and 13 to the financial statements, respectively.

(iii) 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 performed cost studies, actual costs for similar contracts and recoverability of variation works by taking into account management's estimate 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

3.2 Key sources of estimation uncertainty (Continued)

(iv) Measurement of lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The Group has determined the discount rate by reference to the respective lessee's incremental borrowing rate when the rate inherent in the lease is not readily determinable. The Group obtains the relevant market interest rate after considering the applicable geographical location where the lessee operates as well as the term of the lease. Management considers its own credit spread information from its recent borrowings, industry data available as well as any security available in order to adjust the market interest rate obtained from similar economic environment, term and value of the lease.

The weighted average incremental borrowing rate applied to lease liabilities as at 31 March 2020 was 5%. The carrying amount of lease liabilities as at 31 March 2020 is disclosed in Note 17 to the financial statements.

4. INTANGIBLE ASSET

	Group	
	2020 $'000	2019 $'000
Computer software		
Cost		
Balance at beginning and end of financial year	650	650
Accumulated amortisation		
Balance at beginning and end of financial year	650	650
Carrying amount		
Balance at end of financial year	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

5. PLANT AND EQUIPMENT

	Office equipment $'000	Furniture and fittings $'000	Motor vehicles $'000	Electrical fittings $'000	Plant and machinery $'000	Renovation $'000	Computers $'000	Total $'000
Group								
2020								
Cost								
Balance at 1 April 2019	270	316	399	52	1,067	159	684	2,947
Additions	28	3	–	–	173	14	82	300
Written off	(1)	(1)	–	–	(2)	–	–	(4)
Disposals	–	–	–	–	(16)	–	(137)	(153)
Transfer to inventories	–	–	–	–	(162)	–	–	(162)
Balance at 31 March 2020	297	318	399	52	1,060	173	629	2,928
Accumulated depreciation								
Balance at 1 April 2019	213	292	186	40	665	152	628	2,176
Depreciation	24	6	73	4	129	4	43	283
Written off	(1)	–	–	–	(2)	–	–	(3)
Disposals	–	–	–	–	(16)	–	(137)	(153)
Transfer to inventories	–	–	–	–	(90)	–	–	(90)
Balance at 31 March 2020	236	298	259	44	686	156	534	2,213
Carrying amount								
Balance at 31 March 2020	61	20	140	8	374	17	95	715
2019								
Cost								
Balance at 1 April 2018	280	311	350	54	1,692	155	706	3,548
Additions	11	5	188	2	113	4	24	347
Written off	(19)	–	(95)	(4)	(15)	–	(41)	(174)
Disposals	(2)	–	(43)	–	–	–	(4)	(49)
Transfer to inventories	–	–	–	–	(723)	–	–	(723)
Currency translation adjustment	–	–	(1)	–	–	–	(1)	(2)
Balance at 31 March 2019	270	316	399	52	1,067	159	684	2,947
Accumulated depreciation								
Balance at 1 April 2018	212	286	263	40	822	148	639	2,410
Depreciation	20	6	60	4	218	4	35	347
Written off	(17)	–	(93)	(4)	(15)	–	(41)	(170)
Disposals	(2)	–	(43)	–	–	–	(4)	(49)
Transfer to inventories	–	–	–	–	(360)	–	–	(360)
Currency translation adjustment	–	–	(1)	–	–	–	(1)	(2)
Balance at 31 March 2019	213	292	186	40	665	152	628	2,176
Carrying amount								
Balance at 31 March 2019	57	24	213	12	402	7	56	771

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

6. RIGHT-OF-USE ASSETS

	Office premises $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Group				
Cost				
Balance at 1 April 2019				
– Adoption of SFRS(I) 16 (Note 2.1)	660	13	26	699
Additions	92	–	–	92
Modifications to lease term	(45)	–	–	(45)
Balance at 31 March 2020	707	13	26	746
Accumulated depreciation				
Balance at 1 April 2019	–	–	–	–
Depreciation	332	3	14	349
Modifications to lease term	(17)	–	–	(17)
Balance at 31 March 2020	315	3	14	332
Carrying amount				
Balance at 31 March 2020	392	10	12	414

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020 $'000	2019 $'000
Unquoted equity shares, at cost	16,100	16,100
Allowance for impairment loss	(545)	(545)
	15,555	15,555

Movements in the allowance for impairment loss are as follows:

	Company	
	2020 $'000	2019 $'000
At 1 April	545	620
Reversal of impairment loss during the year	–	(75)
At 31 March	545	545

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

In the previous financial year, a reversal of an allowance for impairment loss of $75,000 was recognised as the Company carried out a review of the recoverable amount of the investment in a subsidiary which was profitable for the financial year then ended. The recoverable amount has been determined based on the net assets of the subsidiary, which comprise mainly of current and liquid assets, which approximates fair value less cost of disposal.

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	
		2020 %	2019 %	2020 %	2019 %
Held by the Company					
Jason Electronics (Pte) Ltd[1] (Singapore)	Design, integration, installation and commissioning of radio, satellite communication and navigational systems	100	100	–	–
Jason Asia Pte Ltd[1] (Singapore)	Sales and service of marine communication and navigational systems	100	100	–	–
Jason Venture Pte. Ltd.[1] (Singapore)	Investment holding	100	100	–	–
Jason Energy Pte. Ltd.[1] (Singapore)	Sales and service of marine communication, navigational and automation systems	100	100	–	–
Marine Innovation Pte. Ltd.[1] (Singapore)	Sales and service of marine communication, navigational and automation systems	100	100	–	–
Held by Jason Venture Pte. Ltd.					
Jason Elektronik (M) Sdn. Bhd.[2] (Malaysia)	Trading and servicing of communication, navigational and automation systems	100	100	–	–
Jason (Shanghai) Co., Ltd[3] (People's Republic of China)	Sales and service of radio, satellite communication and navigational systems	100	100	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-controlling interests	
		2020 %	2019 %	2020 %	2019 %
Held by Jason Venture Pte. Ltd. (Continued)					
PT Jason Elektronika[4] (Indonesia)	Import trading, maintenance and support services of communication, navigational and automation equipment and spares	99	99	–	–
Jason Korea Co., Ltd.[5] (South Korea)	Manufacturing, sales and service of marine offshore and industrial communication, navigational and automation systems	51	51	49	49
Koden Singapore Pte. Ltd.[1] (Singapore)	Marketing, sales, distribution and servicing of marine electronic products	60	60	40	40
Held by Jason Asia Pte Ltd					
PT Jason Elektronika[4] (Indonesia)	Import trading, maintenance and support services of communication, navigational and automation equipment and spares	1	1	–	–

(1) Audited by BDO LLP, Chartered Accountants, Singapore
(2) Audited by UHY, Chartered Accountants, Malaysia
(3) Audited by SBA Stone Forest Shanghai, Certified Public Accountants (Partnership), People's Republic of China
(4) Audited by Tanubrata Sutanto Fahmi & Rekan, a member of BDO International Limited, Indonesia
(5) Not required to be audited in the country of incorporation

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

8. INVESTMENTS IN ASSOCIATES

	Group 2020 $'000	Group 2019 $'000
Unquoted equity shares, at cost		
Balance at beginning of financial year	1,708	1,708
Striking-off of associate	(375)	–
Balance at end of financial year	1,333	1,708
Share of post-acquisition results	(1,244)	(1,631)
	89	77

Movement in share of post-acquisition results of associates was as follows:

	Group 2020 $'000	Group 2019 $'000
Balance at beginning of financial year	(1,631)	(1,220)
Share of results of associates net of tax	12	(411)
Striking-off of associate	375	–
Balance at end of financial year	(1,244)	(1,631)

During the financial year, the Group recognised $12,000 share of profits (2019: $411,000 share of losses) after tax in the profit or loss.

Striking-off of associate

On 9 December 2019, the Group's associate, iPromar (Pte.) Ltd. ("iPromar") was struck off from the Register of Companies. Accordingly, iPromar had ceased to be an associate of the Group. The cost of investment and the share of losses amounting $375,000 had been derecognised upon the strike-off of the associate.

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 2020 %	Effective equity interest held by the Group 2019 %
Jason Electronics (Thailand) Co., Ltd[(1)] (Thailand)	Sales and service of radio, satellite communications and navigational system	49	49
iPromar (Pte.) Ltd.[(2)] (Singapore)	Process plant and engineering services	–	25
Sense Infosys Pte. Ltd.[(3)] (Singapore)	Provision of consultancy and software development and marine networking and communication	24	24

(1) Audited by BDO Limited, a member of BDO International Limited, Thailand
(2) Struck off on 9 December 2019
(3) In the process of liquidation

On 23 April 2019, the Company announced that Sense Infosys Pte. Ltd ("Sense Infosys"), a 24%-owned associated company held through Jason Venture Pte. Ltd. ("JVPL") (a wholly-owned subsidiary of the Group), has been placed under creditors' voluntary liquidation with effect from 23 April 2019 pursuant to a resolution passed at the extraordinary general meeting of Sense Infosys and confirmation by the creditors of Sense Infosys at a creditors' meeting, both held on 23 April 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

JVPL had on 5 April 2019 issued a notice to Sense Infosys as well as to the joint guarantors of the convertible loan, namely Mr Chow Ngee Ken and Mr Yong Kai Chin who are Directors and shareholders of Sense Infosys (the "Guarantors"), to recall the principal amount of the convertible loan plus accrued interest. Subsequently, on 6 June 2019, JVPL through its lawyers further issued a notice to the Guarantors to demand payment by 4 July 2019.

During the financial year, the Group has recovered the principal amount plus accrued interest amounting to $851,000 from Sense Infosys (Note 26).

As at 31 March 2020, there are no material associates and accordingly, summarised financial information of the Group's investment in associates are not presented.

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

	Group	
	2020 $'000	2019 $'000
Beginning of the financial year	3,894	23,537
Fair value changes recognised in other comprehensive income, net[(1)]	(3,081)	(19,643)
End of financial year	813	3,894
Quoted equity securities:		
– Singapore Exchange Securities Trading Limited in Singapore	7	30
– OTC Market in the United States of America	487	3,514
Unquoted equity securities	319	350
	813	3,894

The Group designated the investments shown above as equity investments as at FVOCI because these equity investments represent investments that the Group intends to hold for the long-term for strategic purposes. Accordingly, management has elected to designate these investments in equity instruments as FVOCI as they 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.

No investment in equity instruments measured at FVOCI has been disposed during the current reporting period.

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 market approach.

(1) Fair value changes recognised in other comprehensive income include eMarine Global's net fair value loss of $3,027,000 (2019: net fair value loss of $19,744,000).

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

	Group	
	2020 $'000	2019 $'000
United States dollar	487	3,514
Singapore dollar	7	30
Chinese renminbi	319	350
	813	3,894

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Non-current				
Finance lease receivables – third parties	57	–	–	–
Current				
Trade receivables				
– third parties	6,532	5,093	–	–
– finance lease receivables – third parties	34	58	–	–
– goods and services tax receivables	26	97	–	–
	6,649	5,248	–	–
Allowance for impairment loss on doubtful trade receivables – third parties	(779)	(796)	–	–
Trade receivables from third parties	5,870	4,452	–	–
Trade receivables from an associate	89	91	–	
Trade receivables from subsidiaries	–	–	1,661	–
	5,959	4,543	1,661	–
Other receivables				
– third parties	48	78	6	25
– grant receivable in respect of Job Support Scheme	416	–	123	–
– subsidiaries	–	–	578	578
– an associate	–	851	–	–
	464	929	707	603
Allowance for impairment loss on doubtful other receivables – third parties	(23)	(14)	–	–
Allowance for impairment loss on doubtful other receivables – a subsidiary	–	–	(578)	(578)
Allowance for impairment loss on doubtful other receivables – an associate	–	(851)	–	–
	441	64	129	25
Security and other deposits	104	104	–	–
Advances to suppliers	406	771	–	–
Advances to staff	7	14	–	–
Trade and other receivables	6,917	5,496	1,790	25
Add:				
– Cash and cash equivalents (Note 15)	14,643	14,165	5,579	7,452
Less:				
– Advances to suppliers	(406)	(771)	–	–
– Goods and services tax receivables	(26)	(97)	–	–
Financial assets carried at amortised cost	21,128	18,793	7,369	7,477

Trade receivables are unsecured, interest-free and generally on 30 to 90 (2019: 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 and an associate are unsecured, interest-free, and repayable on demand.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	Group	
	2020 $'000	2019 $'000
Balance at beginning of financial year	796	1,826
Allowance made during the financial year	67	126
Write-back of allowance during the financial year	(26)	(41)
Allowance written off during the financial year	(76)	(1,138)
Currency translation differences	18	23
At 31 March	779	796

The write-back of allowance for impairment loss on doubtful trade receivables from third parties amounting to approximately $26,000 (2019: $41,000) was recognised in profit or loss when the related trade receivables were subsequently recovered.

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

	Group	
	2020 $'000	2019 $'000
Balance at beginning of financial year	14	486
Allowance made during the year	9	–
Allowance written off during the financial year	–	(487)
Currency differences	–	15
Balance at end of financial year	23	14

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

	Group	
	2020 $'000	2019 $'000
Balance at beginning of financial year	851	–
Allowance made during the financial year	–	851
Write-back of allowance during the financial year	(851)	–
Balance at end of financial year	–	851

In the previous financial year, a full impairment loss on other receivables (non-trade) due from an associate i.e. Sense Infosys Pte. Ltd. ("Sense Infosys") was recognised as Sense Infosys was placed under creditors' voluntary liquidation as disclosed in Note 8 to the financial statements.

Included in this balance, a convertible loan (principal amount plus accrued interest) amounting to $791,000 which the Group granted to Sense Infosys for working capital purposes. The loan bears interest at 12% per annum, and in accordance with the loan agreement, the Group may, in its absolute discretion, at any time, on one occasion, from the date of last drawdown of the convertible loan to the later of 1) 24 months from the date of the last drawdown or 2) the completion of next round of fund-raising by Sense Infosys convert the convertible loan into convertible preference shares of Sense Infosys in accordance to the terms stipulated in the agreement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

During the financial year, the Group has reversed the impairment as the Group has recovered the principal amount plus accrued interest from the directors and shareholders of Sense Infosys. The reversal of impairment was recognised in the Group's statement of comprehensive income and disclosed in Note 26 to the financial statements.

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

	Company	
	2020 $'000	2019 $'000
Balance at beginning of financial year	578	–
Allowance made during the financial year	–	578
Balance at end of financial year	578	578

In the previous financial year, a full impairment loss of $578,000 on other receivable due from a subsidiary, JVPL, was recognised as JVPL suffered financial loss as the investment in an associate (i.e. Sense Infosys) held by JVPL was placed under creditors' voluntary liquidation as disclosed in Note 8 to the financial statements.

Finance lease receivables

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Amount receivable under finance leases				
Within one year	37	59	34	58
In second to fifth year inclusive	60	–	57	–
	97	59	91	58
Less: Unearned finance income	(6)	(1)	–	–
Present value of minimum lease payments receivables	91	58	91	58

	Group	
	2020 $'000	2019 $'000
Analysed as:		
Current	34	58
Non-current	57	–
	91	58

The Group enters into finance lease arrangements for certain of its marine equipment for a term of 3 years (2019: 3 years). All 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. However, in the event of default, the Group is entitled to sell the asset, and has right to any proceeds from such a sale up to the total lease receivables from the lessee.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
United States dollar	3,587	3,161	–	–
Singapore dollar	2,982	1,749	1,790	25
Euro	34	325	–	–
Chinese renminbi	11	46	–	–
Others	303	215	–	–
	6,917	5,496	1,790	25

11. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2020 $'000	2019 $'000
Deferred tax assets		
Balance at beginning of financial year	–	1
Charged/(Credited) to profit or loss	5	(1)
Balance at end of financial year	5	–
Deferred tax liabilities		
Balance at beginning of financial year	(3)	(51)
Charged to profit or loss	–	48
Balance at 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% (2019: 17%).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

12. INVENTORIES

	Group	
	2020 $'000	2019 $'000
Trading goods	4,103	4,632

The cost of inventories recognised as an expense and included in "Cost of sales" line item in profit or loss was approximately $16,160,000 (2019: $11,825,000) for the financial year ended 31 March 2020.

As at 31 March 2020, the Group carried out a review of the realisable value of its inventories and the review led to a reversal of allowance for inventory obsolescence of $84,000 (2019: $66,000) included in "Other income" line item in profit or loss. The write-back of allowance for inventory obsolescence was made as the related inventories were sold above their carrying amounts.

13. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2020 $'000	2019 $'000
Contract assets		
– sale of marine satellite, communications and navigational systems	3,526	6,523
– allowance for impairment loss on contract assets	(101)	(101)
	3,425	6,422
Contract liabilities		
– sale of marine satellite, communications and navigational systems	2,580	3,453

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 yet 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

	2020 $'000	2019 $'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	1,714	3,497

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

13. CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

(b) Significant changes in contract assets

Contract assets in relation to marine satellite, communications and navigational systems amounting to $6,207,000 (2019: $1,375,000) have been transferred to trade receivables when the rights become unconditional.

Movements in allowance for impairment loss on contract assets are as follows:

	Group	
	2020 $'000	2019 $'000
Balance at beginning of financial year	101	104
Currency translation differences	–	(3)
Balance at end of financial year	101	101

In the previous financial year, 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.

(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 2020, the aggregate amount of the transaction price allocated to the remaining performance obligations is approximately $32,682,000 (2019: $24,612,000) and the Group will recognise the revenue as the work is completed, which is expected to occur over the next 24 months.

14. DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2020 $'000	2019 $'000
Assets		
Put option	1,392	249
Foreign currency forward contracts	–	5
	1,392	254
Liabilities		
Foreign currency forward contracts	172	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

14. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Put option arising from investment in eMarine Global Inc. ("eMarine Global")

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

Pursuant to the corporate exercise to which e-Marine Co., Ltd became a wholly-owned subsidiary of Pollex, Inc, the shareholder agreement entered into with Mr Ung Gyu Kim ("Mr Kim") was revised on 30 August 2017. The put option, if exercised, will give the Group the right to sell 1,363,953 shares in eMarine Global for KRW759 per share, plus interest accrued on the aggregate consideration at a rate of 5.38% per annum for the period from 28 October 2011 to the date the put option is exercised. The exercise period of the put option is from 1 January 2017 to 31 December 2019. On 18 January 2019, the Group entered into an amended and restated agreement and extended the expiration date of the put option from 31 December 2019 to 31 December 2022.

As at 31 March 2020, the fair value of the put option contract is estimated to be $1,392,000 (2019: $249,000). The fair value of the put option in eMarine Global was valued by an independent valuation firm and the valuation techniques used to derive the fair value of the put option is disclosed in Note 33.6 to the financial statements.

Foreign currency forward contracts

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

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

As at the end of the reporting period, the outstanding forward foreign currency contracts and foreign currency option contracts to which the Group committed are as follows:

	Foreign currency		Notional amount		Fair value	
	2020 USD'000	2019 USD'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Forward foreign currency contracts:						
– Buy United States dollar	–	2,500	–	3,375	–	4
– Sell United States dollar	6,500	–	9,062	–	(172)	–
Foreign currency option contracts:						
– Buy United States dollar	–	2,000	–	(2,640)	–	19
– Sell United States dollar	–	2,000	–	2,760	–	(18)

The fair value of the forward foreign currency contracts and foreign currency option contracts are determined based on quoted market prices for equivalent contracts at the end of the reporting period.

The forward foreign currency contracts and foreign currency option contracts are to be settled within 12 (2019: 11) months after the end of the reporting period on a gross basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Fixed deposits	9,055	9,844	4,787	6,984
Cash and bank balances	5,588	4,321	792	468
Cash and cash equivalents as per statements of financial position	14,643	14,165	5,579	7,452

Fixed deposits are placed between one month to six months (2019: one month to six months) from the end of the reporting period and the effective interest rates on the fixed deposits were 0.79% to 6.25% (2019: 0.20% to 6.25%) 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.

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

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
United States dollar	3,137	4,498	5	341
Singapore dollar	9,677	7,686	5,574	7,111
Ringgit Malaysia	364	340	–	–
Indonesian rupiah	485	612	–	–
Euro	270	327	–	–
Chinese renminbi	698	688	–	–
Others	12	14	–	–
	14,643	14,165	5,579	7,452

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade payables				
– third parties	1,853	3,140	–	–
– goods and services tax payables	53	8	43	–
– an associate	20	6	–	–
– non-controlling interests	210	208	–	–
	2,136	3,362	43	–
Other payables				
– third parties	77	131	7	3
Accrued expenses	951	1,150	324	266
Customers' deposits				
– third parties	503	394	–	–
Advances from customers	425	530	–	–
Deferred grant income in respect of Job Support Scheme	416	–	123	–
Total trade and other payables	4,508	5,567	497	269
Add:				
Lease liabilities (Note 17)	423	–	–	–
Less:				
– Customers' deposits	(503)	(394)	–	–
– Advances from customers	(425)	(530)	–	–
– Goods and services tax payables	(53)	(8)	(43)	–
– Deferred grant income	(416)	–	(123)	–
Financial liabilities carried at amortised cost	3,534	4,635	331	269

Trade payables are unsecured, interest-free and repayable within the normal trade credit terms of 30 to 120 (2019: 30 to 120) days.

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

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

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Singapore dollar	2,187	1,913	497	269
United States dollar	1,276	2,097	–	–
Euro	385	840	–	–
Chinese renminbi	271	411	–	–
British pound	37	14	–	–
Japanese yen	92	63	–	–
Others	260	229	–	–
	4,508	5,567	497	269

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

17. LEASE LIABILITIES

	Office premises $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Group				
Cost				
Balance at beginning of financial year				
– Adoption of SFRS(I) 16 (Note 2.1)	660	13	26	699
Additions	92	–	–	92
Interest expense	24	1	1	26
Modifications to lease term	(28)	–	–	(28)
Lease payments				
– Principal portion	(324)	(3)	(13)	(340)
– Interest portion	(24)	(1)	(1)	(26)
Balance at end of financial year	400	10	13	423

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

	Group 2020 S$'000
Contractual undiscounted cash flows	
– Not later than a year	373
– After one year but within five years	65
Less: Future interest expense	(15)
Present value of lease liabilities	423
Presented in consolidated statement of financial position	
– Current	361
– Non-current	62
	423

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

Certain office equipment of the Group are qualified 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 2020, the average incremental borrowing rate applied in the lease liabilities measurement was 5%.

Lease liabilities are denominated in Singapore dollars.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

18. SHARE CAPITAL

	Group and Company	
	2020	2019
	$'000	$'000
Issued and fully-paid		
106,000,000 ordinary shares at beginning and end of financial year	17,967	17,967

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

19. TREASURY SHARES

	Group and Company			
	Number of ordinary shares		Amount	
	2020	2019	2020	2019
	'000	'000	$'000	$'000
Balance at beginning and end of financial year	1,000	1,000	255	255

20. 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.

21. 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.

22. RETAINED EARNINGS

Movements of retained earnings of the Company are as follows:

	Company	
	2020	2019
	$'000	$'000
Balance at beginning of financial year	5,068	5,262
Total comprehensive income for the financial year	192	331
Dividends	(525)	(525)
Balance at end of financial year	4,735	5,068

NOTES TO THE FINANCIAL STATEMENTS
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23. REVENUE

Disaggregation of 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	
	2020 $'000	2019 $'000
Type of goods and services		
Sale of goods	22,476	20,860
Rendering of services	5,626	6,151
Airtime revenue	2,102	1,991
	30,204	29,002

Timing of transfer of goods and services

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Total $'000
2020				
Point in time	7,417	5,336	627	13,380
Over time	15,059	290	1,475	16,824
	22,476	5,626	2,102	30,204
2019				
Point in time	8,905	5,490	670	15,065
Over time	11,955	661	1,321	13,937
	20,860	6,151	1,991	29,002

NOTES TO THE FINANCIAL STATEMENTS
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24. OTHER INCOME

	Group	
	2020 $'000	2019 $'000
Dividend income	63	–
Write-back of trade payables	110	6
Fair value gain on derivative financial instruments, net	972	–
Foreign exchange gain, net	195	504
Gain on disposal of plant and equipment	20	5
Government grants	232	214
Interest income	147	219
Marketing income	70	43
Sundry income	171	52
Contract termination payment	401	–
Write-back of allowance for inventory obsolescence	84	66
	2,465	1,109

25. FINANCE COSTS

	Group	
	2020 $'000	2019 $'000
Interest expenses on:		
– lease liabilities (Note 17)	26	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

26. 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	
	2020 $'000	2019 $'000
Cost of sales		
Depreciation of plant and equipment	128	203
Distribution costs		
Advertisement and promotion	78	63
Entertainment	124	118
Transportation and travelling	167	182
General and administrative expenses		
Audit fees		
– auditors of the Company	95	95
– other auditors	17	17
Non-audit fees – other auditors	3	14
Bad debt written off	3	–
Depreciation of plant and equipment	155	144
Depreciation of right-of-use assets	349	–
Inventory written off	8	–
Legal and professional fees	387	529
Loss on write–off of plant and equipment	1	–
Other expenses		
Fair value loss on derivative financial instruments, net	–	677
Write-back of/(Impairment loss on) financial assets		
– trade receivables – third parties	(41)	(85)
– other receivables – third parties	(9)	–
– other receivables – an associate	851	(851)

The profit before income tax also includes:

	Group	
	2020 $'000	2019 $'000
Employee benefits expense		
Salaries, wages and bonuses	7,658	7,436
Contributions to defined contribution plans	993	1,005
Other employee benefits	140	129
	8,791	8,570

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

26. PROFIT BEFORE INCOME TAX (CONTINUED)

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

	Group	
	2020 $'000	2019 $'000
Cost of sales	2,330	2,310
Distribution costs	4,634	4,482
General and administrative expenses	1,827	1,778
	8,791	8,570

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

27. INCOME TAX EXPENSE

	Group	
	2020 $'000	2019 $'000
Current income tax		
– current financial year	13	459
– under/(over) provision in respect of prior financial years	23	(4)
	36	455
Deferred income tax		
– current financial year	5	–
– over provision in respect of prior financial years	–	(46)
	5	(46)
Total income tax expense recognised in profit or loss	41	409

Reconciliation of effective income tax rate

	Group	
	2020 $'000	2019 $'000
Profit before income tax	2,237	612
Share of results of associates	(12)	411
	2,225	1,023
Income tax calculated at Singapore's statutory income tax rate of 17% (2019: 17%)	378	174
Effect of different income tax rates in other countries	10	(11)
Expenses not deductible for income tax purposes	16	325
Income not subject to income tax	(398)	(33)
Enhanced tax deduction and tax rebate	–	(1)
Tax exemption	(7)	(40)
Deferred tax assets not recognised	30	98
Under/(Over) provision in respect of prior financial years	23	(50)
Utilisation of deferred tax assets previously not recognised	(7)	(41)
Others	(4)	(12)
Total income tax expense recognised in profit or loss	41	409

NOTES TO THE FINANCIAL STATEMENTS
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27. INCOME TAX EXPENSE (CONTINUED)

As at 31 March 2020, the Group has unutilised tax losses of approximately $1,603,000 (2019: $1,581,000) and other deductible temporary differences of $95,000 (2019: $13,000) 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 $1,164,000 (2019: $1,175,000) can only be utilised for set-off against its future taxable profits within five years from the date the tax losses were incurred. The breakdown of total unutilised tax losses of a subsidiary which is in People's Republic of China are as follows:

	2020		2019	
Year of tax losses	$'000	Expiry date	$'000	Expiry date
2016	181	Dec–2020	211	Dec–2020
2017	527	Dec–2021	527	Dec–2021
2018	199	Dec–2022	199	Dec–2022
2019	238	Dec–2023	238	Dec–2023
2020	19	Dec–2024	–	–

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 2.16 to the financial statements.

28. EARNINGS PER SHARE

The calculation for earnings per share is based on:

	Group	
	2020	2019
Profit attributable to owners of the parent ($'000)	2,195	191
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)	2.09	0.18

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.

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29. DIVIDENDS

	Group and Company	
	2020	2019
	$'000	$'000
Final tax-exempt dividend of 0.50 cent per share in respect of financial year ended 31 March 2018	–	525
Final tax-exempt dividend of 0.50 cent per share in respect of financial year ended 31 March 2019	525	–

The Directors recommend final tax-exempt dividend of $0.50 cent per share amounting to a total of approximately $525,000 to be paid in respect of the current financial year ended 31 March 2020. 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 August 2020.

30. OPERATING LEASE COMMITMENTS

Group as a lessee

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

	Group
	2019
	$'000
Not later than one financial year	419
After one financial year but not later than five financial years	23
	442

Operating lease commitments as at 31 March 2019 represent rents payable by the Group for office premises, equipments and motor vehicles. These leases have varying terms, escalation clauses and renewal options.

NOTES TO THE FINANCIAL STATEMENTS
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31. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Group	
	2020 $'000	2019 $'000
Related parties		
Rental expense for office premises*	220	221
Purchases**	606	700
Associates		
Sales	89	142
Services	28	333

As at 31 March, the outstanding balances in respect of the above related party transactions are disclosed in Note 10 to the financial statements.

* 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, who is one of the non-controlling interests of a subsidiary.

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	
	2020 $'000	2019 $'000
Short-term employee benefits	396	371
Post-employment benefits	9	6
Directors' fees	173	173
	578	550

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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, Germany, Denmark and other countries. These locations are engaged in sale of goods, rendering of services and airtime revenue.

Sale of goods relates to the design, supply and 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 2020

32. SEGMENT INFORMATION (CONTINUED)

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Eliminations $'000	Total $'000
2020						
Revenue						
External revenue	22,476	5,626	2,102	–	–	30,204
Inter-segment revenue	995	837	1	1,621	(3,454)	–
	23,471	6,463	2,103	1,621	(3,454)	30,204
Results						
Fair value gain on derivative financial instruments, net	–	–	–	972	–	972
Gain on disposal of plant and equipment	20	–	–	–	–	20
(Impairment loss on)/Write-back of financial assets, net	–	(10)	(31)	842	–	801
Write-back of allowance for inventory obsolescence	84	–	–	–	–	84
Interest income	–	–	–	147	–	147
Depreciation of plant and equipment and right-of-use assets	(226)	(242)	(16)	(148)	–	(632)
Share of results of associates	–	–	–	12	–	12
Segment profit/(loss)	153	293	(67)	3,479	(1,621)	2,237
Capital expenditure						
Plant and equipment	55	188	1	56	–	300
Assets and liabilities						
Segment assets	14,082	1,881	524	34,015	(18,702)	31,800
Financial assets, at FVOCI	–	–	–	813	–	813
Investments in associates	–	–	–	89	–	89
	14,082	1,881	524	34,917	(18,702)	32,702
Segment liabilities	7,401	4,178	617	5,669	(10,179)	7,686
Current income tax payable	2	–	–	–	–	2
	7,403	4,178	617	5,669	(10,179)	7,688

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

32. SEGMENT INFORMATION (CONTINUED)

	Sale of goods $'000	Rendering of services $'000	Airtime revenue $'000	Unallocated $'000	Eliminations $'000	Total $'000
2019						
Revenue						
External revenue	20,860	6,151	1,991	–	–	29,002
Inter-segment revenue	887	898	1	–	(1,786)	–
	21,747	7,049	1,992	–	(1,786)	29,002
Results						
Fair value loss on derivative financial instruments, net	–	–	–	(677)	–	(677)
Gain on disposal of plant and equipment	–	5	–	–	–	5
Impairment loss on financial assets, net	(7)	(72)	(27)	(830)	–	(936)
Write-back of allowance for inventory obsolescence	66	–	–	–	–	66
Interest income	–	–	–	219	–	219
Depreciation of plant and equipment	(57)	(244)	(6)	(40)	–	(347)
Share of results of associates	–	–	–	(411)	–	(411)
Segment profit/(loss)	2,695	248	(315)	(1,564)	(452)	612
Capital expenditure						
Plant and equipment	189	75	39	44	–	347
Assets and liabilities						
Segment assets	14,521	3,020	802	30,575	(16,944)	31,974
Financial assets, at FVOCI	–	–	–	3,894	–	3,894
Investments in associates	–	–	–	77	–	77
	14,521	3,020	802	34,546	(16,944)	35,945
Segment liabilities	7,231	4,458	691	6,050	(9,407)	9,023
Current income tax payable	341	92	27	4	–	464
	7,572	4,550	718	6,054	(9,407)	9,487

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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	
	2020 $'000	2019 $'000
Revenue from external customers		
Singapore	17,226	11,327
Indonesia	2,803	2,648
People's Republic of China	2,214	5,506
Malaysia	1,475	1,060
Germany	749	1,127
Denmark	470	690
Others*	5,267	6,644
	30,204	29,002

	Group	
	2020 $'000	2019 $'000
Non-current assets		
Singapore	1,100	760
People's Republic of China	13	10
Others	105	78
	1,218	848

* "Others" include France, Hong Kong, Greece, United Kingdom, Australia, Brazil, Cyprus, United Arab Emirates, South Korea, Thailand, Philippines, Switzerland and Saudi Arabia of which none of these countries contributes individually more than 10% of the Group's revenue.

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

Major customers

During the financial year, revenue from two customers amounting to approximately $11,750,000 (2019: $4,978,562) under sale of goods segment, represents approximately 39% (2019: 17%) of total revenue.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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.

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 two (2019: one) major customers which has net trade receivables and contract assets amounting to approximately $2,484,000 (2019: $413,000) and $1,997,000 (2019: $5,586,000) respectively.

The Company has significant credit exposure arising from other receivables due from a subsidiary amounting to approximately $1,621,000 (2019: $Nil) as at 31 March 2020.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 2020

The Group determines expected credit losses on trade receivables, finance lease receivables and contract assets from third parties 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.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables, finance lease receivables and contract assets of the Group as at 31 March 2020.

	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
31 March 2020						
Gross carrying amount of trade receivables	2,860	791	243	585	2,053	6,532
Finance lease receivables	91	–	–	–	–	91
Contract assets	3,526	–	–	–	–	3,526
Less: Loss allowance	(118)	(9)	(5)	(6)	(742)	(880)#
	6,359	782	238	579	1,311	9,269
31 March 2019						
Gross carrying amount of trade receivables	1,277	1,528	342	460	1,486	5,093
Finance lease receivables	58	–	–	–	–	58
Contract assets	6,523	–	–	–	–	6,523
Less: Loss allowance	(117)	(33)	(9)	(19)	(719)	(897)#
	7,741	1,495	333	441	767	10,777

This amount includes $777,000 (2019: $795,000) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

33.1 Credit risk (Continued)

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 and recognised loss allowance of $Nil (2019: $578,000) for non-trade amounts due from a subsidiary as disclosed in Note 10 to the financial statements.

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 Baa2 to Aaa, 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 did 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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

33.2 Foreign currency risk (Continued)

Foreign exchange risk management (Continued)

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

Net monetary assets/(liabilities)

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
United States dollar*	5,428	8,676	5	341
Euro	(81)	(189)	–	–
Chinese renminbi	438	675	–	–

* Includes FVOCI quoted equity securities denominated in United States dollar as disclosed in Note 9 to the financial statements.

Foreign currency sensitivity analysis

The following table details the Group's and the Company's sensitivity to a 5% (2019: 5%) change in United States dollar, Euro and Chinese renminbi against Singapore dollar. The sensitivity analysis assumes an instantaneous 5% (2019: 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		Group Increase/(Decrease) Pre-tax Equity		Company Increase/(Decrease) Profit or Loss before tax	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
United States dollar						
Strengthened against Singapore dollar	247	258	24	176	–	17
Weakened against Singapore dollar	(247)	(258)	(24)	(176)	–	(17)
Euro						
Strengthened against Singapore dollar	(4)	(9)	–	–	–	–
Weakened against Singapore dollar	4	9	–	–	–	–
Chinese renminbi						
Strengthened against Singapore dollar	22	16	–	–	–	–
Weakened against Singapore dollar	(22)	(16)	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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.

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
Group			
2020			
Financial liabilities			
Trade and other payables (excluding customers' deposits, advances from customers, goods and services tax and deferred grant income)	3,111	–	3,111
Lease liabilities	373	65	438
	3,484	65	3,549
2019			
Financial liabilities			
Trade and other payables (excluding customers' deposits, advances from customers and goods and services tax)	4,635	–	4,635

As at the end of the reporting period, all of the Company's non-derivative financial instruments are due within one year and are non-interest bearing.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

33.3 Liquidity risk (Continued)

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

	Within one financial year		Within two to five financial years	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Group				
Financial guarantees	1,008	1,103	1,788	290

As at 31 March 2020, the Company has provided corporate guarantees to banks for performance guarantees given to customers of a subsidiary amounting to approximately $2,796,000 (2019: $1,393,000). 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.

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 OTC Market in the United States of America ("OTC Market") and 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, if the price of the shares held had been 10% (2019: 10%) higher/lower with all other variables held constant, the Group's other comprehensive income would have been approximately $54,000 (2019: $354,000) higher/lower, arising as a result of an increase/decrease in the fair value of equity securities.

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 and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 March 2020 and 31 March 2019.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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

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).

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

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

Financial instruments by category

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Financial assets				
Fair value through profit or loss				
Derivative financial instruments	1,392	254	–	–
Fair value through other comprehensive income				
Financial assets, at fair value through other comprehensive income	813	3,894	–	–
Financial assets carried at amortised cost (Note 10)	21,128	18,793	7,369	7,477
Financial liabilities				
Fair value through profit or loss				
Derivative financial instruments	172	–	–	–
Financial liabilities carried at amortised cost (Note 16)	3,534	4,635	331	269

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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
Group				
31 March 2020				
Assets				
Financial assets, at FVOCI				
– Quoted equity securities	494	–	–	494
– Unquoted equity securities	–	–	319	319
Derivative financial instruments	–	–	1,392	1,392
	494	–	1,711	2,205
Liabilities				
Derivative financial instruments	–	172	–	172
31 March 2019				
Assets				
Financial assets, at FVOCI				
– Quoted equity securities	3,544	–	–	3,544
– Unquoted equity securities	–	–	350	350
Derivative financial instruments	–	5	249	254
	3,544	5	599	4,148

There have 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 (Continued)

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

Financial Instrument	Valuation techniques used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Unquoted equity securities	Market approach based on Enterprise Value/ Earnings Before Interest Tax Depreciation and Amortisation ("EV/EBITDA") method	– Earnings multiple ranging 6.00 to 6.50 – (31 March 2019: Earnings multiple ranging 3.50 to 4.50)	Increased earnings multiple would increase fair value; decreased earnings multiple would decrease fair value.
Put option	Binomial model method	– Expected volatility: 43.8% (31 March 2019: 40.1%) – Drift rate: 0.8 % (31 March 2019: -0.5%)	Increased expected volatility and drift rate would increase and decrease fair value respectively; lower expected volatility and drift rate would decrease and increase fair value respectively.

34. EVENTS SUBSEQUENT TO REPORTING DATE

The Coronavirus Disease (COVID-19) outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects and this has impacted the Company's operations and its financial performance subsequent to the financial year end.

The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and activities at the business location.

Although the Group's business activities have remained largely operational thus far, the impact of COVID-19 on economies and businesses is expected to be broad and significant. The Group expects market conditions to remain challenging and its financial performance will continue to be affected by the uncertainties and developments in the marine and offshore oil and gas industry, especially with the evolving COVID-19 situation as well as the recent drop in oil prices.

The Group anticipates that any potential impacts will depend on, to a large extent, future developments and further actions taken by government authorities and other parties to contain the COVID-19 outbreak which are beyond the Group's control.

SHAREHOLDING STATISTICS

AS AT 21 JULY 2020

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

Size of Shareholdings			No. of Shareholders	% of Holders	No. of Shares	% of Shares
1	–	99	0	0.00	0	0.00
100	–	1,000	140	31.82	138,200	0.13
1,001	–	10,000	125	28.41	802,300	0.77
10,001	–	1,000,000	170	38.63	13,262,300	12.63
1,000,001	&	ABOVE	5	1.14	90,797,200	86.47
TOTAL			440	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	1,857,200	1.77
TAN LIAN HUAT	1,020,000	0.97
CHEW KENG SENG	1,000,000	0.95
DBS NOMINEES PTE LTD	776,800	0.74
SENG HONG NOI	736,000	0.70
PANG YOKE MIN	500,000	0.48
UOB KAY HIAN PTE LTD	455,700	0.43
RAFFLES NOMINEES (PTE) LIMITED	404,100	0.39
SAHA ANSHUMAN MANABENDRANATH	345,000	0.33
LEE LAI HENG BRIAN	284,900	0.27
YEAP LAM YANG	250,000	0.24
TANG BEE YIAN	240,000	0.23
NG HUA CHONG OR SIA MOI	239,000	0.23
LIM JIUN YIH	216,100	0.21
KEITH LIM CHEE KEONG	203,000	0.19
KUAH HONG SIM	200,000	0.19
SEAH LEE LIM LLP	200,000	0.19
TOTAL	96,847,800	92.24

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 21 July 2020, approximately 19.85% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Catalist Rules 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 convened and held by way of electronic means on Friday, 28 August 2020 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 2020, the Directors' Statement and the Report of the Auditors thereon. **(Resolution 1)**

2. To declare and pay a first and final one-tier tax exempt dividend of 0.5 Singapore cent per share in respect of the financial year ended 31 March 2020. **(Resolution 2)**

3. To approve the Directors' fees of S$172,500 for the financial year ended 31 March 2020. (2019: S$172,500) **(Resolution 3)**

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

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

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

SPECIAL BUSINESS

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

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

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

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

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

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

"That pursuant to Section 161 of the Companies Act, approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new Shares in the share capital of the Company as may be required to be issued pursuant to the vesting of awards under the Jason Performance Share Plan (the "**PSP**"), provided always that the aggregate number of additional new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."
[See Explanatory Note 3] **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

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

"That:

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

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

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

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

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

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

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

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

(3) in this Resolution:

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

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

"M**aximum 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,

NOTICE OF ANNUAL GENERAL MEETING

where:

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

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

(4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution."
[See Explanatory Note 4] **(Resolution 9)**

10. **OTHER BUSINESS**

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

BY ORDER OF THE BOARD

Pan Mi Keay
Company Secretary
13 August 2020

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1. Each of Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon was appointed to the Board on 15 September 2009 and has served as independent directors of the Company for a period of more than nine years.

   The Board and the NC have evaluated the participation of each 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.

   Mrs Eileen Tay-Tan Bee Kiew (Lead Independent Director) will, upon re-election as a Director of the Company, continue to serve as the Chairperson of the Audit and Risk Committee as well as a member of the Nominating Committee and Remuneration Committee. She is considered independent for the purposes of Rule 704(7) of the Catalist Rules.

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

   Detailed information of Mrs Eileen Tay-Tan Bee Kiew and Mr Sin Hang Boon 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 2020.

2. Ordinary Resolution 7, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM, to allot and issue Shares and/or Instruments (as defined above). The aggregate number of new Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may issue under this Resolution shall not exceed 100% of the issued share capital of the Company at the time of passing of this Resolution. For issue of Shares and convertible securities other than on a pro-rata basis, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the issued share capital of the Company at the time of passing of this Resolution. This authority will, unless revoked or varied at a general meeting, expire on the date of the next AGM of the Company or on the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

3. Ordinary Resolution 8, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant to PSP, provided that the aggregate number of new Shares to be allotted and issued pursuant to the PSP and other share scheme(s) to be implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company or by the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

4. Ordinary Resolution 9, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM is held or is required by law to be held, whichever is the earlier, to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution. Details of the proposed renewal of Share Buyback Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial effects on the Group, are set out in the Appendix to the Annual Report 2020.

NOTICE OF ANNUAL GENERAL MEETING

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.

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Printed copies of this notice of AGM (the "Notice") have been sent to members.** This Notice with its accompanying proxy form will also be made available by electronic means via an announcement on the SGX website at the URL https://www.sgx.com/securities/company-announcements and may be accessed at the Company's website at the URL www.jason.com.sg.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in the Company's announcement accompanying this Notice dated 13 August 2020. This announcement may be accessed at the Company's website at the URL www.jason.com.sg, and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

3. **Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID- 19, members will not be able to attend the AGM in person. A member (whether individual or corporate) must submit his/her/its proxy form appointing the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM**. The accompanying proxy form for the AGM will be announced together with this Notice and may be accessed at the Company's website at the URL www.jason.com.sg, and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

   CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5:00 pm on 21 August 2020**.

NOTICE OF ANNUAL GENERAL MEETING

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) via the following URL https://sg.conveneagm.com/jasonmarineagm2020 (the "**JMG AGM Website**") in the electronic format accessible on the JMG AGM Website; or

   (b) if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or

   (c) if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com,

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

   A member who wishes to submit an instrument of proxy must first download, 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.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via JMG AGM Website or email.

6. The Annual Report 2020 may be accessed at the Company's website at the URL www.jason.com.sg and on the SGX website at the URL https://www.sgx.com/securities/annual-reports-related-documents.

7. Members will not be able to ask questions during the live audio-visual webcast or audio-only stream of the AGM. Members who wish to ask questions relating to the resolutions to be tabled at the AGM must complete and submit the questions form for the AGM, which will be announced together with this Notice and may be accessed at the Company's website at the URL www.jason.com.sg and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

8. The questions form must be submitted to the Company in the following manner by **10:00 a.m. on 25 August 2020**:

   (a) via the JMG AGM Website; or

   (b) if submitted by post, be lodged at the office of the Company's registered office at 194 Pandan Loop, #06-05 Pantech Business Hub, Singapore 128383; or

   (c) if submitted electronically, be submitted via email to the Company at jmg@jason.com.sg.

   A member who wishes to submit the questions form must first download, complete and sign the questions 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.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit completed questions forms by post, shareholders are strongly encouraged to submit completed questions forms electronically via JMG AGM Website or email.

NOTICE OF ANNUAL GENERAL MEETING

9. The Management and the Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members prior to the AGM by publishing the responses to those questions on SGXNET at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL www.jason.com.sg. Where substantial and relevant questions submitted by members are unable to be addressed prior to the AGM, the Company will address them during the AGM through the live audio-visual webcast and live audio-only stream.

This notice has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("**Sponsor**") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"). 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 Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone (65) 6337 5115.

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 convened and held by way of electronic means on Friday, 28 August 2020 at 10:00 a.m. ("**2020 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 30 July 2019 ("**2019 AGM**"), renewed the Share Buyback Mandate ("**2019 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 2019 Mandate.

1.3 The 2019 Mandate will expire on the date of the forthcoming 2020 AGM. If the proposed resolution for the renewal of the Share Buyback Mandate is approved at the 2020 AGM, the Share Buyback Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the next Annual General Meeting of the Company is held or is required by law to be held, whichever is earlier.

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

2. THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

2.1 Rationale

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

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

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

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

APPENDIX

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

2.1 **Rationale** (Continued)

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

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

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 2020 AGM, are substantially similar in terms to those previously approved by Shareholders at the 2019 AGM, and are summarised below:

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

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company (ascertained as at the date of the forthcoming 2020 AGM at which the renewal of the Share Buyback Mandate is approved), unless the share capital of the Company has been reduced in accordance with the applicable provisions of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), at any time during the period commencing from the date on which the ordinary resolution relating to the Share Buyback Mandate is passed and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier (the "**Relevant Period**"), in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered. Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for purposes of computing the 10% limit.

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 2020 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 2020 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, would have any effect on the listing of the Shares on the Catalist;

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

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

2.2.4 Maximum Purchase Price for the Shares

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

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

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

2.6 Reporting requirements

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

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

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

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

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

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 2020 and based on the assumptions set out below:

(a) based on 105,000,000 Shares in issue as at 31 March 2020 (excluding 1,000,000 Shares held in treasury) and assuming no further Shares are issued on or prior to the 2020 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 2020 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$0.144 (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 30 July 2020 (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$1.5 million; and

(c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 10,500,000 Shares at the Maximum Price of S$0.165 (being the price equivalent to 120% of the Average Closing Price of the Shares for the 5 consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase of the 10,500,000 Shares (excluding related expenses) is approximately S$1.7 million.

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

(i) such purchase or acquisition of Shares is financed solely by internal sources of funds available as at 31 March 2020;

(ii) the Share Buyback Mandate had been effective on 1 April 2019; 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 2020),

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 2020 pursuant to the Share Buyback Mandate are as follows:

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

	Group			Company		
As at 31 March 2020	Before Share Buyback (S$'000)	After Share Buyback assuming Market Purchase (S$'000)	After Share Buyback assuming Off-Market Purchase (S$'000)	Before Share Buyback (S$'000)	After Share Buyback assuming Market Purchase (S$'000)	After Share Buyback assuming Off-Market Purchase (S$'000)
Share Capital	17,967	17,967	17,967	17,967	17,967	17,967
Reserves	126	126	126	–	–	–
Accumulated profits	7,106	7,106	7,106	4,735	4,735	4,735
Treasury shares	(255)	(1,767)	(1,988)	(255)	(1,767)	(1,988)
Equity attributable to the owners of the parent	24,944	23,432	23,211	22,447	20,935	20,714
NTA[(1)]	25,014	23,502	23,281	22,447	20,935	20,714
Cash and cash equivalents	14,643	13,131	12,910	5,579	4,067	3,846
Current assets	30,609	29,097	28,876	7,389	5,877	5,656
Current liabilities	7,623	7,623	7,623	497	497	497
Working capital	22,986	21,474	21,253	6,892	5,380	5,159
Total Borrowings[(2)]	–	–	–	–	–	–
Profit for the financial year	2,196	2,196	2,196	192	192	192
Number of issued Shares ('000)	106,000	106,000	106,000	106,000	106,000	106,000
Treasury shares ('000)	1,000	11,500	11,500	1,000	11,500	11,500
Number net of treasury shares ('000)	105,000	94,500	94,500	105,000	94,500	94,500
Financial Ratios						
NTA per Share (cents)[(3)]	23.82	24.87	24.64	21.38	22.15	21.92
EPS (cents)[(4)]	2.09	2.32	2.32	0.18	0.20	0.20
Current ratio (times)[(5)]	4.0	3.8	3.8	14.9	11.8	11.4
Gearing ratio (times)[(6)]	0.0	0.0	0.0	0.0	0.0	0.0
Return on equity (%)[(7)]	8.8%	9.4%	9.5%	0.9%	0.9%	0.9%

Notes:

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

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

(3) NTA per Share is calculated based on NTA and 105,000,000 Shares (excluding treasury shares and subsidiary holdings) in issue as at 31 March 2020.

(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 2020.

(5) Current ratio equals current assets divided by current liabilities.

(6) Gearing ratio equals total borrowings divided by Equity attributable to the owners of the parent.

(7) Return on equity equals profit for the financial year divided by Equity attributable to the owners of the parent.

APPENDIX

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

2.7 Financial Effects (Continued)

Scenario 2: Purchases made out of capital and cancelled

As at 31 March 2020	Group Before Share Buyback (S$'000)	After Share Buyback assuming Market Purchase (S$'000)	After Share Buyback assuming Off-Market Purchase (S$'000)	Company Before Share Buyback (S$'000)	After Share Buyback assuming Market Purchase (S$'000)	After Share Buyback assuming Off-Market Purchase (S$'000)
Share Capital	17,967	17,967	17,967	17,967	17,967	17,967
Reserves	126	(1,386)	(1,607)	–	(1,512)	(1,733)
Accumulated profits	7,106	7,106	7,106	4,735	4,735	4,735
Treasury shares	(255)	(255)	(255)	(255)	(255)	(255)
Equity attributable to the owners of the parent	24,944	23,432	23,211	22,447	20,935	20,714
NTA[(1)]	25,014	23,502	23,281	22,447	20,935	20,714
Cash and cash equivalents	14,643	13,131	12,910	5,579	4,067	3,846
Current assets	30,609	29,097	28,876	7,389	5,877	5,656
Current liabilities	7,623	7,623	7,623	497	497	497
Working capital	22,986	21,474	21,253	6,892	5,380	5,159
Total Borrowings[(2)]	–	–	–	–	–	–
Profit for the financial year	2,196	2,196	2,196	192	192	192
Number of issued Shares ('000)	105,000	94,500	94,500	105,000	94,500	94,500
Financial Ratios						
NTA per Share (cents)[(3)]	23.82	24.87	24.64	21.38	22.15	21.92
EPS (cents)[(4)]	2.09	2.32	2.32	0.18	0.20	0.20
Current ratio (times)[(5)]	4.0	3.8	3.8	14.9	11.8	11.4
Gearing ratio (times)[(6)]	0.0	0.0	0.0	0.0	0.0	0.0
Return on equity (%)[(7)]	8.8%	9.4%	9.5%	0.9%	0.9%	0.9%

Notes:

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

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

(3) NTA per Share is calculated based on NTA and 105,000,000 Shares (excluding treasury shares and subsidiary holdings) in issue as at 31 March 2020.

(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 2020.

(5) Current ratio equals current assets divided by current liabilities.

(6) Gearing ratio equals total borrowings divided by Equity attributable to the owners of the parent.

(7) Return on equity equals profit for the financial year divided by Equity attributable to the owners of the parent.

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 2020 and the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at 31 March 2020, 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 Catalist Rules

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

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

Based on the Register of Directors' shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 20,847,000 Shares, representing 19.85% 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 <u>Obligation to make a take-over offer</u>

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

2.9.2 <u>Persons acting in concert</u>

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

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

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

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

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

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

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and 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[2]	–	–	2,650,000	–	2,650,000	2.52
Sin Hang Boon @ Sin Han Bun	–	–	–	–	–	–
Eileen Tay-Tan Bee Kiew	–	–	–	–	–	–
Substantial Shareholders (other than Directors)	–	–	–	–	–	–
Other Shareholder						
Sirius Venture Capital Pte. Ltd. **("Sirius Venture")[2]**	2,650,000	–	–	–	2,650,000	2.52

Notes:
(1) The percentage is calculated based on the total issued and paid-up share capital of 105,000,000 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
(2) Sirius Venture is a company incorporated in Singapore on 12 September 2002 and is principally engaged in investment activities and the provision of business consultancy services. Mr Wong Hin Sun Eugene is the managing director of Sirius Venture. As at the Latest Practicable Date, Mr Wong Hin Sun Eugene holds 100% of the issued share capital of Sirius Venture. Mr Wong Hin Sun Eugene is accordingly deemed to have an interest in the Shares held by Sirius Venture.

4. SHARE BUYBACKS IN THE PREVIOUS 12 MONTHS

The Company did not purchase or acquire any Shares during the 12-month period immediately preceding the Latest Practicable Date.

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

5. TAX IMPLICATIONS

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

6. DIRECTORS' RECOMMENDATION

After having considered the rationale and the information relating to the Share Buyback Mandate, the Directors are of the opinion that the proposed renewal of Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution 9 as set out in the Notice of Annual General Meeting relating to the proposed renewal of the Share Buyback Mandate.

APPENDIX

7. ANNUAL GENERAL MEETING

The 2020 AGM, notice of which is set out on pages 100 to 107 of the 2020 Annual Report of the Company, will be convened and held by way of electronic means on Friday, 28 August 2020 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

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, Shareholders will not be able to attend the 2020 AGM in person due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19. A Shareholder (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the 2020 AGM if such Shareholder wishes to exercise his/her/its voting rights at the 2020 AGM.

Where a Shareholder (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid. The Proxy Form for the 2020 AGM will be announced together with the Notice of AGM and may be accessed at the Company's website at the URL www.jason.com.sg and the SGX website at the URL https://www.sgx.com/securities/companyannouncements.

The Proxy Form must be submitted to the Company in the following manner:

a. via the following URL https://sg.conveneagm.com/jasonmarineagm2020 (the "**JMG AGM Website**") in the electronic format accessible on the JMG AGM Website; or

b. if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or

c. if submitted electronically, be submitted via email to the Company's Share Registrar at main@zicoholdings.com,

in either case not less than 48 hours before the time appointed for the 2020 AGM.

A Depositor shall not be regarded as a shareholder of the Company and not be entitled to attend the 2020 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 2020 AGM.

If a shareholder is required to abstain from voting on a proposal at a general meeting by a listing rule or pursuant to any court order, any votes cast by the shareholder on that resolution will be disregarded by the Company.

APPENDIX

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 2020 AGM:

(a) the Constitution of the Company; and

(b) the rules of the Jason Performance Share Plan.

The Annual Report of the Company for the financial year ended 31 March 2020 may be accessed at our Company's website at the URL www.jason.com.sg and on the SGX website at the URL https://www.sgx.com/securities/annual-reports-related-documents.

11. STATEMENT BY SPONSOR

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**") 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 Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.

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

FOO CHEW TUCK
Executive Chairman and Chief Executive Officer

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JASON MARINE GROUP LIMITED

(Company Registration No. 200716601W)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:
1. The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Annual General Meeting will not be sent to members. Instead, it will be sent to members by electronic means via announcement on the SGX website at the URL https://www.sgx.com/securities/company-announcements and may be accessed at the Company's website at the URL www.jason.com.sg.
2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the Annual General Meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting are set out in the Company's announcement accompanying the Notice of Annual General Meeting dated 13 August 2020. The aforesaid announcement may be accessed at the Company's website at the URL www.jason.com.sg, and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
3. **Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19, members will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.**
4. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5:00 p.m. on 21 August 2020.
5. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 August 2020.
6. **Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.**

I/We*, ______________________ (Name) ______________________ (NRIC/Passport No./Company Registration No.*)

of ____ (Address)

being a member/members* of Jason Marine Group Limited (the "**Company**"), hereby appoint the **Chairman of the Annual General Meeting**, as my/our* proxy to attend, speak and to vote for me/us* on my/our* behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means on Friday, 28 August 2020 at 10:00 a.m. and at any adjournment thereof.

No.	Ordinary Resolutions	Voting		Abstain From Voting**
		For **	Against **	
	ORDINARY BUSINESS			
1.	Adoption of the Audited Financial Statements of the Company for the financial year ended 31 March 2020, the Directors' Statement and the Report of the Auditors thereon.			
2.	To declare and pay a first and final one-tier tax exempt dividend of 0.5 Singapore cent per share in respect of the financial year ended 31 March 2020.			
3.	Approval of Directors' fees of S$172,500 for the financial year ended 31 March 2020.			
4.	Re-election of Mrs Eileen Tay-Tan Bee Kiew as Director.			
5.	Re-election of Mr Sin Hang Boon as Director.			
6.	Re-appointment of Messrs BDO LLP as Auditors of the Company.			
	SPECIAL BUSINESS			
7.	Authority to allot and issue shares in the capital of the Company and/or instruments pursuant to Section 161 of the Companies Act.			
8.	Authority to allot and issue shares under the Jason Performance Share Plan.			
9.	Renewal of the Company's share buyback mandate.			

* Delete as appropriate

** Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes for or against in the "For" or "Against" box in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain From Voting" box provided in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain From Voting" box in respect of that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Dated this ______________ day of __________ 2020

Total Number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

____

Signature(s) of member(s) or
Common Seal of Corporate Shareholder
IMPORTANT: PLEASE READ NOTES OVERLEAF.

Notes:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy (the "**Proxy Form**") will be deemed to relate to all the shares held by the member.
2. **Due to the various control and safe distancing measures put in place in Singapore to prevent the spread of COVID-19, members will not be able to attend the Annual General Meeting ("AGM") in person. A member (whether individual or corporate) must submit his/her/its Proxy Form appointing the Chairman of the Meeting as his/her/ its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.** The Proxy Form for the AGM will be announced together with the Notice of AGM and may be accessed at the Company's website at the URL www.jason.com.sg and the SGX website at the URL https://www.sgx.com/securities/company-announcements.

   CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5:00 p.m. on 21 August 2020.
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The Proxy Form must be submitted to the Company in the following manner:
   a via the following URL **https://sg.conveneagm.com/jasonmarineagm2020** (the "JMG AGM Website") in the electronic format accessible on the JMG AGM Website; or
   b. if submitted by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
   c. if submitted electronically, be submitted via email to the Company's Share Registrar at 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 first download, 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.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via JMG AGM Website or email.
5. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where a Proxy Form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the Proxy Form, failing which the Proxy Form 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, Chapter 50 of Singapore.
8. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form (or any related attachment) if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

Affix
Postage
Stamp

The Company's Share Registrar
B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 04854

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